



MUTHOOT HOMEFIN (INDIA) LIMITED

Muthoot Homefin (India) Limited (the “Company” or “Issuer”) was incorporated at Ernakulam on August 26, 2011 as a public limited company under the provisions of the Companies Act, 1956. Our Company has obtained the certificate of registration dated May 19, 2014, bearing registration number 05.0112.14 by the National Housing Bank (“NHB”) to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of the National Housing Bank Act, 1987 (“NHB Act”). For more information about the Company, please refer “General Information”, “History and Other Corporate Matters” and “Our Business” on page 37, 94 and 77 of this Prospectus, respectively.

Registered Office: Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi - 682 018, Kerala, India

Corporate Office: Unit No 1201-1202, 12th Floor, A - Wing, Lotus Corporate Park, W. E. Highway, Goregaon East, Mumbai - 400 063, Maharashtra, India

Contact Person: Jinu Mathen, Company Secretary and Compliance Officer

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E-mail: ncd@muthoohomefin.com; **Website:** www.muthoohomefin.com

Corporate Identity Number: U65922KL2011PLC029231

PUBLIC ISSUE BY MUTHOOT HOMEFIN (INDIA) LIMITED, (“COMPANY” OR “ISSUER”) OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH (“NCDs”), FOR AN AMOUNT UP TO ₹1,500 MILLION (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹1,500 MILLION FOR ISSUANCE OF ADDITIONAL NCDs AGGREGATING UP TO ₹3,000 MILLION (“ISSUE”). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE “SEBI DEBT REGULATIONS”), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED.

OUR PROMOTER

Our promoter is Muthoot Finance Limited. For further details, please refer to the chapter “Our Promoter” on page 119.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 13 and “Material Developments” beginning on page 127. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the NHB, the Registrar of Companies, Kerala and Lakshadweep at Kochi (“RoC”) or any stock exchange in India.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

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

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see chapter titled “Terms of the Issue” starting on page 175 of this Prospectus. For details relating to eligible investors, see chapter titled “Issue Structure” on page 170.

CREDIT RATING




The NCDs proposed to be issued under this Issue have been rated “CRISIL AA/Stable” by CRISIL for an amount of up to ₹3,000.00 million pursuant to their letter dated March 1, 2019 and revalidated by their letter dated March 20, 2019. The rating of AA/Stable indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by CRISIL and should be evaluated independently of any other ratings. Please refer to Annexure A of this Prospectus for rating letters and rationale for the above ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited (“BSE”). Our Company has received an ‘in-principle’ approval from BSE pursuant to its letter DCS/BM/PI-BOND/32/18-19 dated March 22, 2019. BSE shall be the Designated Stock Exchange for this Issue.

PUBLIC COMMENTS

The Draft Prospectus dated March 14, 2019 was filed with BSE, pursuant to the provisions of the SEBI Debt Regulations to be kept open for public comments for a period of seven Working Days i.e. until to 5 p.m. from the date of filing of the Draft Prospectus with the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	DEBENTURE TRUSTEE*	REGISTRAR TO THE ISSUE
 Edelweiss Financial Services Limited Edelweiss House, Off CST Road Kalina, Mumbai – 400 098 Maharashtra, India Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: muthoohomefin.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Lokesh Singhi/ Mandeep Singh SEBI Regn. No.: INM0000010650	 Milestone Trusteeship Services Private Limited Co Wrks Worli, PS56, 3 rd floor, Birla Centurion Century Mills Compound, Pandurang Budhakar Marg Worli, Mumbai – 400 030 Maharashtra, India Tel: 91 22 6288 6119, +91 22 6288 6120 Email: compliance@milestonetrustee.in Investor Grievance Email: investorgrievances@milestonetrustee.in Website: www.milestonetrustee.in Contact Person: Jagdish Kondur SEBI Regn. No.: IND000000544	 Link Intime India Private Limited C-101, 1st Floor, 247 Park LBS Marg, Vikhroli (West) Mumbai- 400 083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: mhfil.ncd@linkintime.co.in Investor Grievance Email: mhfil.ncd@linkintime.com Contract person: Shanti Gopalkrishnan Website: www.linkintime.co.in SEBI Regn. No.: INR000004058
ISSUE PROGRAMME**		
ISSUE OPENS ON: Monday April 8, 2019		ISSUE CLOSES ON: Tuesday May 7, 2019

*In terms of regulation 4(4) of SEBI Debt Regulations, Milestone Trusteeship Services Private Limited has given its consent dated March 8, 2019 for its appointment as Debenture Trustee to the Issue and for its name to be included in the Offer Documents and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

**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 Finance 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 a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.

A copy of this Prospectus has been filed with the RoC, in terms of Section 26 of the Companies Act along with the requisite endorsed/certified copies of all requisite documents. For further details, see “Material Contracts and Documents for Inspection” beginning on page 255.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Prospectus to “the Issuer”, “our Company”, “the Company” are to Muthoot Homefin (India) Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi – 682 018, Kerala, India. Unless the context otherwise indicates, all references in this 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 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 from time to time.

Company related terms

Term	Description
Additional Director	Anna Alexander
Asset Liability Management Committee	The asset liability management committee constituted by the Board
AoA/ Articles/ Articles of Association	Articles of Association of our Company, as amended
Audit Committee	The audit committee constituted by the Board
Audited Financial Statements	The Indian GAAP Audited Financial Statements and the Special Purpose Interim Financial Statements, collectively
Board/ Board of Directors	Board of Directors of our Company and includes any committee thereof from time to time
Chief Executive Officer/ CEO	Ramratthinam Seshadri
Chief Financial Officer/ CFO	Pandurang Kadam
Company Secretary/ CS	Jinu Mathen
Compliance Officer	Jinu Mathen
Corporate Office	Unit No 1201-1202, A - Wing, Lotus Corporate Park, W. E Highway, Goregaon East, Mumbai, Maharashtra- 400 063, Maharashtra, India
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board
Directors	Directors of our Company, unless otherwise specified
Equity Shareholders	The holders of the Equity Shares
Equity Shares	Equity shares of our Company of face value of ₹10 each
Finance Committee	The committee constituted by our Board of Directors pursuant to a resolution dated January 2, 2016 and last reconstituted on September 20, 2018
Group Companies	Companies identified in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, namely Asia Asset PLC, Muthoot Insurance Broker Private Limited and Belstar Investment and Finance Private Limited. For details please see “ <i>Financial Statements</i> ” on page 126
ICRA Report	ICRA research report titled “ <i>Indian Mortgage Finance Market Update for H1 FY 2019</i> ”
Independent Director	Independent director of our Company
Indian GAAP Audited Financial Statements	The audited standalone financial statements of our Company presented in accordance with Indian GAAP for financial years ended March 31, 2018, 2017, 2016, 2015 and 2014
KMP	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended
MFL	Muthoot Finance Limited
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by the Board
Non-Executive Directors	Non-executive directors of our Company other than Independent Directors
Promoter	MFL
Reformatted Financial Statements	The reformatted standalone statement of assets and liabilities as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP; the reformatted standalone statement of profit and loss for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, prepared in accordance with Indian GAAP; and the reformatted standalone statement of cash flow for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016,

Term	Description
	March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP. Our Indian GAAP Audited Financial Statements form the basis for such Reformatted Financial Statements
Registered Office	Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi - 682 018, Kerala, India
RoC	Registrar of Companies, Kerala and Lakshadweep at Kochi
Special Purpose Interim Financial Statements	The special purpose interim balance sheet as at September 30, 2018, the special purpose interim statement of profit and loss for the half year ended September 30, 2018, special purpose interim cash flow statement for the half year ended September 30, 2018 and special purpose interim statement of changes in equity as at September 30, 2018 presented in accordance with Ind AS and audited by our Statutory Auditors
Statutory Auditors/ Auditors	The statutory auditors of our Company, namely Rangamani and Co., Chartered Accountants

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment/ Allot/ 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 being or have been Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Prospectus and the Application Form
Application/ 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 which will be considered as the application for Allotment in terms of this Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for Issue
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of this Prospectus
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application”	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form by an ASBA Applicant
Base Issue Size	₹1,500.00 million
Bankers to the Issue	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Account and/or Refund Account will be opened by our Company in respect of the Issue, and as specified in this Prospectus
Bidding Centre	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 Locations for RTAs and Designated CDP Locations for CDPs
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in “ <i>Issue Procedure – Basis of Allotment for NCDs</i> ” on page 210
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchange
BSE	BSE Limited
CARE	CARE Ratings Limited
Category I Investor/ Institutional Investors	<ul style="list-style-type: none"> ▪ Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;

Term	Description
	<ul style="list-style-type: none"> ▪ Provident funds, pension funds with a minimum corpus of ₹250.00 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; ▪ Mutual Funds registered with SEBI; ▪ Venture Capital Funds or Alternative Investment Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; ▪ 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 ₹5,000.00 million as per the last audited financial statements; and ▪ 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.
Category II Investor/ Non-Institutional Investor	<ul style="list-style-type: none"> ▪ Companies within the meaning of section 2(20) of the Companies Act; ▪ 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 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.
Category III Investor / High Net-worth Individuals (“HNIs”)	HNIs which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹1.00 million across all series of NCDs in the Issue
Category IV Investor / Retail Individual Investors	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1.00 million across all series of NCDs in Issue
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt Application Circular
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the Debt Application Circular
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with this Prospectus. For further details, see “ <i>Issue Structure</i> ” on page 170
Credit Rating Agency	For the present Issue, the credit rating agency, being CRISIL Limited
CRISIL	CRISIL Limited
Debenture Trustee Agreement	The agreement dated March 12, 2019 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being Milestone Trusteeship Services Private Limited
Debt Application Circular	Circular No. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI
Deemed Date of Allotment	The date on which the Board of Directors or Finance Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors or Finance Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account

Term	Description
	details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Depository Participant/ DP	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?doRecognisedFpi=yes&intmId=34 at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of this Prospectus and the Public Issue Account Agreement and following which the Board, shall Allot the NCDs to the successful Applicants
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, CRTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated RTA Locations	Such centres of the CRTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time
Designated Stock Exchange/ DSE	BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialised form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange
Draft Prospectus/Draft Offer Document	The Draft Prospectus dated March 14, 2019 filed with the Designated Stock Exchange for receiving public comments, and forwarded to SEBI for its records, in accordance with the provisions of the Companies Act, as applicable and the SEBI Debt Regulations
Fugitive Economic Offender	Fugitive Economic Offender means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
ICRA	ICRA Limited
Ind AS	Indian accounting standards notified under section 133 of the Companies Act and Companies (Indian accounting standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Interest Payment Date/ Coupon Payment Date	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Issue	Public issue of secured redeemable NCDs of face value of ₹1,000.00 each, for an amount up to ₹1,500.00 million with an option to retain over-subscription up to ₹1,500.00 million for issuance of additional NCDs aggregating up to ₹3,000.00 million in accordance with the provisions of the SEBI Debt Regulations, Companies Act and the rules framed thereunder
Issue Agreement	Agreement dated March 13, 2019 between our Company and the Lead Manager
Issue Closing Date	Tuesday May 7, 2019
Issue Opening Date	Monday April 8, 2019*
	<i>*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 Finance 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 a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.</i>
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 Broker Agreement	Agreement dated March 22, 2019 entered into amongst our Company, the Lead Manager

Term	Description
	and the Lead Brokers
Lead Brokers	Edelweiss Securities Limited, Karvy Stock Broking Limited, Kotak Securities Limited, Integrated Enterprises (India) Private Limited, Axis Capital Limited, HDFC Securities Limited, ICICI Securities Limited, IIFL Securities Limited, Muthoot Securities Limited, SMC Global Securities Limited, and RR Equity Brokers Private Limited
Lead Manager	Edelweiss Financial Services Limited
Market Lot	One NCD
Members of the Syndicate	Lead Manager and Lead Brokers
NCD Holder(s)/ Debenture Holders	Any debenture holder who holds the NCDs issued in this Issue and whose name appears on the beneficial owners list provided by the Depositories
NCDs/ Debentures	Secured Redeemable Non-Convertible Debentures of face value of ₹1,000
Offer Document	The Draft Prospectus, this Prospectus, Application Form and the Abridged Prospectus read with any notices, corrigenda, or any addenda thereto
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	This Prospectus dated March 26, 2019 issued and filed by our Company with the RoC, SEBI and the Stock Exchange in accordance with the SEBI Debt Regulations, and Companies Act
Public Issue Account Agreement	Agreement dated March 20, 2019 entered into amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank and the Lead Manager for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Issue Account Bank	IndusInd Bank Limited
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when stock exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Redemption Amount	Please see the chapter titled “ Terms of the Issue ” on page 175 of this Prospectus
Redemption Date	Please see the chapter titled “ Terms of the Issue ” on page 175 of this Prospectus
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made
Refund Bank	IndusInd Bank Limited
Register of NCD/ Debenture Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act
Registered Brokers/ Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar Agreement	Agreement dated March 13, 2019 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue/ Registrar	Link Intime India Private Limited
Security	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive and/or <i>pari passu</i> charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 110% asset cover for the NCDs (along with the interest due thereon). For further details see “ Issue Structure - Security ” on page 170 of this Prospectus
Series/ Options	Collectively the Series of NCDs being offered to the Applicants as stated in the chapter titled ‘ Issue Structure ’ beginning on page 170 of this Prospectus
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 and offer services in relation to ASBA,

Term	Description
	including blocking of an ASBA Account, 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
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Stock Exchange	BSE Limited
Syndicate ASBA	Applications through the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Members of the Syndicate or the Trading Members of BSE only in the specified cities
Syndicate or Members of the Syndicate	Members of the Syndicate include the Lead Manager and the Lead Brokers to the Issue
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund
Tier II capital	Tier-II capital includes the following: <ul style="list-style-type: none"> (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital
Tenor	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Trading Members	Intermediaries registered with SEBI as a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by the Stock Exchange from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Transaction Registration Slip or TRS	The acknowledgement slips, or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs
Tripartite Agreements	Tripartite agreement dated June 15, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated February 19, 2019 among our Company, the Registrar and NSDL
Willful Defaulter	A person or a company categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Day(s)	Working Day(s) shall mean all days excluding Saturdays and / or Sundays and / or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Saturdays and Sundays and bank holidays in Mumbai

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of Republic of India
AGM	Annual General Meeting
CDSL	Central Depository Services (India) Limited
Code of Conduct	Model Code of Conduct for DSAs and DMAs

Term/Abbreviation	Description/ Full Form
Companies Act, 1956	Companies Act, 1956, as amended
Companies Act, 2013	The Companies Act, 2013, as amended and read with the rules framed thereunder
Companies Act	The Companies Act, 1956 or Companies Act, 2013, as the case may be
CSR	Corporate Social Responsibility
ECS	Electronic Clearing Scheme
EGM	Extra-ordinary General Meeting
DIN	Director Identification Number
DMA	Direct Marketing Agent
DRR	Debenture Redemption Reserve
FEMA	Foreign Exchange Management Act, 1999 and the regulations made thereunder
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
GIR	General Index Register
GNPA	Gross Non-Performing Assets
GoI or Government	Government of India
HFC	Housing Finance Company
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IT Act	Income Tax Act, 1961
IRDAI	Insurance Regulatory and Development Authority of India
India	Republic of India
Indian GAAP / IGAAP	Generally Accepted Accounting Principles in India
MCA	Ministry of Corporate Affairs, GoI
NACH	National Automated Clearing House
National Housing Bank Directions” or “NHB Directions” or “Directions”	Housing Finance Companies (NHB) Directions, 2010 as amended from time to time
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987 or as amended from time to time
NHB KYC Guidelines	Guidelines on Know Your Customer and Anti-Money Laundering measures for Housing Finance Companies dated April 23, 2015
N.I. Act	Negotiable Instruments Act, 1881
NNPA	Net NPA
NOF	Net Owned Funds
NPA	Non-Performing Assets
NRI or “Non-Resident”	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	Per annum
PAN	Permanent Account Number
RBI	Reserve Bank of India
Recovery Agent Guidelines	Guidelines for Recovery Agents Engaged by HFCs dated July 14, 2008
Refinance Scheme	Refinance Scheme for Housing Finance Companies 2015
RERA Act	Real Estate (Regulation and Development) Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS

Term/Abbreviation	Description/ Full Form
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
UK	The United Kingdom of Great Britain and Northern Ireland
US/ USA/ United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the USA

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALM	Asset Liability Maturity
AUM	Assets Under Management
CAR	Capital Adequacy Ratio
CAGR	Compound Annual Growth Rate
CLSS	Credit Linked Subsidy Scheme
CP	Channel Partner
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
DSA	Direct Selling Agents
ECGC	Export Credit Guarantee Corporation of India
EMI	Equated monthly instalment
EWS	Economically Weaker Section
Fair Practices Code	The guidelines on fair practices code for HFCs issued by the NHB on September 9, 2015 as updated through the master circular issued by the NHB bearing reference no. NHB(ND)/DRS/REG/MC-03/2017 dated July 1, 2017
FICCI	Federation of Indian Chambers of Commerce & Industry
GDP	Gross Domestic Product
GNPA	Gross NPA
GST	Goods and Services Tax
HRA	House Rent Allowance
LAP	Loan Against Property
LIG	Low Income Group
LMI	Low and Middle income
LTV	Loan-to-value ratio
MCLR	Marginal Cost of Funds Based Lending Rate
MIG	Middle Income Group
MSP	Minimum Support Price
PMAY	Pradhan Mantri Awas Yojana
RoE	Return on Equity
SMS	Short Message Service
WEO	World Economic Outlook
YoY	Year on Year

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Capital Structure*”, “*Regulations and Policies*”, “*History and other Corporate Matters*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 45, 95, 94, 53, 107, 132, 141 and 190 respectively will have the meanings ascribed to them in such chapters.

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

Certain Conventions

All references in this Prospectus to “India” are to the Republic of India and its territories and possessions and all references to the “Government” or the “State Government” are to the Government of India, central or state, as applicable.

In this Prospectus references to “the Issuer”, “our Company”, “the Company” are to Muthoot Homefin (India) Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi – 682 018, Kerala, India. Unless the context otherwise indicates, all references in this Prospectus to “we” or “us” or “our” are to our Company.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements are prepared in accordance with Indian GAAP, IndAS, the applicable provisions of the Companies Act, 1956 and the Companies Act. Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 15/2013 dated September 13, 2013 and/or General Circular 8/2014 dated April 4, 2014, as applicable.

The MCA, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for NBFCs, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. MCA pursuant to its notification dated March 30, 2016, has included HFCs in the definition of an NBFC. The notification further explains that NBFCs having a net worth of ₹5,000.00 million or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Accordingly, we have prepared by our Special Purpose Interim Financial Statements in accordance with Ind AS.

NHB pursuant its policy Circular No.88/2017-18 dated April 16, 2018 has clarified that HFCs are advised to be guided by the extant provisions of Ind AS, including the date of implementation i.e. April 1, 2018. HFCs are also required to follow the extant directions on prudential norms, including on asset classification, provisioning, etc. issued by the National Housing Bank with regards to the implementation of Ind AS.

The Reformatted Financial Statements and the Special Purpose Interim Financial Statements are included in this Prospectus, as issued by our Company’s Statutory Auditors, Rangamani and Co., Chartered Accountants in the chapter titled “**Financial Statements**” beginning at page 126.

Unless stated otherwise, the financial data used in this Prospectus is derived from our Company’s Reformatted Standalone Financial Statement as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP, applicable accounting standards and guidance notes specified by the ICAI, New Delhi, Companies Act, 1956, to the extent applicable, Companies Act and other applicable statutory and / or regulatory requirements.

Unless stated otherwise, the financial data used in this prospectus as at September 30, 2018 is prepared in accordance with Ind AS, applicable standards and guidance notes specified by the ICAI, the Companies Act and other applicable statutory and / or regulatory requirements.

In this Prospectus, any discrepancies in any table, including “**Capital Structure**” and “**Objects of the Issue**” between the total and the sum of the amounts listed are due to rounding off. All the decimals have been rounded off to two decimal places.

There are significant differences between 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 Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely

dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Currency and Unit of Presentation

In this 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 Prospectus, data will be given in million.

Industry and Market Data

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

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have used information from ICRA Industry Report, “*Indian Mortgage Finance Market Update for H1 FY 2019*”, for industry related data that has been disclosed in this Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 13 of this Prospectus.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead 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

This Prospectus contains certain statements that are not statements of historical fact and are in the nature of “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “expect”, “estimate”, “intend”, “objective”, “plan”, “potential”, “project”, “will”, “will continue”, “will pursue”, “will likely result”, “will seek to”, “seek” or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

1. risk of default and non-payment by borrowers resulting in write offs and provisions in our financial statements;
2. increase in the levels of NPAs;
3. vulnerability to volatility in interest rates;
4. inability to maintain our growth considering that our business has been growing consistently;
5. difficulties in expanding our business into new regions and markets;
6. geographic concentration of our loan portfolio in the western states of India;
7. ability to maintain minimum CAR prescribed by NHB;
8. conditions and restrictions imposed by our financing arrangements;
9. ability to identify, monitor and manage risks and effectively implement our risk management policies;
10. performance of the housing finance industry and real estate markets in India;
11. our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
12. performance of the Indian debt and equity markets and financial markets in India and globally; and
13. other factors discussed in this Prospectus including under the chapter titled “**Risk Factors**” on page 13 of this Prospectus

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapter titled “**Risk Factors**” and chapters titled “**Industry Overview**” and “**Our Business**” beginning on pages 13, 63 and 77, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking-statements speak only as on the date of this Prospectus. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe 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 underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company nor the Lead Manager, nor any of its affiliates have any obligation to, and do not intend 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. 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.

SECTION II - RISK FACTORS

Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, and under the chapter titled “Our Business” on page 77 and under “Financial Statements” on page 126, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to “we”, “us”, “our”, and “our Company”, is a reference to Muthoot Homefin (India) Limited. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Standalone Financial Statements and the Special Purpose Interim Financial Statements.

Internal Risks and Risks Associated with our Business

1. Our business has been growing consistently in the past. Our inability to maintain the growth may have a material adverse effect on our business, results of operations and financial condition.

Our business has steadily expanded in the three- fiscal years ended March 31, 2016, March 31, 2017 and March 31, 2018 and the six-month period ended September 30, 2018. As at March 31, 2016, March 31, 2017, March 31, 2018, and September 30, 2018 our total outstanding loans stood at ₹315.00 million, ₹4,408.40 million, ₹14,647.81 million in accordance with Indian GAAP and ₹17,509.86 million in accordance with Ind AS, respectively and our assets under management were ₹315.00 million, ₹4,408.40 million, ₹14,647.81 million in accordance with Indian GAAP and ₹17,509.86 million in accordance with Ind AS, respectively. For the fiscal years ended March 31, 2016, March 31, 2017, March 31, 2018, and September 30, 2018, our revenue from operations was ₹13.50 million, ₹234.92 million and ₹1,242.73 million in accordance with Indian GAAP and ₹1,034.88 million in accordance with Ind AS, respectively, and our profit after tax was ₹0.14 million, ₹28.73 million, ₹278.04 million in accordance with Indian GAAP and ₹209.76 million in accordance with Ind AS, respectively. Our revenue from operations and profit after tax grew at a CAGR of 3,406.03% and 1,567.03% respectively, from fiscal year-period ended March 31, 2016 to fiscal year-period ended March 31, 2018.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

In order to maintain our growth in the future, we will, inter alia, need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the appropriate allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third party agents, lenders and other parties.

Further, we cannot assure you that we will not experience issues such as capital constraints and capital at an appropriate rate, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio which may in turn have a material adverse effect on our business, results of operations and financial condition.

2. As an HFC, we face the risk of default and non-payment by borrowers. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our outstanding loan portfolio has grown at a CAGR of 11,872.05% from ₹315.00 million as of March 31, 2016 in accordance with Indian GAAP to ₹14,647.81 million as of March 31, 2018 in accordance with Indian GAAP. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of NPAs in our portfolio and adversely affect our business and financial performance. The borrowers may default on their repayment obligations due to various reasons including insolvency, lack of liquidity, operational failure, and other reasons.

We rely on our field officers to recover outstanding dues in the event of a default and such field officers may not be successful in recovering outstanding dues. Our recovery procedure entails sending out multiple reminders to defaulting customers including visits to their place of residence or work. In the event that the customer does not rectify the default and pay the amount demanded, we initiate legal action by issuing dunning letters. We also undertake action under the SARFAESI Act, and issue demand notices to defaulting customers and guarantors, and also issue notice to any parties seeking to acquire any of the properties that are the subject matter of our loans and intended to secure our loans. Additionally, we also take possession of the residential property that is the subject matter of the defaulted loan and recover our dues by selling the same in the open market via auction. In certain cases, we also institute legal proceedings under Section 138 of the Negotiable Instruments Act, 1881 (“**NI Act**”).

However, any delay in enforcing the collateral due to delays in enforcement proceedings before courts of an appropriate forum, or otherwise could expose us to potential losses. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

In deciding whether to extend credit to or enter into transactions with customers and counterparties, we rely largely on information furnished by or on behalf of our customers, including financial information, based on which we perform our credit assessment. We may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading, may increase the risk of default. Our financial condition and results of operations could be adversely affected by relying on information that may not be true or may be materially misleading.

Although we regularly review our credit exposures to clients and counterparties and to industries and geographical regions that we believe may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

As of September 30, 2018, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows.

3. Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.

With the growth in our business, we expect an increase in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As at September 30, 2018, our gross NPAs as a percentage of our outstanding loans was 0.78% and our net NPAs, as a percentage of our outstanding loans (net of NPA provisions), was 0.64%. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with the NHB guidelines and other applicable laws. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses, that may occur, or if future regulation requires us to increase our provisions, our results of operation and financials may get adversely affected including

our ability to raise additional capital and debt funds at favourable terms.

If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. In addition, we anticipate that the size of our loan portfolio will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults.

If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

4. Our business is particularly vulnerable to volatility in interest rates.

A significant component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, we may find it difficult to compete with our competitors, who may have access to funds sourced at a lower cost. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities.

Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and results of operations.

Also, when interest rates decline, we are subject to greater re-pricing and pre-payment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to re-price loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates granted to individual borrowers, which has led to balance transfer refinancing between lenders. Therefore, lenders, such as us, usually witness high turnover of loans assets and face increased origination costs. If we are unable to recover the origination costs due to the short lifespan of the loans, our profitability could be adversely affected.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

5. We may experience difficulties in expanding our business into new regions and markets.

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

As we continue to expand our geographic footprint, 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 marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining

new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken.

As we concentrate on LIG and MIG segments, in the target geographies, in semi-urban markets, tier 2, tier 3 and tier 4 cities with different town and city planning bye laws, panchayat bye laws, local authority laws, different construction practices, and with competitive market conditions; credit appraisal, legal appraisal and technical appraisal of the loans is imperative for us to maintain a healthy loan portfolio. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover.

Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

6. *We are exposed to risks related to geographic concentration of our loan portfolio in the western states of India.*

Our business is heavily dependent on economic conditions and real estate values in the western states of India and particularly, the states of Maharashtra, Gujarat and Rajasthan, our operations in which constituted 89.13% of our total loan portfolio as of September 30, 2018. Though we started out our operations from Kerala we have expanded our operations in other states such as Haryana, Madhya Pradesh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Punjab and the Union Territory of Chandigarh. However, our operations in these states including Kerala collectively constitute only 10.87% of our total loan portfolio as of September 30, 2018. Our branches and processing hubs continue to be concentrated in the western states of India. As of September 30, 2018, March 31, 2018 and March 31, 2017, approximately 89.13%, 91.54%, and 88.52%, respectively, of our total loan portfolio was attributable to our operations in the western region of India. Although our geographic concentration in western India has decreased in recent years, we remain relatively more exposed to any adverse economic, social or political circumstances in this region as compared to other HFCs with a more diversified national presence.

The real estate and housing finance markets in the western states in India may perform differently from and may be subject to market conditions that are different from, the housing finance markets in other parts of India. Further, to the extent the cities in the western region of India experience weaker economic conditions or increased rates of decline in real estate prices than cities in other regions in India generally, the concentration of our loans in these regions may increase the impact of these risks, which could in turn have an adverse effect on our business, financial condition and results of operations.

7. *In order to sustain our growth, we will need to maintain a minimum Capital Adequacy Ratio (“CAR”). There is no assurance that we will be able to access the capital markets when necessary in order to maintain such a ratio.*

The National Housing Board Directions, 2010 (“NHB Directions”) require a minimum CAR comprising of Tier I and Tier II capital aggregating to 12.00% of the aggregate risk weighted assets and of risk adjusted value of off-balance sheet items of our Company. The NHB Directions assign weightages to balance sheet assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our CAR was 44.90% as on September 30, 2018. Our ability to support and grow our business could be limited by a declining CAR if we are unable to or have difficulty accessing the capital markets. In particular, according to the NHB Directions, at no point can our total Tier II Capital exceed 100% of the Tier I capital. For further details, see “**Regulations and Policies**” beginning on page 95 of this Prospectus. This ratio is used to measure a HFCs capital strength and to promote the stability and efficiency of the housing finance system.

As our asset book grows further our CAR may decline and this may require us to raise fresh capital. Should we be required to raise additional capital in the future in order to maintain our CAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favourable terms, in a timely manner or at all. Additionally, there is no assurance that the NHB will not increase the current CAR requirement.

8. *Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.*

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our

lenders, before, amongst other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on the assets or receivables of our Company and any alteration to the Memorandum of Association or Articles of Association. In addition, upon the occurrence of an event of default, we would be restricted from declaring dividends. Certain of the loan agreements also give the lenders the right to nominate directors to the Board to protect the interest of the lenders. Our financing agreements also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Furthermore, our Company's lenders may recall certain working capital loans availed by our Company at any time.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

9. We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities. We follow the "Asset Liability Management System for Housing Finance Companies – Guidelines" issued by NHB.

The difference between the value of assets and liabilities maturing in any time period provides the extent to which we are exposed to the liquidity risk. A portion of our funding requirements is met through short-term funding sources, such as short-term bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, a large portion of our assets have medium or long-term maturities. In the event that our existing and committed credit facilities are withdrawn or are not made available to us, funding mismatches may be created, and it could have an adverse effect on our business and our future financial performance.

We have experienced maturity mismatches in the past, and we cannot rule out the possibility of encountering such funding mismatches on account of increasing demand for housing loan facilities in future.

As a result of funding mismatches, our liquidity position could be adversely affected, and we may be required to pay higher interest rates in order to attract or retain our borrowings in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

10. We are subject to various regulatory and legal requirements and any regulatory changes may have a material adverse effect on our business, results of operations and financial condition.

Our business is highly-regulated. The operations of an HFC in India are subject to various regulations framed by the MCA and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to the NHB regulations, HFCs are currently required to maintain a minimum CAR consisting of Tier I and Tier II capital which collectively shall not be less than 12% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items.

Additionally, under Section 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of no less than 20% of its net profits every year before any dividend is declared. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

Furthermore, we are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies in India will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that our Company will be in compliance with the various regulatory and legal requirements in a timely manner or at all. Further, we cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India.

11. We do not own the trademark and the logo associated with “Muthoot” brand name. Consequently, our ability to use the trademark, name and logo may be affected.

We do not own the trademark and logo associated with “Muthoot” brand name which we use in the course of our business operations and to conduct our operations, which is registered in the name of MFL. However, we have not entered into a formal agreement for using the “Muthoot” brand name. We are using the name “MUTHOOT HOMEFIN” subsequent to approval of our MFL granted at the time of incorporating our Company. Our Company has made an application to obtain the registration of “MUTHOOT HOMEFIN” as a trademark, accordingly, we may not be able to prevent infringement of our name and may be unable to seek remedies for infringement of our name by third parties other than relief against passing off by other entities, which may not provide sufficient protection. Our inability to use the “Muthoot” or “MUTHOOT HOMEFIN” trademark and any unauthorized usage of our name could result in adverse effects to our business and results of operations.

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.

12. The “Muthoot” logo and other combination marks are proposed to be registered in the name of MFL’s promoters.

The brand and trademark “Muthoot” and also related marks and associated logos (“**Muthoot Trademarks**”) are currently registered in the name of MFL. MFL is in process of registering the Muthoot Trademarks jointly in the name of MFL’s promoters through a rectification process or irrevocably grant ownership rights by alternate legally compliant means. Pursuant to applications filed on September 20, 2010 by MFL and promoters of MFL before the Trade Marks Registry, Chennai, promoters of MFL have stated that their father, Late M. George Muthoot, had adopted and had been using the Muthoot Trademarks since 1939 and that the promoters of MFL had, since the demise of Late M. George Muthoot, been continuing his business and using the Muthoot Trademarks as its joint proprietors. Since a rectification process by application before the Trade Marks Registry, Chennai as mentioned above is underway, and not an assignment of the Muthoot Trademarks, no independent valuation of the Muthoot Trademarks has been conducted.

It is proposed that consequent to such rectification, the promoters of MFL will grant MFL a non-exclusive license to use the Muthoot Trademarks for an annual royalty equivalent to 1.00% of the gross income of MFL, subject to a maximum of 3% of profit before tax (after charging the royalty) and managerial remuneration payable by MFL each financial year. Subject to certain other conditions, it is proposed that this license would continue until such time that promoters of MFL, together with the members of their promoter group, jointly, hold at least 50.01% of the paid-up equity share capital of MFL.

Since the rectification is yet to be affected and consequently, no licence has been granted to the promoters of MFL as of date, we cannot assure you that MFL will be able to obtain a license to use the Muthoot Trademarks, when registered, from promoters of MFL on commercially acceptable terms, or at all. In turn, we also cannot assure that

we will be able to obtain a license from the promoters of MFL. At present we have no agreement with MFL or promoters of MFL with regard to licensing of Trademark “Muthoot”. In addition, loss of the rights to use the Muthoot Trademarks may adversely affect our reputation, goodwill, business and our results of operations.

13. 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.

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please refer to the chapter titled “***Our Business***” on page 77. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. 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 any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

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, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

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

The NHB conducts periodic inspections of 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 on being called upon to do so. Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institution accepting deposits under Section 34 of the NHB Act. In the past, NHB had made certain observations during its periodic inspections in connection with our operations. Even though we have provided NHB the necessary clarifications and taken necessary steps to comply with NHB’s observations, any adverse notices or orders by NHB during any future inspections could adversely affect our reputation, business financial conditions, results of operations and cash flows.

15. As an HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.

Our lending products include retail mortgage loans and residential project loans. Retail mortgage loans are bifurcated into housing loans and non-housing loans. Housing loans include home purchase loans, home improvement loans, home construction loans, home extension loans, home loans for self-employed customers construction loans and NRI home loans. Non-housing loans include loans against property and commercial loans and are availed for working capital and other business needs and construction of residential projects.

The primary security for the loans disbursed by our Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by our Company may decline due to adverse market conditions, including an economic downturn or a

downward movement in real estate prices. 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 collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose our Company to losses and, in turn, result in a material adverse effect on our business, results of operations 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 secured property 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 full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate (Regulation and Development) Act, 2016 (“**RERA**”) is expected to have the biggest impact over the long term. After notification of certain sections of the RERA with effect from May 2016, the full provisions of RERA became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of RERA, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. To ensure compliance with the requirements of the RERA, players in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various players in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

As we focus on LIG and MIG segment, which tends to buy property from small scale real estate developers who might not be complying with the provisions of RERA completely, regulatory actions against such real estate developers may have a consequent adverse effect in our ability to sanction loans to the borrower or in case where the default pertaining to the RERA is found after the disbursement of loan, then the underlying property cannot be disposed to recover the principal amount leading to adverse effect on our business.

16. We do not own our Registered Office. The Registered Office of our Company is owned by our Promoter. We have entered into a leasehold agreement with our Promoter for the use of the premises. In the event we lose our right to use such premises, our business could be adversely affected.

The premises in which our Registered Office is situated at Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi- 682 018, Kerala, India, which is owned by our Promoter, MFL. The abovementioned lease agreement is valid for three years from the date of the lease agreement. In an event, MFL decides to revoke or terminate the lease agreement with our Company, or refuses to renew the lease, our business could be adversely affected.

17. We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Company's loan portfolio is secure in nature and the value of collateral that we collect is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements. We maintain Loan-to-Value (“**LTV**”) on the basis of the products being offered and product specific LTVs vary from case to case.

The value of the security provided by the borrowers to our Company may be subject to a reduction in value on account of various reasons. While our Company's customers may provide alternative security to cover the shortfall, the realisable value of the security for the loans provided by our Company in the event of liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of the outstanding credit obligations by our Company's customers may expose it to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to

potential losses. Any such losses could adversely affect our Company's financial condition and results of operations. Furthermore, the process of litigation to enforce our Company's legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for our Company to recover amounts owed by defaulting customers in a timely manner or at all.

We follow internal risk management guidelines in relation to portfolio monitoring which, inter alia, include a periodic assessment of loan to security value on the basis of conservative market price levels and ageing analysis, amongst others. However, we may not be able to realize the full value of the collateral as a result of the following (among other factors):

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- destruction/ material damage to the underlying property.
- fraud by borrowers;
- delays on our part to take immediate action;
- errors in assessing the value of the collateral;
- adverse market conditions;
- failure to execute all documents in proper form prior to sanction of the borrowing;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

18. We may not be able to identify or correct defects or irregularities in title to the properties which are made collateral to the loans offered by us to our customers. Our inability to identify and correct irregularities in the titles to the properties and a further inability to realise the loan amount from such properties may adversely affect our business.

There is no central title registry for real property in India and the documentation of land records in India has not been fully digitized. Property records in India are generally maintained at the state and district level and in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection, may be illegible, untraceable, and incomplete, may not have been updated, may be inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. Title to land in India is often fragmented, and in many cases, land may have multiple owners. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of and that may not be apparent on the face of the relevant documentation. Any defects in, or irregularities of, title may result in a loss of development or operating rights over the land, which may prejudice our ability to realise the loan amount extended to our customers in case of default in payment. This is will compel us to write off such loans which will adversely affect our revenues. Though we have not written off any of our loans till date, we are currently involved in various legal proceedings, which are at various stages of adjudication, in relation to multiple executions of sale deeds, see "***Outstanding Litigations and Defaults***" on 141.

Furthermore, there is no mechanism to verify multiple executions on the same day with different registrars or to verify the legitimacy of such executions. Whenever a customer submits his original agreement to sell or the sale deed, we can only verify, among other things, if correct stamp duty has been paid, if the agreement to sell or the sale deed has been signed by all parties, if there is proper seal of registrar and if there is a registration receipt with the customer. As on date of this Prospectus, we are involved in 17 cases of multiple executions on loans

aggregating to ₹36.96 million where the total disbursed amount stands at ₹35.83 million and total overdue stands at ₹3.41 million.

Additionally, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property.

As a result, potential disputes or claims over title to the properties mortgaged may arise. However, an adverse decision from a court or the absence of an agreement with such third parties may result in additional costs and delays in realisation of the loan amount. Also, such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation or otherwise disrupt our business.

19. We introduce new products for our customers and there is no assurance that our new products will be profitable in the future.

We introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or management focus on these new products.

If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

20. We may face difficulties and incur additional expenses in operating in Tier 2, Tier 3 and Tier 4 cities and semi urban markets, where infrastructure may be limited.

A number of our customers are located in Tier 2, Tier 3 and Tier 4 cities and semi-urban markets in India, which may have limited infrastructure, particularly for transportation, electricity and internet bandwidth. We also may face difficulties in conducting operations, transporting our personnel and equipment and implementing technology measures in such markets. There may also be increased costs in conducting our business and operations, implementing security measures and expanding our advertising. We cannot assure you that such costs will not be incurred or will not increase in the future as we expand our network in rural and semi urban markets and such increased costs could adversely affect our profitability.

21. Our growth in profitability depends on the continued growth of our loan portfolio.

Our results of operations depend on a number of internal and external factors, including changes in demand for housing loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities, and thus affecting the value of our investments. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

22. The financing industry is becoming increasingly competitive in India with significant presence of public and private sectors banks that have extensive branch networks as well as HFCs, cooperative banks and other financial service companies. Increasing competition may result in declining margins and market shares.

We operate in a highly competitive industry in India. Intense competition is leading to increased balance transfers rather than an increased loan book for the industry. Further, our housing finance operations face competition from local operators on factors such as service and price. We also compete with local companies in capturing new business operations in India. Some of these companies have significant financial resources, marketing and other capabilities. In India, some of the local companies have extensive local knowledge, business relationships and a longer operational track record in the relevant local markets than us. As a result, there can be no assurance that we will be able to compete successfully against our existing or potential competitors. As a result of this increased

competition, loans are becoming increasingly standardised and terms such as variable or floating rate interest options, lower processing fees and frequent resets are becoming increasingly common in the Indian financial sector. Furthermore, the spread between the lowest and the highest rate of interest offered by various lenders continues to reduce. This competition is likely to intensify further as a result of regulatory changes and market liberalisation. These competitive pressures affect the industry in which our Company operates in as a whole, and our Company's future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures.

Furthermore, we constantly face an inherent perception bias that borrowers from LIG and MIG segment have against private housing finance companies. Borrowers from LIG and MIG segment have constantly shown proclivity towards availing housing loan services from public sector housing finance institutions which are generally backed by a public sector bank.

There can be no assurance that our Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector. Increased competition in relation to the Issuer's activities may have an adverse effect on our financial condition and operating results.

23. We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met predominantly from a combination of borrowings such as loans from banks and financial institutions refinancing from the NHB and issuance of commercial papers. Thus, our continued growth will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control.

Our inability to secure requisite financing could have an adverse effect on our business, results of operations and financial condition. Changes in Indian laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, any inability on our part to secure requisite financing or continue with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition.

24. Any downgrade 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.

We have received rating for our short-term instruments and long-term instruments as set forth:

Rating Agency	Rating	Nature of Securities
CRISIL	CRISIL AA/Stable	Retail, Secured and Redeemable NCDs
CRISIL	CRISIL AA/Stable	Bank facilities
ICRA	ICRA AA-/Stable	Bank facilities
ICRA	ICRA A1+	Commercial Paper
CARE	CARE A1+	Commercial Paper

Such aforementioned ratings indicate strong degree of confidence in our Company's ability to timely service financial obligations and allow us to access debt financing at competitive rates of interest. The rationale for such ratings mentions a number of factors based on which the ratings have been assigned, including but not limited to the strong parentage of our Company being a wholly owned subsidiary of MFL. We believe that our strong financial performance, credit rating, risk containment measures and brand help us to access capital at competitive rates.

Any downgrade 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, results of operations and financial condition.

25. *Our ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

26. *Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits.*

We also invest surplus funds out of our borrowings and operations in such securities. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public-sector enterprises, debt mutual funds, fixed deposits with banks and other highly rated bonds. Our investment policy prescribes investment limits for each of these securities. Certain of these investments are unlisted, offering limited exit options. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations.

Further, pursuant to the NHB Directions, we are not permitted to have an aggregate exposure to capital markets (both fund and non-fund based) in excess of 40.00% of our net worth as of the end of the previous financial year. Within this overall ceiling, direct investments in shares, convertible bonds or debentures, units of equity-oriented mutual funds and all exposures to venture capital funds cannot exceed 20.00% of our net worth. Such restrictions may limit our investments or access to capital, which also may have an adverse effect on our business, financial condition and results of operations.

27. *We, our Promoter and our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.*

Our Company, our Promoter and our Directors are involved in certain legal and other proceedings and there can be no assurance that our Company, our Promoter and our Directors will be successful in any of these actions. In the event our Company, our Promoter and our Directors are unsuccessful in litigating any of the disputes, the business and results of operations may be adversely affected.

We are involved in certain legal proceedings in the ordinary course of our business such as consumer disputes and debt-recovery proceedings. These proceedings are pending at different levels of adjudication before courts of various forums. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we intend to defend or appeal any adverse order in relation to these proceedings, we will be required to devote management and financial resources in their defence or prosecution. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition. There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future. For further details in relation to legal proceedings, see "*Outstanding Litigations and Defaults*" beginning on page 141 of this Prospectus.

28. *We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.*

We require certain statutory and regulatory permits and approvals to operate our business. We have a license from

the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licenses from authorities such as the SEBI, local government authorities, etc.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

Failure by us to renew, maintain or obtain the required permits, licenses or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

29. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust-based business environment and, over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave our Company.

30. Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition.

31. Our business and operations significantly depend on our Promoter and Group Companies and any change in control of our Company may correspondingly adversely affect our business, results of operations and financial condition.

We are a wholly owned subsidiary of MFL. Our Company is dependent on the goodwill and brand name of our Promoter, MFL. Our Company believes that this goodwill contributes significantly to our business. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. There can be no assurance that the "Muthoot" brand, which our Company believes is a well-recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company's control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source.

If our Promoter, MFL ceases to exercise majority control over our Company, as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Muthoot" and our goodwill may be adversely affected, which in turn could adversely affect our business and results of operations.

In the event our group is unable to maintain the quality of its services or its goodwill deteriorates, our Company's business and results of operations may be adversely affected. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

Any disassociation of our Company from our group and/or our inability to have access to the infrastructure provided by other companies in our group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

32. Our Company is exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our Company's results of operations and financial position.

Our Company is exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. Our Company attempts to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Any failure to mitigate such risks may adversely affect our Company's business and results of operations.

In addition, some of our Company's transactions expose it to the risk of misappropriation or unauthorised transactions by its employees and fraud by its employees, agents, customers or third parties. Our Company's insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases which may adversely affect our Company's operations and profitability. Furthermore, our Company may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by its representatives and employees which could adversely affect its goodwill.

In addition, some of our Company's collaterals which were provided for the loans may not be adequately insured and this may expose our Company to a loss of value for the collateral. As a result, our Company may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our Company's profitability and business operations. Though we have not written off any of our loans till date, we are currently involved in various legal proceedings, which are at various stages of adjudication, in relation to multiple executions of sale deeds. As on date of this Prospectus, we are involved in 17 cases of multiple executions on loans aggregating to ₹36.97 million where the total disbursed amount stands at ₹35.83 million and total overdue stands at ₹3.42 million, see "*Outstanding Litigation and Defaults*" on page 141.

In order to prevent frauds in loan cases involving multiple lending from different banks or HFCs, the GoI has set up the Central Registry of Securitization Asset Reconstruction and Security of Interest ("**CERSAI**") under Section 20 of the SARFAESI Act in order to create a central database of all mortgages given by and to lending institutions. We are registered with CERSAI and we submit the relevant data to CERSAI from time to time and also comply with the quarterly fraud reporting requirement of NHB in accordance with its circular bearing Circular No. NHB(ND)/DRS/Policy Circular No.92/2018-19 dated February 05, 2019. We also appoint a number of providers of credit verification and investigation services to obtain information on the credit worthiness of our prospective customers. However, there can be no assurance that these measures will be effective in preventing frauds.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Further, we may need to regularly upgrade our technology systems, at substantial cost, to increase efficiency and remain competitive. There can be no assurance that such technology upgrades will be successful and that we will recover the cost of our investments.

33. Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage

and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

34. We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the Know Your Customer (“KYC”) guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, inter-alia, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management.

Further, our Company has a well-established and streamlined credit appraisal process. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with credit information companies and NHB will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

35. Our insurance coverage 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 our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. 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,

results of operations and financial condition.

36. *We have not filed resolutions passed under Section 179(3)(d) of the Companies Act with the RoC.*

We have not filed resolutions passed by the Board with the RoC in relation to borrowing of monies. Pursuant to Section 179(3)(d) of the Companies Act, the board of a company is empowered to pass resolutions to borrow monies and such resolution needs to be filed with the jurisdictional RoC within 30 days of passing such resolution. In the event a company fails to file such resolution within 30 days of the passing of the resolution, such company is liable to pay a penalty in accordance with applicable law.

Though we have not received any representation from RoC, in this regard, we may be subject to such penalties for non-compliance, which may adversely impact our business, results of operations and financial conditions.

37. *We depend on channel partners for referral of a certain portion of our customers, who do not work exclusively for us.*

We depend on external channel partners, who are typically corporate, proprietorships and self-employed professionals, to source a portion of our customers. Such channel partners pass on leads of any loan requirements of these customers to our Company. Our Company's agreements with such channel partners typically do not provide for any exclusivity, and accordingly, such channel partners can work with other lenders, including our Company's competitors. As on the date of this Prospectus, our sales from channel partners are limited, there can be no assurance that our Company's channel partners will continue to drive a significant number of leads to our Company, and not to its competitors, or at all.

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

We have entered into a number of related party transactions, in accordance with applicable accounting standards as disclosed in the chapter titled "*Financial Statements*" beginning on page 126. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour and might adversely affect our business.

39. *We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.*

We are required to comply with applicable Anti Money Laundering ("**AML**") and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved KYC and AML measures and associated processes in place. Such incidents may adversely affect our business and our reputation.

40. *A substantial portion of our loans have a tenor exceeding one year, which may expose us to risks associated with economic cycles.*

As of September 30, 2018, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows. There can also be no assurance that these projects, once completed, will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to a rise in delinquency rates and in turn, may materially and adversely affect our business, financial condition and results of operations.

41. *The new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.*

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code 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 Bankruptcy Code 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. On June 6, 2018, certain provisions of the Bankruptcy Code, 2016 was amended vide the Insolvency and Bankruptcy (Second) Amendment Act, 2018 (“**Amendment Act**”) which entitles the homebuyers to be on the seat of committee of creditors and could initiate recovery proceedings against a debtor.

In case insolvency proceedings are initiated against a debtor, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, 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. Pursuant to the recent promulgation of the Insolvency and Bankruptcy Code (Second) Amendment Act, 2018, home buyers are also allowed to be treated as financial creditors. Any decision of the committee of creditors must be taken by a vote of not less than 66% of all votes of the financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. Therefore, we may be forced to accept decisions that are specifically against our interests.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority of how the 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, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the central and state governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority. In the event a secured creditor relinquishes security, it shall rank senior to unsecured creditors and dues owed to the central and state governments in order of priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company’s ability to recover our loans from the borrowers and enforcement of our Company’s rights will be subject to enforcement procedures enumerated under the Bankruptcy Code.

42. *We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.*

We enter into outsourcing arrangements with third party vendors for a number of services required by us. These vendors provide services, which include, among others, software services and client sourcing. Though adequate due diligence is conducted before finalizing such outsourcing arrangements, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations.

43. *Third party statistical and financial data in this Prospectus may be incomplete and unreliable.*

This Prospectus includes information that is derived from the research report published by ICRA. For details, please see “**Industry Overview**” on page 63. No person connected with this Issue has independently verified the ICRA report titled “**Indian Mortgage Finance Market Update for H1 FY 2019**” (“**ICRA Report**”). Generally, industry reports and data disclaim the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information provided, or for the results obtained from the use of such industry information. Further, the ICRA Report is subject to many assumptions. We cannot assure you that the assumptions considered in the ICRA Report are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Further, the ICRA Report is not a recommendation to invest / disinvest in the Issue.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the

purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of our Company. For further details, see the chapter titled “*Objects of the Issue*” on page 50. 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 Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

45. *Our lending operations involve cash collection which may be susceptible to loss or misappropriation or fraud by our employees. This may adversely affect our business, operations and ability to recruit and retain employees.*

Our lending and collection operations involve handling of cash, including collections of instalment repayments in cash in certain cases. Cash collection exposes us to risk of loss, fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorised transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. In addition, given the high volume of transactions involving cash processed by us, certain instance of fraud and misconduct by our employees or representatives may go unnoticed for some time before they are identified, and corrective actions are taken. Even when we identify instance of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. While we have internal control in place to minimise the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

In addition to the above, our employees operating in remote areas may be required to transport cash due to lack of local banking facility. In the event of any adverse incident, our ability to continue operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our growth and expansion. In addition, if we determine that certain areas of India pose a significantly higher risk or crime or instability, our ability to operate in such areas will be adversely affected.

46. *We have not spent any amount on CSR activities in the financial year ended March 31, 2018.*

Our net worth in the financial year ended March 31, 2017 crossed ₹50.00 million to reach ₹882.00 million in accordance with Indian GAAP. In terms of Section 135 of the Companies Act, we were required to constitute a CSR Committee, formulate a CSR policy and ensure that a minimum of two per cent of the average net profits of the Company made during the three immediately preceding financial years, was spent on CSR activities.

In accordance with the provisions of the Companies Act and rules made thereunder, we constituted a Corporate Social Responsibility Committee on October 23, 2017 with Eapen Alexander as the Chairman of the CSR Committee and Kuttickattu Rajappan Bijimon and Jose Kurian as the members of the CSR Committee. The CSR Policy was formulated by the Committee and approved by the Board on January 22, 2018. The prescribed CSR expenditure of the financial year ended March 31, 2018 was calculated to be ₹0.40 million in accordance with Indian GAAP.

We did not spend any amount on CSR activities in terms of the CSR policy of the Company in the financial year ended March 31, 2018 as it was the first year of the applicability of Section 135 of the Companies Act on our Company. The reasons for not spending any amount on CSR activities in the financial year ended March 31, 2018 were included in the Board’s report in accordance with Section 134 and Section 135 of the Companies Act. For the financial year ended March 31, 2019 the prescribed CSR expenditure is ₹3.20 million, and the CSR activities are being conducted through Muthoot M George Foundation. While it shall be our constant endeavour to be in compliance with our objectives in terms of CSR activities, we may not be in compliance with them in future as well.

External Risks

47. *Any slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.*

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial

portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depends 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 affect our business, results of operations and financial condition.

48. The Indian housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.

Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operations and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardized and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that our Company 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. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

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

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as 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.

50. Housing finance companies in India, including us, are required to prepare financial statements under Ind-AS from April 1, 2018 onwards. Any failure to successfully adopt Ind AS may have an adverse effect on the audit process run by our Company and/or may lead to regulatory action and other legal consequences.

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 ("IAS Rules"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹5,000.00 million, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016.

These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs/ HFCs. However, MCA, in January 2016, laid down the road map for implementation of Ind AS for scheduled commercial banks, insurance companies and NBFCs/ HFCs (with net worth of ₹5,000.00 million or more) from April 1, 2018 onwards. Additionally, as per NHB's circular no. *NHB(ND)/DRS/Policy Circular No.89/2017-18* dated June 14, 2018, it was clarified that HFCs are required to follow the extant directions on Prudential Norms, including on asset classification, provisioning etc. issued by the NHB along with compliance with the extant provisions of Ind AS.

Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2018 may not be comparable

to our historical financial statements. Further, except for the Special Purpose Interim Financial Statements, no financial statements prepared in accordance with Ind AS have been included in this Prospectus.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for January 2019 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on-year inflation in terms of the CPI (NS-Combined) was 2.00% for the month of January 2019 as compared to 2.10% in December 2018. The RBI's third bi-monthly monetary policy statement released on August 1, 2018 stated that CPI inflation is expected to pick up from 5.00% in June 2018 to 4.60% in Q2-Fiscal 2019, 4.8% in H2-Fiscal 2019 and 5.00% in Q1-Fiscal 2020. The main risks to the outlook are uncertainties such as volatility in oil prices and global financial markets, rise in households' inflation expectations, regional distribution of monsoon, fiscal slippage at centre and/or state level, increase in house rent allowance (including by state governments), according to the RBI.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

52. Our business and activities may be affected by the amendments to the competition law in India.

The Competition Act, 2002 was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act, 2002 also prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, 2002 or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either on its own or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, 2002 it may have a material adverse effect on our business, results of operations and financial condition.

53. Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increase in tax rates could adversely affect our business and results of operations.

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

There can be no assurance that our Company will pay adequate stamp duty as levied in all states where our Company functions or pay any stamp duty altogether, which may result in additional duty being levied on our Company and our Company getting exposed to statutory liabilities, which may have an adverse impact on our financial position and our reputation.

54. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.

We are regulated principally by and have reporting obligations to the NHB. 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.

55. 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 GoI.

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 homeowners. 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 GoI 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 GoI 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.

Currently the regulatory regime is favourably disposed towards housing finance sector in India. Set forth below are some of the regulatory benefits extended to housing finance sector.

- promotion of affordable housing for weaker sections of the society;
- interest rate subsidy scheme under Pradhan Mantri Awas Yojna for middle income group;
- interest subsidy between ₹0.22 million to ₹0.27 million for first time home buyers with annual income up to ₹1.80 million;
- Goods and service tax leviable on affordable housing has been reduced from 12.00% to 8.00%;
- 100% tax deduction on affordable housing projects for developers; and
- easing access to institutional credit for affordable housing projects.

There can be no assurance that the GoI will continue to offer incentives to borrowers and developers. The demand for housing and/or housing finance may be reduced if any of these changes occur and may adversely affect the business of our Company

56. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

57. Financial difficulty and other problems in certain financial institutions in India could adversely affect our business, results of operations and financial condition.

As an HFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

58. Any downgrading of India's debt rating by an international rating agency could adversely affect our business, results of operations and financial condition.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

59. Natural disasters and other disruptions could adversely affect the Indian 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 operations and financial condition.

Risks pertaining to this Issue

60. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of our Company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014, as amended, states that our Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of the debentures outstanding as on the date, issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the debentures outstanding as on the date. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely: (i) in deposits with any scheduled bank, free from any charge or lien; (ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) 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 provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year, in terms of the Applicable Law. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

61. Changes in interest rates may affect the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. 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 tend to fall and when interest rates drop, the prices tend to 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.

62. You 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.

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 minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, 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.

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

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to 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 to be submitted and carrying out of necessary procedures with BSE. There could be a failure or delay in listing the NCDs on BSE for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by BSE, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE in a timely manner, or at all.

64. *Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.*

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank *pari passu* with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

65. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.*

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

66. *Securities on our NCDs rank pari passu with our Company's secured indebtedness.*

Substantially all of our Company's current assets represented mainly by the loan receivables are being used to secure our Company's debt. As at September 30, 2018, our Company's borrowing stood at ₹13,983.94 million. Securities on our NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

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

Sales of NCDs by any holder may give rise to tax liability, as discussed in chapter titled "*Statement of Tax Benefits*" on page 53.

68. *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.*

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

69. *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.

70. *There may be a delay in making refund to Applicants.*

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

PROMINENT NOTES

1. This is a public issue of NCDs by our Company aggregating up to ₹3,000.00 million with an option to retain over-subscription up to ₹1,500.00 million.
2. For details on the interest of our Company's Directors, please see "***Our Management***" and "***Capital Structure***" beginning on pages 107 and 45, respectively.
3. For details of related party transactions entered into by our Company, see "***Financial Statements***" beginning on page 126.
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, 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 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 210.
7. Our Equity Shares are currently unlisted.
8. Our Company has not undertaken any previous public issues of NCDs.
9. Our Company did not have any contingent liabilities and commitments as of September 30, 2018 in accordance with Ind AS.
10. For further information, relating to certain significant legal proceedings that we are involved in, see "***Outstanding Litigations and Default***" on page 141.

SECTION III-INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, under the name and style Muthoot Homefin (India) Limited, by a certificate of incorporation dated August 26, 2011, issued by the RoC. Our Company has obtained a certificate of registration dated May 19, 2014 bearing registration number 05.0112.14 issued by the NHB, to commence the activities of a housing finance institution without accepting public deposits under section 29A of the NHB Act, 1987. For further details see “*History and Other Corporate Matters*” on page 94.

Registered Office

Muthoot Chambers, Kurians Tower
Banerji Road, Ernakulam North
Kochi - 682 018
Kerala, India
Tel: +91 484 6690 599
Email: ncd@muthoothomefin.com
Website: www.muthoothomefin.com

Corporate Office

Unit No. 1201-1202, 12th Floor
A - Wing, Lotus Corporate Park
W. E. Highway, Goregaon East
Mumbai - 400 063
Maharashtra, India
Tel: +91 22 3911 0900, +91 22 3911 0999
Fax: +91 22 3911 0931
Email: ncd@muthoothomefin.com
Website: www.muthoothomefin.com

Registration no.: 029231

Corporate Identification Number: U65922KL2011PLC029231

We received a certificate of registration bearing number 05.0112.14 under Section 29A of the NHB Act, 1987 from the NHB dated May 19, 2014 to commence the business of a housing finance institution without accepting public deposits.

Legal Entity Identification Number: 3358002PA1JIZJ5U2U54

Address of RoC

Registrar of Companies, Kerala and Lakshadweep

Company Law Bhawan
BMC Road
Thikkakakra, Kakkanad
Kochi - 682 021
Kerala, India

Chief Financial Officer

Pandurang Kadam

Unit No. 1201-1202, 12th Floor
A - Wing, Lotus Corporate Park
W. E. Highway, Goregaon East
Mumbai - 400 063
Maharashtra, India

Tel: +91 22 3911 0900, +91 22 3911 0999
Email: ncd@muthoothomefin.com

Company Secretary and Compliance Officer

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

Jinu Mathen

Putherikkal Building
2nd Floor, Market Road
Kochi - 682 035
Kerala, India
Tel: +91 484 669 0518
Email: ncd@muthoothomefin.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of debenture certificates, transfers, or interest on application money, 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, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate 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 the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

Lead Manager

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: muthoothomefin.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi/ Mandeep Singh
Compliance Officer: B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

Lead Brokers to the Issue

AXIS CAPITAL LIMITED

Axis House, Level 1
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Attn: Ajay Sheth, Vinayak Ketkar
Email: Ajay.sheth@axiscap.in,
Vinayak.ketkar@axiscap.in

EDELWEISS SECURITIES LIMITED

Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Attn: Amit Dalvi, Prakash Boricha
Email: amit.dalvi@edelweissfin.com,
prakash.boricha@edelweissfin.com
Telephone: +91 22 4063 5411, +91 22 4063 5569

Telephone: +91 22 4325 3110
Facsimile: +91 22 4325 3000

HDFC SECURITIES LIMITED

iThink Techno Campus, Building – B
'Alpha', 8th Floor, Opposite Crompton Greaves
Near Kanjurmarg Station
Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Attn: Sharmila Kambli
Email: sharmila.kambli@hdfcsec.com
Telephone: +91 22 3075 3400
Facsimile: +91 22 3075 3435

IIFL SECURITIES LIMITED

6th and 7th Floor, Akruti Centre Point
Central Road, MIDC, Andheri (E)
Mumbai 400 093
Maharashtra, India
Attn: Prasad Umarale
Email: cs@iifl.com
Telephone: +91 22 3929 4000, +91 22 4103 5000
Facsimile: +91 22 2580 6654

KARVY STOCK BROKING LIMITED

"Karvy House", 46
Avenue 4, Street Number 1
Banjara Hills, Hyderabad 500 034
Telangana, India
Attn: P.B. Ramapriyan
Email: ksblldist@karvy.com
Telephone: +91 40 2331 2454
Facsimile: + 91 40 3321 8029

MUTHOOT SECURITIES LIMITED

1st Floor, Alpha Plaza
K P Vallon Road, Kadavanthra
Kochi 682 020
Kerala, India
Attn: Ragesh G R
Email: securities@muthootsecurities.com
Telephone: +91 484 4337555, +91 484 4337587

SMC GLOBAL SECURITIES LIMITED

17, Netaji Subhash Marg
Daryaganj, Delhi 110 002
Delhi, India
Attn: Mahesh Gupta, Neeraj Khanna
Email: mkg@smcindiaonline.com,
neerajkhanna@smcindiaonline.com
Telephone: +91 11 6662 3300, +91 98186 20470, +91
98100 59041
Facsimile: +91 11 3012 6061

Debenture Trustee

Milestone Trusteeship Services Private Limited
Co Wrks Worli, PS56

ICICI SECURITIES LIMITED

ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India
Attn: Rajat Rawal
Email: rajat.rawal@icicisecurities.com
Telephone: +91 22 6637 7157
Facsimile: +91 22 4070 1022, +91 22 2288 2455

**INTEGRATED ENTERPRISES (INDIA)
PRIVATE LIMITED**

A-123, 12th Floor, Mittal Tower
Nariman Point
Mumbai 400 021
Maharashtra, India
Attn: V. Krishnan
Email: krishnan@integratedindia.in
Telephone: +91 22 4066 1800

KOTAK SECURITIES LIMITED

4th Floor, 12 BKC, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Attn: Umesh Gupta
Email: umesh.gupta@kotak.com
Telephone: +91 22 6218 5470
Facsimile: +91 22 6617041

RR EQUITY BROKERS PRIVATE LIMITED

412 – 422, Indraprakash Building
21, Barakhamba Road
New Delhi 110 001
Delhi, India
Attn: Jeetesh Kumar
Email: ipo@rrfcl.com
Telephone: +91 11 2335 4802
Facsimile: +91 11 2332 0671

3rd Floor, Birla Centurion
Century Mills Compound
Pandurang Budhkar Marg
Worli, Mumbai – 400 030
Maharashtra, India
Tel: +91 22 6288 6119, +91 22 6288 6120
Email: compliance@milestonetrustee.in
Investor Grievance Email: investorgrievances@milestonetrustee.in
Website: www.milestonetrustee.in
Contact Person: Jagdish Kondur
SEBI Registration No.: IND000000544
CIN: U93000MH2008PTC182660

In terms of Regulation 4(4) of SEBI Debt Regulations, Milestone Trusteeship Services Private Limited has pursuant to its letter dated March 8, 2019 given their consent for appointment as the Debenture Trustee to the Issue and for their name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. For consent see Annexure B of this Prospectus.

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 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.

Bankers to the Company

HDFC Bank Limited

9th Floor, No. 115,
Dr. Radhakrishna Salai,
Mylapore, Chennai - 600 004
Tamil Nadu, India
Tel: +91 44 2847 7249
Fax: +91 44 2847 7250
Email: prasanna.ranganathan@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Prasanna Ranganathan

DCB Bank Limited

6th Floor, Tower A,
Peninsula Business Park,
Lower Parel, Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6618 7139
Fax: +91 22 6658 9974
Email: anil Kapoor@dcbbank.com
Website: www.dcbbank.com
Contact Person: Anil Kapoor

Federal Bank Limited

Corporate & Institutional Banking Department,
4th Floor, Head office, Aluva, Kochi – 683102,
Kerala, India
Tel: +91 484 2634 130, +91 96456 28482
Email: arunsankar@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Arun Sankar

YES Bank Limited

9th Floor, Nehru Centre,
Discovery of India, Worli,
Mumbai – 400 018
Maharashtra, India
Tel: +91 22 3347 7259, +91 22 3347 7260
Fax: +91 22 2421 4504
Email: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Shankar Vichare / Sachin Shinde

Registrar to the Issue

Link Intime India Private Limited

C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083
Maharashtra, India
Tel: +91 22 4918 6200

Fax: +91 22 4918 6195
Email: mhfil.ncd@linkintime.co.in
Investor Grievance mail: mhfil.ncd@linkintime.co.in
Contract person: Shanti Gopalkrishnan
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Link Intime Private Limited, pursuant to its letter dated March 11, 2019 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Prospectus and the Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Statutory Auditors

Rangamani and Co., Chartered Accountants

1st Floor, 32/56 Pentecost Mission Lane
Ambelipadam Road, Janatha Junction
Vytila, Kochi – 682 019
Kerala, India
Tel: + 91 484 4034 486, + 91 477 2261 542
Email: info@rangamani.com
Contact Person: R. Sreenivasan
Membership No.: 020566
Firm Registration Number: 003050S

Credit Rating Agency

ICRA Limited

Electric Mansion, 3rd floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai- 400 025
Maharashtra, India
Tel: + 91 22 6114 3406
Fax: +91 22 2433 1390
Email: shivakumar@icraindia.com
Contact person: L. Shivakumar
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

Legal Advisor to the Issue

Khaitan & Co

Simal, 2nd Floor
7/1, Ulsoor Road
Bengaluru 560 042
Karnataka, India
Tel: +91 80 4339 7000
Fax: +91 80 2559 7452

Public Issue Account Bank and Refund Bank

IndusInd Bank Limited

IndusInd Bank, PNA House
4th Floor, Plot no. 57 and 57/1
Road no. 17, Near SRL
MIDC Andheri East
Mumbai 400 093
Maharashtra, India
Tel: +91 22 6106 9248, +91 22 6106 9234
Fax: +91 22 6623 8021

Email: sunil.fadtari@indusindbank.com
Website: www.indusind.com
Contact Person: Sunil Fadtari

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which 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 Application Forms submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for CRTAs 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 Exchange 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.

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 relating to punishment for fictitious applications, which is reproduced below:

“Any person who (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447”.

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1.00 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹1.00 million or 1% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹2.00 million or with both.

Underwriting

This Issue is not underwritten.

Minimum Subscription

In terms of the provisions of the Companies Act and the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue (i.e. ₹1,125.00 million). If our Company does not receive the minimum subscription of 75% of the Base Issue (i.e. ₹1,125.00 million), within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 days from the date of closure of the Issue wherein, the subscription 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 15 days from the from the date of closure of the Issue, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 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 including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Arrangers to the Issue

There are no arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated AA/Stable, by CRISIL pursuant to their letter dated March 1, 2019 and revalidated by their letter dated March 20, 2019. The rating of AA/Stable by CRISIL indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For the rating and rationale for this rating and disclaimer, see Annexure A to this Prospectus.

Disclaimer clause of CRISIL

CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and / or registration to carry out its business activities in this regard. Muthoot Homefin India Limited will be responsible for ensuring compliances and consequences of non-compliance for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL website,

www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk as 1800-267-1301.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please refer to the chapter titled “*Objects of the Issue*” on page 50.

Issue Programme

Issue Programme*	
Issue opens on	Monday April 8, 2019
Issue closes on	Tuesday May 7, 2019

**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 Finance 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 a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

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

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

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead 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

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of December 31, 2018:

	(in ₹)
	Aggregate value
Authorised share capital	
150,000,000 Equity Shares of face value ₹10 each	1,500,000,000
Issued, subscribed and paid up Equity Share capital	
119,155,843 Equity Shares of face value ₹10 each	1,191,558,430
Paid up equity share capital after the Issue	
119,155,843 Equity Shares of face value ₹10 each	1,191,558,430
Securities premium account	
Existing Securities Premium Account	2,146,806,508

This Issue will not result in any change of the paid up share capital and securities premium account of our Company.

1. Details of change in authorized share capital of our company as of December 31, 2018 for last five years:

Date of AGM/ EGM	Alteration
July 3, 2015	Increase in the authorised share capital of our Company from ₹110,000,000 divided into 11,000,000 Equity Shares of ₹10 each to ₹500,000,000 divided into 50,000,000 Equity Shares of ₹10 each
August 22, 2016	Increase in the authorised share capital of our Company from ₹500,000,000 divided into 50,000,000 Equity Shares of ₹10 each to ₹1,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each
August 20, 2018	Increase in the authorised share capital of our Company from ₹1,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each to ₹1,500,000,000 divided into 150,000,000 Equity Shares of ₹10 each

2. Equity Share capital of our Company

The Equity Share capital history of our Company for the last five years up to the quarter ended December 31, 2018, is as mentioned below:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)	Cumulative Share Premium Account (₹)
March 2, 2016	39,500,000	10	11.37	Cash	Preferential allotment ⁽¹⁾	50,000,000	500,000,000	54,115,000
September 5, 2016	25,000,000	10	11.37	Cash	Rights issue ⁽²⁾	75,000,000	750,000,000	88,365,000
August 28, 2017	22,727,272	10	44	Cash	Rights issue ⁽³⁾	97,727,272	977,272,720	861,092,248
September 25, 2018	7,142,857	10	70	Cash	Rights issue ⁽⁴⁾	104,870,129	1,048,701,290	1,289,663,668
September 28, 2018	14,285,714	10	70	Cash	Rights issue ⁽⁵⁾	119,155,843	1,191,558,430	2,146,806,508

1. Preferential allotment of Equity Shares to MFL, authorised by way of a resolution of our Shareholders at their meeting held on February 13, 2016.
2. Allotment to MFL pursuant to a rights issue in the ratio of 1:2, authorised by way of a resolution passed by our Board at its meeting held on July 27, 2016.
3. Allotment to MFL pursuant to a rights issue, authorised by way of a resolution passed by our board at its meeting held on August 21, 2017.
4. Allotment to MFL pursuant to a right issue, authorised by way of a resolution passed by our Board at its meeting held on September 20, 2018.
5. Allotment to MFL pursuant to a rights issue, authorised by way of a resolution passed by our Board at its meeting held on September 25, 2018.

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

Our Company has not issued any Equity Shares for consideration other than cash in the five years prior to the quarter ended December 31, 2018.

4. **Details of Promoter' shareholding in our Company as on December 31, 2018**

Name of Promoter(s)	Total Number of Equity Shares held	Number of Equity Shares in demat form	Total shareholding as a percentage of total number of equity shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
MFL	119,155,837	Nil*	99.99%	Nil	Nil

*As on the date of this Prospectus 119,115,837 equity shares are held in dematerialised form by MFL.

5. **Details of Promoter' shareholding in our Company's Subsidiaries as on December 31, 2018**

Our Company does not have any subsidiaries as on the date of this Prospectus and did not have any subsidiaries as on December 31, 2018.

6. **Shareholding of Directors in our Company as on December 31, 2018**

Names of Directors	Number of Equity Shares held
Mathai George George Muthoot*	1
George Thomas Muthoot*	1
George Alexander Muthoot*	1

*Mathai George George Muthoot, George Thomas Muthoot and George Alexander Muthoot are the registered shareholders of the Company for complying with the minimum number of shareholders' requirement in a public company as prescribed under the Companies Act. Furthermore, they have created a beneficial interest in favour of MFL with respect to the Equity Shares held by each of them.

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

Our Company does not have any subsidiaries, joint ventures and associates as on the date of this Prospectus and did not have any subsidiaries, joint ventures and associates as on December 31, 2018.

8. As on the date of this Prospectus, our Company has not issued any debentures.

9. Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as on December 31, 2018:

Sr. No.	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form ⁽²⁾	
								Class e.g.: x	Class e.g.: y	Total			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)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)					
(A)	Promoter & Promoter Group	7 ⁽¹⁾	119,155,843	0	0	119,155,843	100.00	119,155,843	0	119,155,843	100.00	0	100.00	0	0	0	0	0
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non-Promoter - Non-Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares Held by Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	7	119,155,843	0	0	119,155,843	100.00	119,155,843	0	119,155,843	100.00	0	100.00	0	0	0	0	0

1. Mathai George George Muthoot, George Thomas Muthoot, George Jacob Muthoot, George Alexander Muthoot, Sara George, and Susan Thomas are registered Shareholders for the purpose of meeting the threshold for the minimum number of shareholders in a public company. The Equity Shares are being held in their capacity as a beneficiary of MFL.

2. As on the date of this Prospectus 119,155,837 Equity Shares are held in dematerialised form.

10. **Top 10 Equity Shareholders of our Company as at the quarter ended December 31, 2018**

Sr. No.	Shareholder's name	Equity Shares	Percentage (%)
1.	MFL	119,155,837	99.99
2.	Mathai George George Muthoot*	1	Negligible
3.	George Thomas Muthoot*	1	Negligible
4.	George Jacob Muthoot*	1	Negligible
5.	George Alexander Muthoot*	1	Negligible
6.	Sara George*	1	Negligible
7.	Susan Thomas*	1	Negligible
Total		119,155,843	100.00

*Mathai George George Muthoot, George Thomas Muthoot, George Jacob Muthoot, George Alexander Muthoot, Sara George and Susan Thomas are the registered shareholders of the Company for complying with the minimum number of shareholders' requirement in a public company as prescribed under the Companies Act. Furthermore, they have created a beneficial interest in favour of MFL with respect to the Equity Shares held by each of them.

11. Our Company has not issued any debentures as at the quarter ended December 31, 2018.

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

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹13,983.94 million and shareholder funds amounting to ₹3,788.84 million as on September 30, 2018. The debt to equity ratio post completion of the Issue (assuming subscription of ₹3,000.00 million) is 4.48 times, based on a total outstanding debt of ₹16,983.94 million and shareholders fund of ₹3,788.84 million as on September 30, 2018.

Particulars	(in ₹million)	
	Prior to the Issue (as of September 30, 2018)	Post-Issue ¹
Debt		
Short term debt ²	4,471.15	4,471.15
Long term debt ³	9,512.79	12,512.79
Total debt	13,983.94	16,983.94
Shareholders' fund		
Share capital	1,191.56	1,191.56
Reserves and surplus excluding revaluation reserve	2,597.29	2,597.29
Total shareholders' funds	3,788.84	3,788.84
Long term debt/ equity (in times)⁵	2.51	3.30
Total debt/ equity (in times)⁴	3.69	4.48

¹. Assuming the Issue is fully subscribed.

². Short term debt = Short term borrowings plus unclaimed matured deposits and interest accrued thereon.

³. Long term debt = Long term borrowings plus current maturities of long-term borrowings.

⁴. Total Debt/Equity = Total debt outstanding at the end of the year divided by Shareholders Fund.

⁵. Long term Debt/Equity = Total long-term debt outstanding at the end of the year divided by Shareholders Fund.

13. There are no acquisition or amalgamation undertaken by our Company in the last one year.

14. Except as disclosed, none of our Promoter, members of the promoter group, our Directors, and their relatives (as defined under the Companies Act) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus with the RoC.

Date of allotment / transfer	Nature of transaction	Name of Allottee	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)
September 25, 2018	Rights issue ⁽¹⁾	MFL	7,142,857	Cash	10	70
September 28, 2018	Rights issue ⁽²⁾	MFL	14,285,714	Cash	10	70

¹. Allotment to MFL pursuant to a right issue, authorised by way of a resolution passed by our Board at its meeting held on September 20, 2018.

². Allotment to MFL pursuant to a rights issue, authorised by way of a resolution passed by our Board at its meeting held on September 25, 2018.

15. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Prospectus.
16. As per the Articles of Association of our Company, the Directors are not required to hold any qualification shares in our Company.
17. As on the date of this Prospectus, our Company does not have an employee stock option scheme.

OBJECTS OF THE ISSUE

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, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our 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:

(₹in million)		
Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	3,000.00
2.	Issue Related Expenses	45.25
3.	Net Proceeds	2,954.75

The above 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.

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 Fresh Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company [#]	At least 75%
2.	General corporate purposes*	Maximum of up to 25%
Total		100%

[#] Our Company shall not utilise the proceeds of the Issue towards payment of prepayment penalty, if any.

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

Funding plan

Not applicable

Summary of the project appraisal report

Not applicable

Schedule of implementation of the project

Not applicable

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

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2019-2020, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head in our balance sheet 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. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from BSE.

Variation in terms of contract or objects in Prospectus

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

Issue expenses

The expenses of this Issue include, among others, fees for the Lead Manager, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated issue expenses are as follows:

(₹in million)

Activity	Expenses	% of Issue Size	% of Expenses
Fees paid to the Lead Manager, selling and brokerage commission and commission / processing fees to SCSBs*	35.00	1.17%	77.35%
Advertising and marketing expense	1.00	0.03%	2.21%
Printing and stationery	1.00	0.03%	2.21%
Others (Debenture Trustee fees, Registrar fee, Credit Rating fee, legal fees, stamp duty and registration expenses, etc.)	8.25	0.28%	18.23%
Total	45.25	1.51%	100.00%

*SCSBs would be entitled to a processing fee of ₹15 per Application Form (exclusive of applicable taxes) for processing the Application Forms procured by the Members of the Syndicate or registered brokers and submitted to SCSB.

The above 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.

Other Confirmation

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

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter, nor will any interest out of the proceeds from this Issue accrue to our Promoter, our Directors or Key Managerial Personnel.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

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

Further, our Company undertakes that the proceeds from the NCDs allotted to banks shall not be used for any purpose which may be in contravention of the RBI guidelines and any directions issued by NHB on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are

prohibited under the RBI regulations and any directions issued by NHB.

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

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Prospectus, creation of security as stated in this Prospectus, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue (i.e. ₹1,125.00 million).

No benefit/interest will accrue to our Promoter/Directors out of the proceeds of the Issue.

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

All monies received out of the Issue shall be credited / transferred to a separate bank account maintained with a scheduled bank as referred to in Section 40(3) of the Companies Act.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
Muthoot Homefin (India) Limited
Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India

March 08, 2019

Subject: Statement of possible Tax Benefits under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, available to Debenture Holders of Muthoot Homefin (India) Limited (“Company”) in connection with the proposed issue of Non- Convertible Debentures (“Issue”)

Dear Sir(s),

We refer to the proposed Issue of Non-Convertible Debentures by the Company. We enclose herewith the statement showing the current positions of tax benefits available to the debenture holders as per the provisions of the Income Tax Act (“**IT Act**”) and the Income Tax Rules, 1962 (“**IT Rules**”) currently in force in India

Several of these tax benefits or consequences are dependent on the debenture holders fulfilling the conditions prescribed under the relevant taxation laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilment of such conditions based on business imperatives it faces in the future it may or may not choose to fulfil.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. We are informed that the enclosed annexure is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and changing taxation laws, each investor is advised to consult their own tax advisors with respect to the specific tax implications arising out of their participation in the Issue.

Our views are based on the existing provisions of taxation laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions set forth herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

- the debenture holders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been or would be met with; and
- the revenue authorities or courts will concur with the views expressed herein.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Prospectus and the Prospectus in connection with the proposed Issue of non-convertible debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rangamani and Co
Chartered Accountants
Firm Registration No.: FRN 003050S

Sd/-

R. Sreenivasan
Partner
Membership No.: 020566

Place: Kochi

UDIN – 19020566AAAAAG1309

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The following tax benefits will be available to the debenture holders as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The NCD Holder is advised to consider the tax implications in respect of subscription to the NCDs after consulting his tax advisor as alternate views are possible. We are not liable to the NCD Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

To the Resident Debenture Holder

1. Interest on NCD received by NCD Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act and tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the IT Act at the rates prescribed therein being 10%. However, no income tax is deductible at source in respect of the following:
 - (a) In case the payment of interest on debentures by the Company in which the public are substantially interested to a resident individual or a HUF NCD Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - (b) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
 - (c) When the assessing officer issues a certificate on an application by an NCD Holder on satisfaction that the total income of the NCD holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - (i) When the resident NCD Holder with a Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the IT Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from National Savings Scheme and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on April 01, 2018:

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs 2,50,000
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial Year (Senior Citizen) is Rs 3,00,000; and

- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs 5,00,000 for Financial Year 2018-19.

Further, Section 87A provides a rebate of 100 per cent of income tax or an amount of Rs 2,500 whichever is less to a resident individual whose total income does not exceed Rs 3,50,000 (amended to Rs.12,500 where total income does not exceed Rs.5,00,000 as per Finance Act, 2019 to be effective from April 01, 2019)

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the previous year concerned will be NIL.
 - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
 3. As per Section 2(29A) of the IT Act, read with Section 2(42A) of the IT Act, a listed debenture is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

However as per the third proviso to Section 48 of IT Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of IT Act, is not available in case of bonds and debenture, except capital indexed bonds issued by the Government and the sovereign gold bond issued by RBI under the Sovereign Gold Bond Scheme, 2015. Thus, long term capital gains arising out of debentures would be subject to tax at the rate of 10 % computed without indexation.

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

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax described as above would also apply to such short-term capital gains.
5. In case the debentures are held as stock in trade, by the NCD holder the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act. Further, where the debentures are sold by the NCD Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian revenue authorities (especially at lower level) may seek to challenge the said characterisation and hold such gains/income as interest income in the hands of such NCD Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

As per Section 74 of the IT Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for 8 years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

I. To the Non-Resident NCD Holder.

An NRI has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:

- (a) As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - (b) As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in Section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.
 - (c) As per Section 115G of the IT Act, it shall not be necessary for an NRI to file a return of income under Section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - (d) As per Section 115H of the I.T. Act, where an NRI becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
1. In accordance with and subject to the provisions of Section 115I of the IT Act, an NRI may opt not to be governed by the provisions of Chapter XIIA of the IT Act. In that case:
 - a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
 - b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer,

would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.

- c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.
2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is. 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for short term capital gains if the payee NCD Holder is an NRI.
3. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long term capital gains.

Interest on refund would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the IT Act. The income tax deducted shall be increased by surcharge as under:

- a) In the case of NRI, surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and does not exceed Rs 1,00,00,000 and 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
- b) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.
- c) In case of domestic companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 7% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 12% of such tax is payable.

Further, 4% health and education cess on the total income tax (including surcharge) is also deductible.

4. As per Section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (“DTAA”) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate (“TRC”), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC
5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act,

from the assessing officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of Section 206AA of the IT Act.

6. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act. Further, where the debentures are sold by the NCD Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian revenue authorities (especially at lower level) may seek to challenge the said characterisation and hold such gains/income as interest income in the hands of such NCD Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

II. To the Foreign Institutional Investor(s) (“FII”)

1. As per Section 2(14) of the IT Act, any securities held by FIIs or Foreign Portfolio Investors (“FPIs”) which has invested in such securities in accordance with the regulations made under the SEBI Act, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains exceeding Rs 1 lakh on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the IT Act.
4. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government. In addition to that, applicable surcharge and cess will also be deducted.
5. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
6. The CBDT has issued a Notification No. 9 dated January 22, 2014 which provides that FPIs registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

III. To Mutual Funds

All mutual funds registered with SEBI or set up by public sector banks or public financial institutions or authorised by RBI are exempt from tax on all their income, including income from investment in NCDs under the provisions of Section 10(23D) of the IT Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or

shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

IV. General Anti-Avoidance Rule (“GAAR”)

In terms of Chapter XA of the IT Act, GAAR may be invoked notwithstanding anything contained in the IT Act. By this rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be, inter alia denial of tax benefit, applicable with effect from April 01, 2014. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated September 23, 2013.

V. Exemption under Sections 54EE and 54F of the I.T. Act

1. As per provisions of Section 54EE of the IT Act, long term capital gains arising to NCD Holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified assets being units issued before April 1, 2019 of certain notified funds, within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lakhs.
2. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to an NCD Holder who is an individual or an HUF, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

VI. Requirement to furnish PAN under the IT Act

1. Sec.139A(5A)

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

2. Sec.206AA:

- (a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:
 - (i) at the rate specified in the relevant provision of the IT Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.

- (b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) of the IT Act shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- (c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.
- (d) As per Rule 37BC of the IT Rules, the higher rate under section 206AA of the IT Act shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (“TIN”).

VII. Taxability of gifts received for no or inadequate consideration

As per section 56(2)(x) of the IT Act, where an individual or an HUF receives debentures from any person on or after 1st April 2017:

- (i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures computed in the manner prescribed by law as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on Section 56(2)(x) of the IT Act.

Notes forming part of statement of tax benefits

1. 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/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2019-20.
4. This statement is intended only to provide general information to the NCD Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each NCD Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We

shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including ICRA research report titled “**Indian Mortgage Finance Market Update for H1 FY 2019**” dated March 2019 (“**ICRA Report**”), private publications, and industry reports prepared by various ministries, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Manager or any of its respective affiliates or advisors. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The information may not be consistent with other information compiled by third parties within or outside India. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Prospectus. Accordingly, investment decisions should not be based on such information. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.*

Global Economy

Global growth for 2018–19 is projected to remain steady at its 2017 level, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. Global growth is projected at 3.7 percent for 2018–19—0.2 percentage point lower for both years than forecast in April. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetary policy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago. Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict.

The balance of risks to the global growth forecast has shifted to the downside in a context of elevated policy uncertainty. Several of the downside risks highlighted in the April 2018 World Economic Outlook (WEO)—such as rising trade barriers and a reversal of capital flows to emerging market economies with weaker fundamentals and higher political risk—have become more pronounced or have partially materialized. Meanwhile, the potential for upside surprises has receded, given the tightening of financial conditions in some parts of the world, higher trade costs, slow implementation of reforms recommended in the past, and waning growth momentum. While financial market conditions remain accommodative in advanced economies, they could tighten rapidly if trade tensions and policy uncertainty intensify, or unexpectedly high inflation in the United States triggers a stronger than- anticipated monetary policy response. Tighter financial conditions in advanced economies could cause disruptive portfolio adjustments, sharp exchange rate movements, and further reductions in capital inflows to emerging markets, particularly those with greater vulnerabilities. The recovery has helped lift employment and income, has strengthened balance sheets, and has provided an opportunity to rebuild buffers. However, with risks shifting to the downside, there is greater urgency for policies to enhance prospects for strong and inclusive growth. Avoiding protectionist reactions to structural change and finding cooperative solutions that promote continued growth in goods and services trade remain essential to preserving and extending the global expansion.

At a time of above-potential growth in many economies, policymakers should aim to enact reforms that raise medium-term incomes for the benefit of all. With shrinking excess capacity and mounting downside risks, many countries need to rebuild fiscal buffers and strengthen their resilience to an environment in which financial conditions could tighten suddenly and sharply.

Global Growth Outlook

Global growth is expected to remain steady at 3.7 percent in 2020, as the decline in advanced economy growth with the unwinding of the US fiscal stimulus and the fading of the favourable spill overs from US demand to trading partners is offset by a pickup in emerging market and developing economy growth. Thereafter, global growth is projected to slow to 3.6 percent by 2022–23, largely reflecting a moderation in advanced economy growth toward the potential of that group. Growth in advanced economies will remain well above trend at 2.4 percent in 2018, before softening to 2.1 percent in 2019.

Global growth in 2018 is estimated to be 3.7 percent, as it was last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies. Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 percent in 2019 before picking up slightly to 3.6 percent in 2020 (0.2 percentage point and 0.1 percentage point lower, respectively, than in the previous WEO).

Overview of the World Economic Outlook Projections

	Year over Year						Q4 over Q4 2/		
	Estimates		Projections		Difference from Oct 2018		Estimates	Projections	2020
	2017	2018	2019	2020	2019	2020			
World Output	3.8	3.7	3.5	3.6	-0.2	-0.1	3.5	3.6	3.6
Advanced Economies	2.4	2.3	2.0	1.7	-0.1	0.0	2.1	1.9	1.7
United States	2.2	2.9	2.5	1.8	0.0	0.0	3.0	2.1	1.5
Euro Area	2.4	1.8	1.6	1.7	-0.3	0.0	1.2	1.9	1.5
Germany	2.5	1.5	1.3	1.6	-0.6	0.0	0.9	1.7	1.5
France	2.3	1.5	1.5	1.6	-0.1	0.0	1.0	1.6	1.5
Italy	1.6	1.0	0.6	0.9	-0.4	0.0	0.2	1.2	0.6
Spain	3.0	2.5	2.2	1.9	0.0	0.0	2.3	2.1	1.6
Japan	1.9	0.9	1.1	0.5	0.2	0.2	0.6	0.0	1.6
United Kingdom	1.8	1.4	1.5	1.6	0.0	0.1	1.3	1.5	1.6
Canada	3.0	2.1	1.9	1.9	-0.1	0.1	2.0	1.8	1.9
Other Advanced Economies 3/	2.8	2.8	2.5	2.5	0.0	0.0	2.8	2.3	2.9
Emerging Market and Developing Economies	4.7	4.6	4.5	4.9	-0.2	0.0	4.7	5.0	5.0
Commonwealth of Independent States	2.1	2.4	2.2	2.3	-0.2	-0.1	2.4	1.8	1.9
Russia	1.5	1.7	1.6	1.7	-0.2	-0.1	2.2	1.4	1.7
Excluding Russia	3.6	3.9	3.7	3.7	0.1	0.0	...	...	...
Emerging and Developing Asia	6.5	6.5	6.3	6.4	0.0	0.0	6.3	6.4	6.3
China	6.9	6.6	6.2	6.2	0.0	0.0	6.4	6.2	6.2
India 4/	6.7	7.3	7.5	7.7	0.1	0.0	7.1	7.6	7.7
ASEAN-5 5/	5.3	5.2	5.1	5.2	-0.1	0.0	5.1	5.1	4.7
Emerging and Developing Europe	6.0	3.8	0.7	2.4	-1.3	-0.4	1.3	2.1	1.6
Latin America and the Caribbean	1.3	1.1	2.0	2.5	-0.2	-0.2	0.3	3.0	1.9
Brazil	1.1	1.3	2.5	2.2	0.1	-0.1	1.9	2.4	2.2
Mexico	2.1	2.1	2.1	2.2	-0.4	-0.5	2.1	2.3	2.1
Middle East, North Africa, Afghanistan, and Pakistan	2.2	2.4	2.4	3.0	-0.3	0.0	...	...	...
Saudi Arabia	-0.9	2.3	1.8	2.1	-0.6	0.2	4.1	1.0	2.2
Sub-Saharan Africa	2.9	2.9	3.5	3.6	-0.3	-0.3	...	...	...
Nigeria	0.8	1.9	2.0	2.2	-0.3	-0.3	...	...	...
South Africa	1.3	0.8	1.4	1.7	0.0	0.0	0.5	0.9	2.2
<i>Memorandum</i>									
Low-Income Developing Countries	4.7	4.6	5.1	5.1	-0.1	-0.2	...	...	...
World Growth Based on Market Exchange Rates	3.2	3.1	3.0	2.9	-0.1	0.0	2.9	2.9	2.8

(Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 29–November 26, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted.)

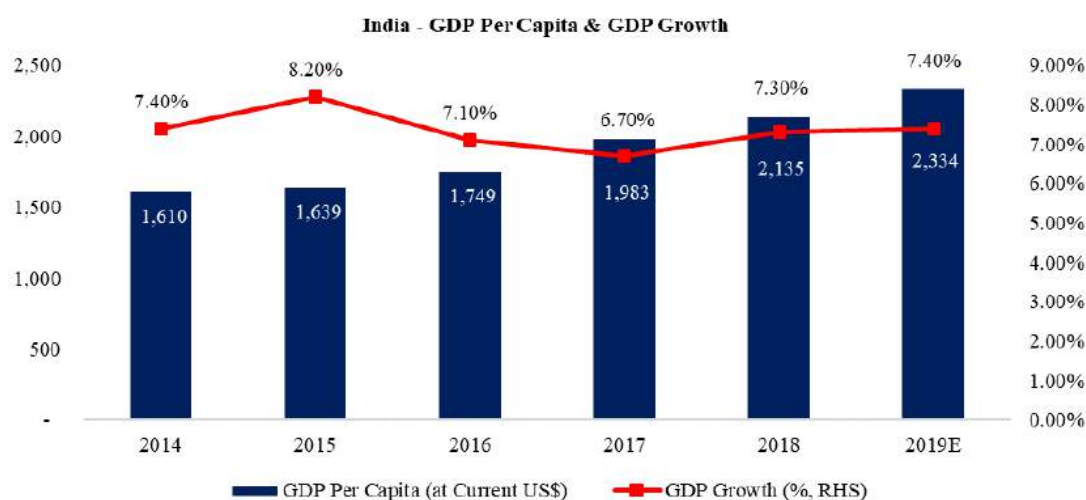
1. Difference based on rounded figures for the current and October 2018 World Economic Outlook forecasts. Countries whose forecasts have been updated relative to October 2018 World Economic Outlook forecasts account for 90 percent of world GDP measured at purchasing-power-parity weights.
2. For World Output, the quarterly estimates and projections account for approximately 90 percent of annual world GDP measured at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-power-parity weights.
3. Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
4. For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.
5. Indonesia, Malaysia, Philippines, Thailand, Vietnam.)

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018>; and <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>. Last accessed on March 5, 2019.)

Overview of the Indian Economy

India is currently the sixth-largest economy in the world with a GDP of USD 2.85 trillion in 2018. It is the seventh-largest country by area and the second-most populated country in the world with an estimated population of 1.30 billion as of July 2018 (*Source: Central Intelligence Agency, The World Factbook, accessed on March 4, 2019*). In 2017 and 2018, India's GDP grew by 6.7% and 7.3%, respectively, and is expected to grow by 7.5% in 2019 (*Source: IMF*).

The following chart shows growth rates in GDP (constant prices) and GDP per capita (constant prices) of India between 2013 and 2018:



(*Source: International Monetary Fund*)

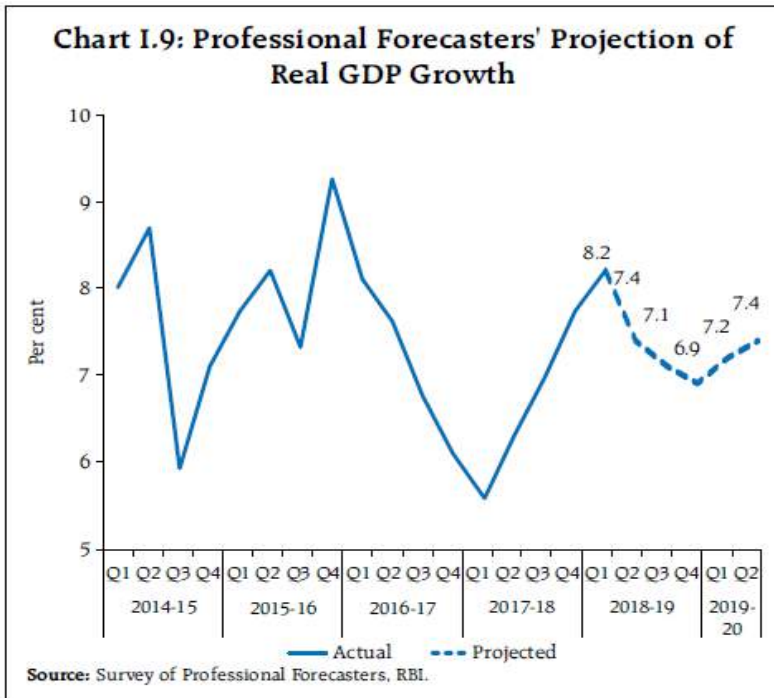
As per the RBI, real GDP growth is expected to accelerate in Fiscal 2019 vis-à-vis Fiscal 2018, with the pace of growth easing in first half of the year relative to the second half. Stabilisation of the GST regime, progress on resolution of distressed assets under the IBC and initiatives towards strengthening of bank balance sheets are supporting economic and investment activity. However, the uncertain global environment poses an important downside risk to the domestic growth outlook.

The Outlook for Growth

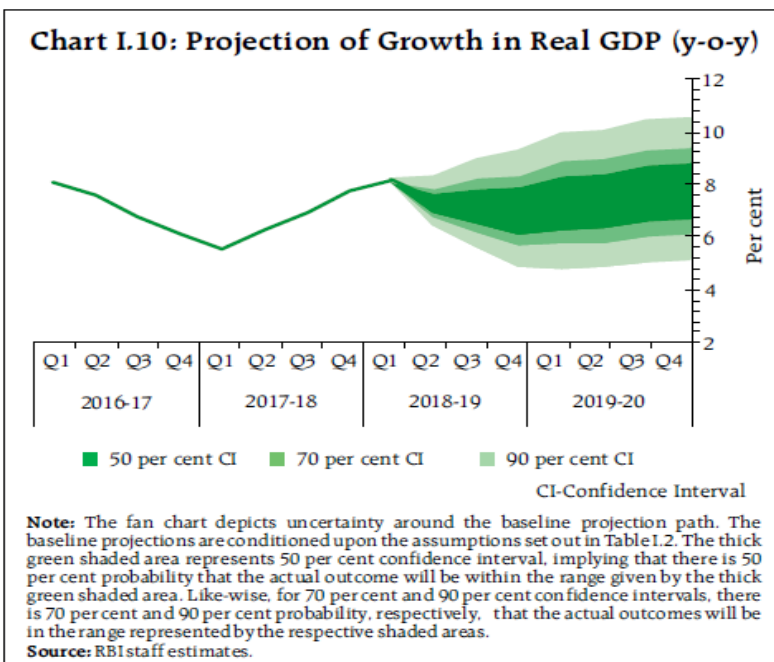
The April 2018 MPR had projected an acceleration in real gross domestic product (GDP) growth in 2018-19 on the back of: (a) the goods and services tax (GST) stabilising; (b) improving credit offtake; (c) likely boost to investment from primary market resource mobilisation; (d) the process of recapitalisation of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code (IBC); (e) buoyant global trade; and (f) the thrust to the rural and infrastructure sectors in the Union Budget 2018-19. Most of these have materialised, but to varying extent. However, global trade growth, as stated earlier, seems to be losing its synchronised momentum and this may hinder India's export prospects. The uneven spatial distribution of the south-west monsoon is another factor that has also imparted some uncertainty to the agricultural outlook and inflation.

Turning to forward-looking surveys, consumer confidence over the year ahead improved marginally in the September 2018 round of the Reserve Bank's survey, reflecting an optimism on incomes and prices. Optimism in the manufacturing sector for the quarter ahead improved in the September 2018 round of the Reserve Bank's industrial outlook survey on account of higher order books and selling prices.

In the September round of the Reserve Bank's survey, professional forecasters expected real GDP growth to decelerate from 8.2 per cent in Q1:2018-19 to 6.9 per cent in Q4 and then recover to 7.4 per cent in Q2:2019-20 (Chart I.9).



Taking into account the baseline assumptions, monetary policy tightening of 50 bps during June-August 2018, survey indicators and model forecasts, real GDP growth is projected to improve from 6.7 per cent in 2017-18 to 7.4 per cent in 2018-19 – 8.2 per cent in Q1, 7.4 per cent in Q2, 7.3 per cent in Q3 and 7.1 per cent in Q4 – with risks broadly balanced around this baseline path (Chart I.10). For 2019-20, structural model estimates indicate real GDP growth at 7.6 per cent, with quarterly growth rates in the range of 7.4-7.9 per cent, assuming a normal monsoon and no major exogenous or policy shocks. Strengthening investment activity and a further pick-up in credit growth impart an upside bias to the baseline growth projections. However, recent protectionist measures by major economies, threats of currency wars and the uncertainty associated with the pace of monetary policy normalisation in the US and other major advanced economies pose downside risks to the baseline growth path.



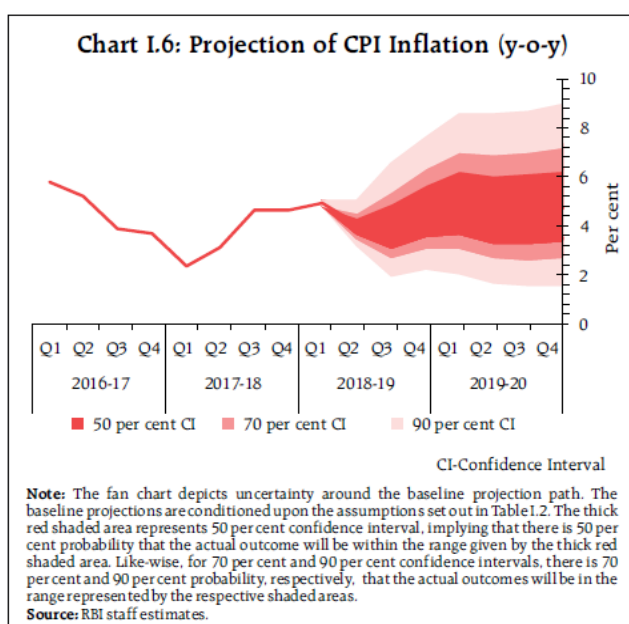
(Source: <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPR20181903C4178AD08947D5A2BD6C315B3F121C.PDF>, last accessed on March 5, 2019)

The Outlook for Inflation

Headline consumer price index (CPI) inflation averaged 4.4 per cent during 2018-19 up to August 4.1 per cent, excluding the estimated impact of house rent allowances (HRAs) for central government employees. A broad-based uptick in inflation in respect of prices of fuel, transportation, personal care/effects, education and health services was largely offset by the unexpectedly and unseasonably benign food inflation.

Inflation expectations of urban households surveyed by the Reserve Bank exhibited a mixed picture in its September 2018 round2: they increased by 50 bps over the previous round for the three months ahead horizon and softened by 30 bps for the one year ahead horizon. The proportion of respondents expecting the general price level to increase by more than the current rate, however, declined marginally in the September round for the three months ahead horizon and was almost unchanged for the one year ahead horizon.

Professional forecasters surveyed by the Reserve Bank in September 2018 expected CPI inflation to fall from 4.8 per cent in Q1:2018-19 to 4.1 per cent in Q3 and then pick up to 5.1 per cent by Q2:2019-20. Taking into account the initial conditions, signals from forward-looking surveys and estimates from structural and other models⁵, CPI inflation is projected to pick up from 3.7 per cent in August 2018 to 3.9 per cent in Q3:2018-19 and 4.5 per cent in Q4:2018-19, with risks somewhat tilted to the upside (Chart I.6). The projected increase in inflation from current levels reflects the waning away of favorable base effects and anticipates the feeding through of the impact of the increase in MSPs into retail inflation. The direct impact of the increase in HRA by central government has started waning and will fade away completely by December 2018. Excluding the estimated impact of HRA for central government employees, CPI inflation is projected at 3.8 per cent in Q3:2018-19 and 4.5 per cent in Q4:2018-19. The 50 per cent and the 70 per cent confidence intervals for headline inflation in Q4:2018-19 are 3.6-5.7 per cent and 3.1-6.4 per cent, respectively.



For 2019-20, structural model estimates indicate that inflation will move in a range of 4.5-4.8 per cent, assuming a normal monsoon and no major exogenous/policy shocks. The 50 per cent and the 70 per cent confidence intervals for Q4:2019-20 are 3.4-6.3 per cent and 2.7-7.2 per cent, respectively.

There are upside and downside risks to the baseline inflation path. As stated earlier, the announced increase in MSPs for kharif crops has been much bigger than in the recent past, but there is considerable uncertainty about the exact impact of the scale and timing of government procurement operations. Other upside risks in the context of the baseline projection include supply disruptions in the global crude oil market, volatility in international financial markets and second round effects of the staggered HRA revisions by state governments. A major downside risk to the baseline could be decline in demand for oil due to global growth slowdown on account of rising trade tensions, which may help bring down oil prices.

(Source: <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPR20181903C4178AD08947D5A2BD6C315B3F121C.PDF>, last accessed on March 5, 2019).

Overview of the Housing Financing Industry

According to ICRA the total housing credit outstanding was Rs. 17.8 lakh crore as on September 30, 2018 (Rs. 16.6 lakh crore as on March 31, 2018) leading to an overall growth of 17%. Growth for the housing credit book of banks was supported by portfolio buyouts, which started picking up Q2 FY2019 onwards. Going forward, while market growth is expected to slow down, increased securitisation volumes could lead to increased share of banks in the overall housing portfolio. (Source: ICRA Report)

EXHIBIT 1: Growth in Housing Credit

Housing Credit	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	June-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
HFC and NBFCs	2.1	2.6	3.1	3.8	4.4	5.2	5.4	5.6	6.0	6.3	6.5	6.7
Scheduled Commercial Banks	4.2	4.8	5.7	6.6	7.9	9.1	9.1	9.6	9.9	10.3	10.5	11.1
Housing Credit	6.3	7.4	8.8	10.4	12.3	14.2	14.5	15.2	15.8	16.6	17.0	17.8
Credit Growth-HFC and NBFCs	22%	26%	20%	21%	17%	17%	20%	19%	25%	22%	20%	19%
Credit Growth-SCBs	11%	15%	18%	17%	18%	15%	11%	13%	14%	13%	16%	16%
Overall Housing Credit Growth	14%	19%	19%	18%	18%	16%	15%	15%	16%	17%	17%	17%
% Share												
HFC and NBFCs	33%	35%	35%	36%	36%	36%	37%	37%	38%	38%	38%	38%
Bank	67%	65%	65%	64%	64%	64%	63%	63%	62%	62%	62%	62%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ICRA research; RBI; Amounts in Rs. lakh crore

(Source: ICRA Report)

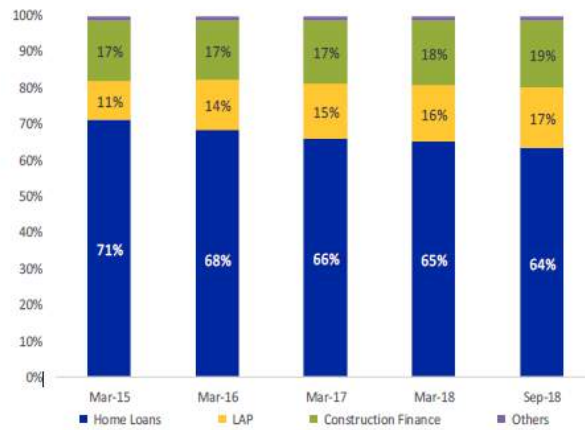
According to ICRA, Housing Finance Companies (“HFCs”) reported a Year on Year (“YoY”) growth of 22% in the overall portfolio for the 12 months ended September 2018, supported by a higher YoY growth of 30% in the non-housing loan segment while the home loan portfolio grew by 18% during the same period. However, housing loans continue to dominate the HFC loan book, their share in the overall HFC portfolio reduced to 64% as on September 30, 2018 owing to the higher pace of growth in non-housing loans. The share of housing loans in the overall portfolio of smaller HFCs was higher than all HFCs. In addition, the pace of growth of home loans for smaller HFCs was at a much faster pace at 25% YoY vis-à-vis non-housing loan growth of 9% for the 12 months ended September 2018. (Source: ICRA Report)

As per ICRA’s estimates, the total loan book of the players in the affordable housing segment stood at Rs. 1.77 lakh crore as on September 30, 2018. Furthermore, the portfolio growth for the new players in the segment was higher at 34% YoY (albeit on a smaller base) with a total loan book of Rs. 38,575 crore as on September 30, 2018. (Source: ICRA Report)

According to ICRA, the large HFCs had the maximum share of the construction finance, including LRD portfolio among the HFCs. The large HFCs include Housing Development Finance Corporation, Dewan Housing Finance Corporation, Indiabulls Housing Finance Limited, LIC Housing Finance Limited, PNB Housing Finance Limited. Unlike their larger counterparts, the non-housing loan book of small HFCs mainly consists of Loans Against Persons (“LAP”). LAP constituted 22% of the total loan book of small HFCs as on September 30, 2018 compared to 16% for all HFCs.

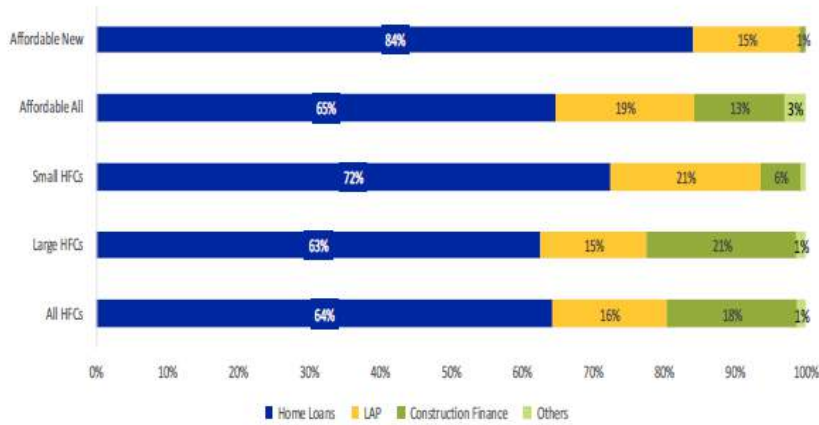
Further, in terms of borrower mix, small HFCs have a larger proportion of self-employed customers who tend to borrow against property for their business or personal needs, thus providing small HFCs with better opportunities for originating LAP. However, new HFCs operating in the affordable segment remain focussed on the home loan segment, given the good growth potential and expectations of higher yields from this segment, and have a negligible share in construction finance. (Source: ICRA Report)

EXHIBIT 4: Trends in On-book Portfolio Mix of HFCs



(Source: ICRA Report)

EXHIBIT 5: Comparison of On-book Portfolio Mix across HFC Groups as on September 30, 2018



(Source: ICRA Report)

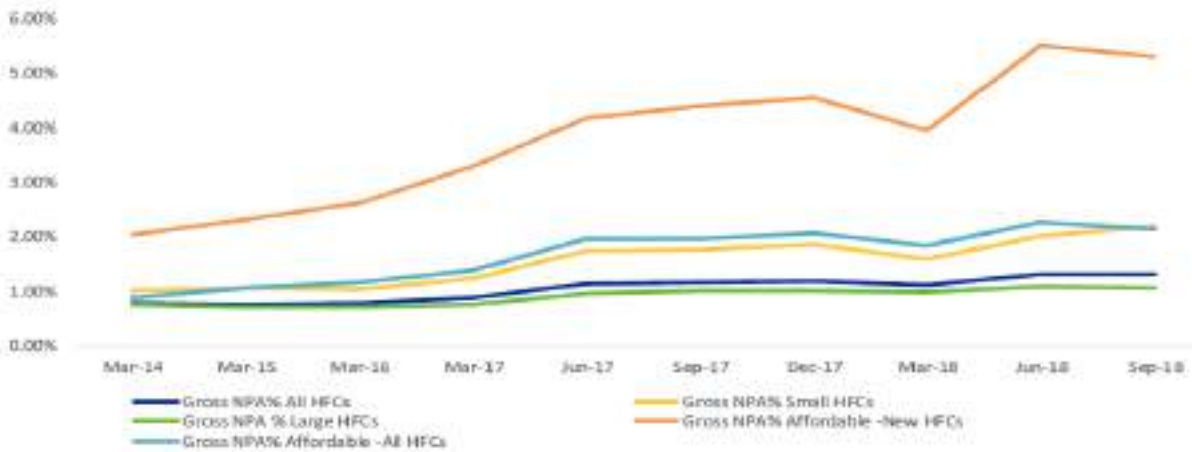
According to ICRA, the long-term growth prospects for the segment remains good. However, the pace of growth in the second quarter of Fiscal 2019 is likely to be slower at around 12-14% leading to overall housing credit growth of 14-16% in Fiscal 2019. In addition, the pace of growth for housing credit of banks is expected to go up, supported by the increase in direct assignment transaction activity and lower disbursements made by HFCs in the third quarter of Fiscal 2019. According to ICRA, this could also lead to a modest shift in market share across HFCs and banks. (Source: ICRA Report)

Non-Performing Assets Trends

ICRA estimates, that the overall Gross Non- Performing Assets (“GNPAs”) remained similar to the June 2018 level of 1.3% (1.1% as on March 31, 2018). In addition, ICRA estimates that smaller HFCs also reported an increase in GNPAs to 2.2% as of September 2018 from 1.6% as of March 2018 considering that their asset quality indicators deteriorated on the back of higher slippages for few players. Deterioration in the asset quality indicators of some players in the affordable housing segment was also witnessed due to the seasoning of the portfolio and some entity-specific factors.

As market liquidity remains tight, ICRA expects the LAP, builder loan, and self-employed home loan segments to face longer working capital cycles and increased borrowing costs. Thus, delays in fresh financing/refinancing are expected to impact the business performance of these borrowers and the asset quality of the lenders, which could be more visible in Fiscal 2020. (Source: ICRA Report)

EXHIBIT 6: Gross NPA Trends for HFCs



(Source: ICRA Report)

Asset Quality of HFCs

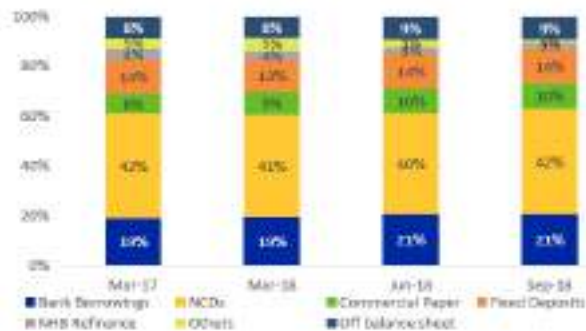
According to ICRA, the asset quality is expected to be negatively impacted on account of slowdown in growth, increased portfolio vulnerability, and increasing share of the non-housing loan book and self-employed & low-income borrowers. Furthermore, owing to incremental portfolio sales by some players, the overall on-book portfolio mix could change in favour of higher share of newer vintage and non-housing loans in the portfolio, which could lead to further deterioration in the asset quality indicators. The ability of HFCs to sell the repossessed assets in a timely manner will remain a key monitorable item.

Nevertheless, the strong monitoring and control processes of HFCs, borrowers’ own equity in the properties and the large proportion of the properties being self-occupied reduce the concerns to an extent. In ICRA’s opinion, gross NPAs in the HFC home loan segment are likely to increase to around 1.1-1.3% over the medium term from the current level of 1.0%. Further, higher Gross NPA% on the non-housing loan segment could lead to increase in gross NPAs for HFCs to around 1.4-1.8% over the medium term. (Source: ICRA Report)

Share of Securitisation

According to ICRA, there are inherent gaps in the Asset Liability Maturity (“ALM”) profile of HFCs owing to the relatively longer maturity of assets vis-à-vis liabilities, which has hitherto been plugged by refinancing. Commercial Papers (“CPs”) accounted for around 10% of the overall borrowings of all HFCs though it was much higher for some HFCs. With the tight liquidity witnessed in the debt markets since September 2018, HFCs are increasingly focussing on raising longer-tenure funds as well as on raising funds through the assignment route. With the increased transaction volumes for securitisation seen in October and November 2018, the share of securitisation as a funding source is likely to go up as compared to reported levels as on September 30, 2018. (Source: ICRA Report)

EXHIBIT 8: Borrowing Profile for all HFCs as of September 2018

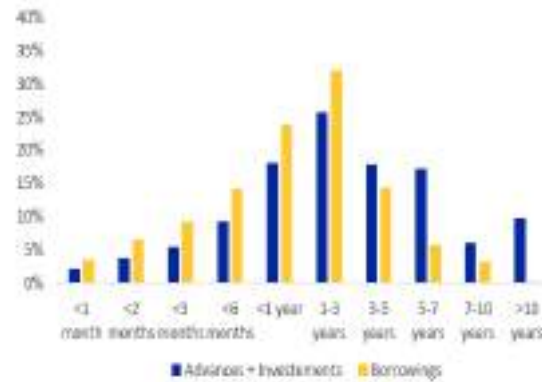


Source: ICRA research, company investor presentations of ICRA assignee entities

(Source: ICRA Report)

ALM profile of HFCs

EXHIBIT 9: ALM Profile of HFCs as on September 30, 2018



Source: ICRA research, company/investor presentations of ICRA sample entities

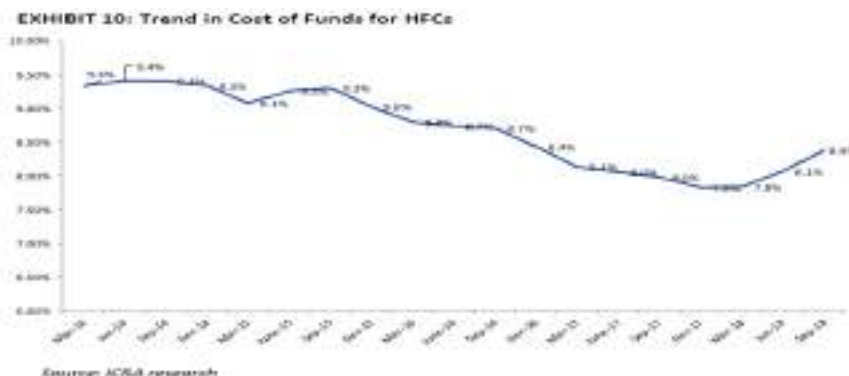
(Source: ICRA Report)

Incremental Funding Requirements

In ICRA’s view, while asset growth for HFCs has been robust so far with an overall loan growth of 22% YoY, HFCs would require about Rs. 2-2.3 lakh crore of fresh debt funding in second quarter of Fiscal 2019 to support growth of about 20% in Fiscal 2019. Given that most of the HFCs slowed down disbursements considerably in the third quarter of Fiscal 2019, the portfolio growth in Fiscal 2019 is likely to be lower, in ICRA’s view. Furthermore, in ICRA’s estimates, to meet a growth target of 15%, HFCs would need Rs. 1.7-1.9 lakh crore in the second quarter of Fiscal 2019. The timely availability of incremental funding at competitive rates would be crucial for meeting repayments as well as for normal business growth. (Source: ICRA Report)

According to ICRA, HFCs benefited from low-cost funding by issuing CPs in the last one year as the differential in rates between CPs and long-term debt was about 60-70 bps. Furthermore, the cost of funds increased by 30 bps in the second quarter of Fiscal 2019. Going forward, ICRA expects the share of CPs to reduce as HFCs trim their exposure to shorter-tenure funding and likely replace a part of the same with bank finance or other long-term debt. HFCs that are rated AA category and above, were borrowing from banks at the Marginal Cost of Funds-Based Lending Rate (“MCLR”) till the first quarter of Fiscal 2019.

Furthermore, according to ICRA, banks, were also investing in non-convertible debentures (NCDs) and CPs of HFCs and were offering credit facilities linked to market benchmarks instead of the MCLR as they could take such exposure at rates even below the MCLR. ICRA expects the weighted average cost of funds of HFCs to increase by about 40-50 bps in Fiscal 2019 compared to Fiscal 2018. (Source: ICRA Report)



(Source: ICRA Report)

Liquidity Analysis of HFCs

According to ICRA, HFCs have been able to make the repayments due to lenders in October and November 2018 supported by a combination of securitisation, additional funding from banks and NHB, refinancing of some borrowings, and by curtailing disbursement. While the CP issuance volumes have increased from the lows observed in September and October 2018, HFCs are working on improving their ALM profile with increased focus on raising long-term funds as well as securitisation. (Source: ICRA Report)

EXHIBIT 11: Liquidity Analysis – As on September 30, 2018

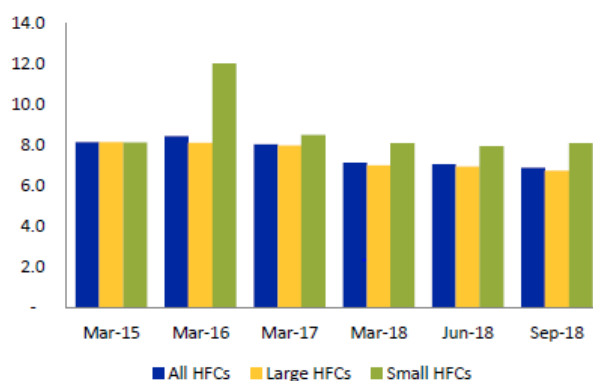
	Up to October 2018	Up to November 2018	Up to December 2018	Up to March 2019
All HFCs				
Repayments	28,193	53,592	80,599	1,19,939
Cash/Unencumbered Liquid Investments	36,728	36,728	36,728	36,728
Surplus/(Deficit)	8,535	(16,863)	(43,870)	(83,210)
Expected Inflows from Repayments (Stressed At 50% Collection Efficiency)	3,674	6,644	12,428	24,574
Surplus/(Deficit)		(10,219)	(31,443)	(58,636)
Unutilised Lines (Assuming 50% Are Honoured)	25,858	25,858	25,822	25,822
Surplus/(Deficit)	38,067	15,639	(5,620)	(32,814)
All Excluding 2 Large HFCs				
Repayments	17,685	33,510	47,455	47,559
Cash/Unencumbered Liquid Investments	22,210	22,210	22,210	22,210
Surplus/(Deficit)	4,525	(11,299)	(25,244)	(25,348)
Expected Inflows from Repayments (Stressed At 50% Collection Efficiency)	1,273	2,070	3,682	6,401
Surplus/(Deficit)	5,798	(9,229)	(21,562)	(18,947)
Unutilised Lines (Assuming 50% Are Honoured)	20,858	20,858	20,822	20,822
Surplus/(Deficit)	26,656	11,629	(740)	1,875

Source: ICRA research, ALM statements/ investor presentations of # give count of HFCs; ICRA sample entities; Amounts in Rs. crore
(Source: ICRA Report)

Capitalisation of HFCs

According to ICRA Report, as on September 30, 2018, the aggregate on balance sheet gearing for all HFCs and large HFCs improved to 6.9 times and 6.7 times respectively. Furthermore, the reported capital adequacy for HFCs remained good with median CRAR of 18.3% as on September 30, 2018 owing to the relatively lower risk weights for home loans and commercial real estate loans for residential projects. (Source: ICRA Report)

EXHIBIT 13: Gearing for HFCs



Source: Quarterly financials of HFCs and ICRA research

(Source: ICRA Report)

EXHIBIT 14: Capitalisation Indicators for HFCs

	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Sep-18
Net worth/Advances						
All HFCs	11.8%	11.6%	11.8%	12.7%	13.1%	13.7%
Small HFCs	12.3%	10.9%	11.5%	10.8%	11.1%	11.4%
Large HFCs	11.7%	11.8%	11.3%	13.0%	13.4%	14.1%
Median CRAR						
All HFCs	18.4%	19.2%	17.3%	18.9%	18.0%	18.3%
Small HFCs	15.4%	19.3%	19.7%	18.9%	18.5%	19.1%
Large HFCs	18.4%	19.2%	19.3%	17.6%	16.3%	17.3%

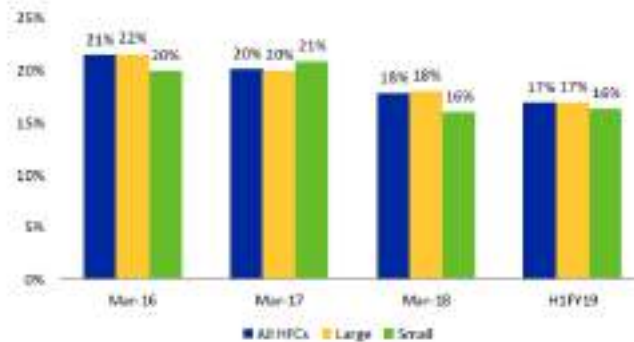
Source: Quarterly financials of HFCs and ICRA research

(Source: ICRA Report)

Profitability Indicators of HFCs

According to ICRA, the overall profitability indicators for HFCs remained healthy in the first quarter of Fiscal 2019 as most of the listed and larger players migrated to Ind AS from IGAAP earlier. Furthermore, according to ICRA, the earning for the first quarter of Fiscal 2019 remained good with overall RoE of 17%.

EXHIBIT 15: Profitability Indicators (RoE)



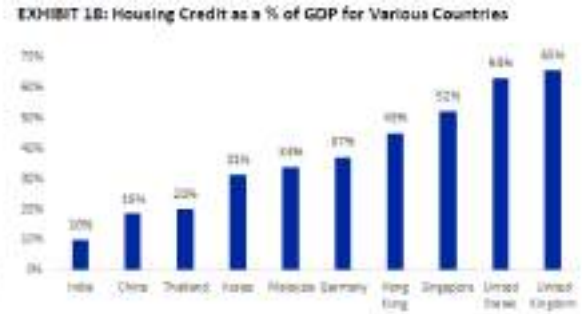
Source: Quarterly financials of HFCs and ICRA research

(Source: ICRA Report)

In ICRA’s view, a mix of factors could impact the earnings of HFCs in the current fiscal. Given that around Rs. 1.7-1.9 lakh crore of debt would be refinanced at higher rates in the second quarter of Fiscal 2019, the overall cost of funds for HFCs is likely to go up by around 30-50 bps by Fiscal 2019. As most of the HFCs have increased their lending rates also by 20-30 bps, the overall impact on net interest margins could be lower at around 15-25 bps. Further, a slowdown in growth is likely to impact the operating expense ratios. While profitability indicators for Fiscal 2019 are likely to remain robust with RoEs of 15-17%, supported by upfront income booking on assignments, a prolonged slowdown in growth could impact the operating expense ratios and asset quality of some asset classes, which could lead to moderation in profitability indicators. (Source: ICRA Report)



Source: ICRA research, HCRINET



Source: ICRA research, HCRINET, data for India for March 2018, data for other countries as of 2015

(Source: ICRA Report)

Market Share

According to ICRA, the sector remains concentrated with the top five players including the State Bank of India, HDFC group, LIC Housing Finance Limited, ICICI group, and Axis Bank. According to ICRA Report, these five together accounted for 58% of the total housing credit market in India as on September 30, 2018 (Source: ICRA Report).

In the estimation of ICRA, the large players will continue to dominate the mortgage market in the medium term, smaller HFCs that have been expanding their portfolios over the last few years are likely to increase their share given their focus on the relatively untapped segments. Furthermore, according to ICRA, despite the relatively high share of the large players in the overall market, the Herfindahl-Hirschman index for the top 10 players declined gradually to 889 as on September 30, 2018 from 971 as on March 31, 2013, indicating the increasing competition in the market. (Source: ICRA Report)

According to ICRA, as of December 2018, the housing finance market has 97 players. In addition, 12 new applications for registrations are currently being processed at the NHB. Furthermore, according to ICRA Report, the number of the new entrants have been increasing continuously over the last decade. 33 new entrants have obtained registration of the NHB in the last three years. Most new entrants in the past 2 years have focussed on the relatively underpenetrated low-ticket affordable housing and self-employed segments. (Source: ICRA Report)

EXHIBIT 20: Number of HFCs Registered with NHB

	Jan-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Mar-15	Jul-16	June-17	Mar-18	Oct-18	Dec-18
Non-Deposit Accepting	22	23	23	30	33	37	39	44	46	58	67	74	79	79
Deposit Accepting	30	20	20	21	19	19	18	18	18	18	18	18	18	18
Total HFCs	52	43	43	51	52	56	57	62	64	76	85	92	97	97

Source: NHB

(Source: ICRA Report)

Borrowing Profile of HFCs

According to ICRA Report, a majority of HFCs on issuance of NCDs as the main source of funding followed by bank borrowing and interest accrued on fixed deposits. Furthermore, based on ICRA Report it is evident that small HFCs rely on bank borrowings for funding followed by issuance of NCDs and refinancing facility from NHB.

EXHIBIT 23: Trend in Borrowing Profile of all HFCs

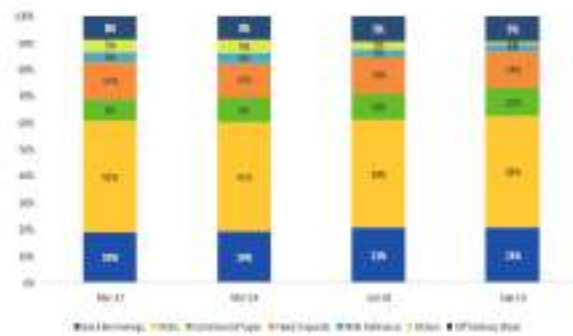


EXHIBIT 24: Trend in Borrowing Profile of Small HFCs



(Source: ICRA Report)

Enabling Regulatory Environment

Pradhan Mantri Awas Yojana

The Government of India (“GoI”) launched the ‘Housing for All’ mission under the Pradhan Mantri Awas Yojana (“PMAY”) in June 2015. The mission attempts to address the demand and supply-side constraints that had affected the sector’s growth in the past. On the demand side, the GoI proposed a credit-linked subsidy capital, which could be as high as 44% (Rs. 2,67,000) for a loan of up to Rs. 6,00,000. On December 31, 2016, the Prime Minister introduced two new middle-income categories under the scheme, that is loans of up to Rs. 9,00,000 and Rs. 12,00,000 with subvention of 4% and 3%, respectively. The income eligibility criteria for the two categories are overall household income of Rs. 12,00,000 and Rs. 18,00,000, respectively.

These categories are likely to improve affordability for a wider set of borrowers leading to increased growth potential in the affordable housing segment. However, the success of this action would hinge on the availability of supply of such houses. Initiatives taken by state governments and urban local bodies to provide land to keep the prices affordable while ensuring adequate returns for the developers would be critical for ensuring adequate supply of low-cost housing. Further modifications to the scheme were made in November 2017 when the dwelling unit carpet area was increased for the Middle-Income Group (“MIG”) segment.

The Union Budget for Fiscal 2018 has maintained its focus on the agenda for ‘Housing for All’ by 2022. The allocation of Rs. 27,400 crore under PMAY was at levels similar to last year. This would help in continuing the growth momentum in the affordable housing sector on the demand as well as supply side. In addition to the Credit-Linked Subsidy Scheme (“CLSS”), the setting up of an affordable housing fund is likely to increase the funding options for HFCs operating in the affordable housing space. In ICRA’s opinion, HFCs operating in the affordable housing space could benefit from lower funding costs, which are likely to improve affordability for end borrowers. The thrust on increasing rural income is also likely to aid the demand for housing and is likely to be a positive for the HFCs from a growth perspective, especially for players with a good presence in rural and semi-urban areas.

Credit Linked Subsidy Scheme

The table set out below highlights the salient terms of the Credit Linked Subsidy Scheme.

	CLASS FOR EWS/LIG	CLASS FOR MIG (2018) (Additions)
Loan Amount	Up to Rs. 6,00,000	Up to Rs. 9,00,000
Eligibility Criteria	EWS (income of up to Rs. 3,00,000) and LIG (income of up to Rs. 6,00,000). Women to be co-owners along with the beneficiaries.	MIG - I households are defined as households with an annual income between Rs. 6,00,001 and Rs. 12,00,000.
Subsidy Calculation Rate Interest subsidy for a tenure of 20 years or during tenure of loan, whichever is lower. The net present value (NPV) of the interest subsidy to be calculated at a discount rate of 9%	6.5%	4%
Subsidy Amount	Up to Rs. 2,67,000 (for a Rs. 6,00,000 loan) for 20-year tenure.	Up to Rs. 2,35,000 (for a Rs. 9,00,000 loan) for 20-year tenure.
Dwelling Unit Carpet Area	60 sq metre	160 sq metre (increased from 120 sq metre in June 2018)
Discount Rate for NPV Calculation	9%	9%

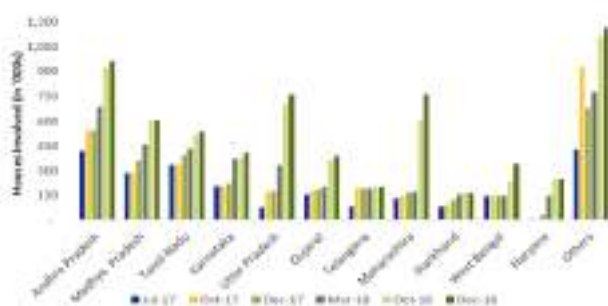
Source: Ministry of Housing and Urban Poverty Alleviation, press releases

(Source: ICRA Report)

Progress of PMAY

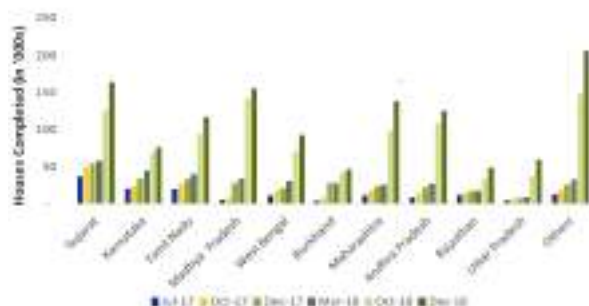
According to ICRA Report, though the progress in implementing the scheme has been limited so far, the pace has started to pick up and around 65 lakh houses were sanctioned across various states. In addition, an amount of Rs. 33,365 crore was released under the PMAY Urban Scheme up to December 03, 2018. The scheme is picking pace with an increase in the number of houses sanctioned as well as the number of beneficiaries of the subsidy. The top five performing states in the CLSS are Gujarat, Karnataka, Tamil Nadu, Madhya Pradesh and West Bengal. (Source: ICRA Report)

EXHIBIT 35: Trends in Progress on No. of Houses



Source: Progress under PMAY, Ministry of Housing and Urban Affairs

EXHIBIT 36: Trends in Progress on No. of Houses Complete



Source: Progress under PMAY, Ministry of Housing and Urban Affairs

(Source: ICRA Report)

OUR BUSINESS

*Unless otherwise stated or the context requires otherwise, references in this section to “we”, “us” or “our” refers to Muthoot Homefin (India) Limited. Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 11 for a discussion of risks and uncertainties related to those statements and also “**Risk Factors**” on page 13, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Reformatted Financial Statements and Special Purpose Interim Financial Statements, included in this Prospectus on page 126. We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Reformatted Financial Statements and Special Purpose Interim Financial Statements, and which may not have been subject to an audit or review of the Statutory Auditor. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in the calculation, may vary from that used by other entities in the business similar to ours. You should consult your own advisors and evaluate such information in the context of the Reformatted Financial Statements and Special Purpose Interim Financial Statements and other information relating to our business and operations included in this Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular the ICRA Report prepared and issued by ICRA.

Overview

We are a non-deposit taking housing finance company and were registered with the National Housing Bank (“**NHB**”) on May 19, 2014. We were incorporated on August 26, 2011 and are currently the wholly owned subsidiary of Muthoot Finance Limited (“**MFL**”), which is one of India’s largest gold financing companies by loan portfolio. Accordingly, we are a part of the group with a legacy of serving customers for over 130 years. We currently boast of a customer base consisting of 20,237 customers as at September 30, 2018.

We focus on providing affordable housing loans to Lower Middle Income (“**LMI**”) groups and Economically Weaker Sections (“**EWS**”) of society in tier 2, tier 3 and tier 4 cities. Our customers comprise primarily informal and formally salaried workers and self-employed individuals. As on September 30, 2018, 58.88% of our loan portfolio consisted of loans made to salaried individuals, 2.26% of our loan portfolio consisted of loans made to individuals who are professionals or self-employed, and 38.87% of our loan portfolio consisted of loans made to individuals who are businessmen. As on September 30, 2018, we provided loans to customers located in 11 states and one union territory, namely Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Telangana, Uttar Pradesh, and Chandigarh.

We source our customers directly through our in-house sales team, as well as through our channel partner. We have a robust marketing and branch network in order to market our products to our customers. Our branch network consisted of 70, 59, 9, and 4 branches as on September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, respectively. We also leverage the brand recognition of MFL, in order to expand our business and source our customers. Our branches aim at providing a fast and seamless customer experience with an emphasis on a single window interface for our customers.

Our products are focused towards aiding our customers in arranging funds for purchase of a property, construction of new residential property, as well as for renovation, improvement and extension of existing residential property. These loan products are secured by creating a mortgage on the residential properties. In addition, we also provide our salaried customers with loans against property (“**LAP**”) by allowing them to mortgage their property with us. As on September 30, 2018, the total LAP provided by us was valued at ₹21.66 million and comprised of 0.12% of the total assets under management (“**AUM**”).

We are promoted by Muthoot Finance Limited, which is in turn promoted by Mathai George George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot. Mathai George George Muthoot, George Thomas Muthoot, and George Alexander Muthoot continue to be associated with our Company and serve on our Board of Directors.

We had 20,237, 15,908, 4,024 and 120 borrowers as at September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, respectively. Further, our AUM as at September 30, 2018 in accordance with Ind AS consisted of ₹17,509.86 million, and our AUM as at March 31, 2018, March 31, 2017, and March 31, 2016 in accordance with Indian GAAP consisted of ₹14,647.81 million, ₹4,408.40 million, and ₹315.00 million, respectively.

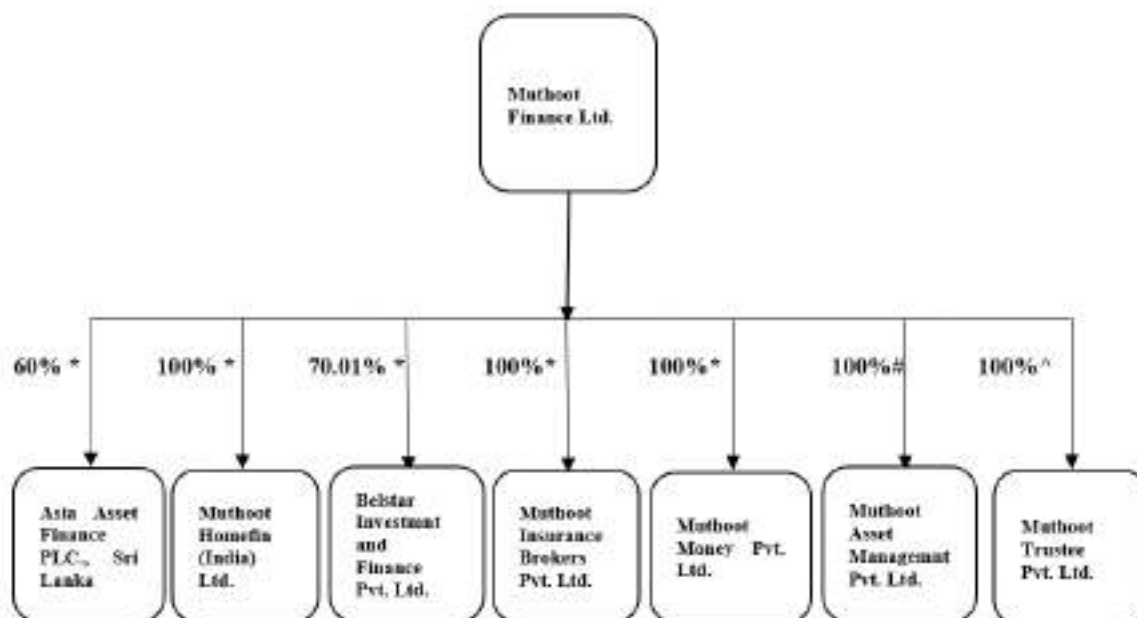
Our gross non-performing assets (“NPAs”) as a percentage of our AUM as at September 30, 2018 in accordance with Ind AS stood at 0.78%, and our gross NPA as a percentage of our AUM as at March 31, 2018 stood at 0.42%. Furthermore, as at March 31, 2017, and March 31, 2016, our Company did not have any NPAs. Our total borrowings as of September 30, 2018, were ₹13,983.94 million. Our average ticket size as on September 30, 2018 was ₹0.95 million and the average cost of our borrowings as a percentage of our weighted average borrowings was 8.64%. The average tenor of our loans on book as on September 30, 2018 was 17 years and four months. Our ticket size is determined by the location of our customer, and is subject to the following maximum limits:

Location	Maximum
Metro cities such as Bangalore, Chennai, Hyderabad, New Delhi, and Mumbai	₹5.00 million
Other Locations	₹3.00 million

Our total revenue from operations, as per our Reformatted Financial Statements prepared according to Indian GAAP for Fiscals 2018, 2017 and 2016 was ₹1,258.75 million, ₹241.65 million and ₹19.32 million, respectively, and our total revenue from operations, as per our Special Purpose Interim Financial Statements was ₹1,039.78 million. Our net profit after tax, as per our Reformatted Financial Statements prepared according to Indian GAAP for Fiscals 2018, 2017 and 2016 was ₹278.04 million, ₹28.73 million and ₹0.13 million, respectively, and our net profit after tax, as per our Special Purpose Interim Financial Statements was ₹209.76 million.

Corporate Structure

Set forth below is the corporate structure of our Promoter and its subsidiaries.



*Reflects MFL's equity shareholding in the subsidiaries as at December 31, 2018.

^Muthoot Trustee Private Limited was incorporated on January 28, 2019 and has not commenced any business operations as on the date of this Prospectus.

#Muthoot Asset Management Private Limited was incorporated on January 14, 2019 and has not commenced any business operations as on the date of this Prospectus.

Our Strengths

Strong growth opportunity supported by Government critical policy agenda

The 'Pradhan Mantri Awas Yojana' scheme introduced by the Government of India is an attempt to address the demand and supply – side constraints that had affected the growth of affordable housing in the past. On the demand side, the Government has introduced a credit – linked subsidy capital with an upper limit of 44% for a loan amount of up to of ₹0.60 million (*Source: ICRA Report*). Further, the Government has also included households with an overall annual household income of ₹1.20 million and ₹1.80 million within the scope of this scheme, with the former being provided a subvention of 4% and the latter being provided a subvention of 3%, respectively. (*Source: ICRA Report*). The Pradhan Mantri Yojana is thus expected to improve affordability for a wider set of borrowers, which will result in an increased growth potential in the affordable housing segment. (*Source: ICRA Report*).

In addition, the Government has introduced other regulatory incentives including viability gap funding, increased limit for priority sector lending, grant of licenses under the SARFAESI Act, 2002 to HFCs to help minimize losses and encouraging lending to borrowers in small towns and the revision of interest-spread caps for the Rural Housing Fund and implementation of the Atal Mission for Rejuvenation and Urban Transformation.

We target the EWS and LMI sections of society. We believe that there is an enormous unmet demand for low-cost housing finance options for low-income households. By virtue of being largely present in metros and urban areas, ticket sizes of banks and large housing finance company have followed rising property prices, which are out of the financial abilities of members of EWS and LMI groups. The focus on the urban salaried segment by banks and large housing finance companies has resulted in the market for catering to non-salaried individuals as well as tier 3 and tier 4 cities and rural areas being open to anyone with the capability to operate in that segment. Accordingly, we believe that we are well placed to serve customers from these categories, as we have developed internal processes particularly for assessing the credit-worthiness of individuals from the EWS and LMI groups, which provide us with a significant competitive advantage.

Strong credit ratings

We use a variety of funding sources to optimize funding costs, protect interest margins, and maintain a diverse funding portfolio that will enable us to achieve and maintain funding stability and liquidity. Our borrowing cost as on September 30, 2018 in accordance with Ind AS was 8.64% and our borrowing cost as on March 31, 2018 and March 31, 2017 in accordance with Indian GAAP were 8.76%, and 9.43%, respectively. Furthermore, we did not incur any borrowing cost as on March 31, 2016. Further, as at September 30, 2018, our total outstanding indebtedness in accordance with Ind AS was ₹13,983.93 million. Of this, 76.93% of our total funding was sourced by loans from banks and other financial instruments, 17.71% was sourced from commercial papers, and 5.36% was sourced from intercorporate deposits. We aim to further diversify our funding by issuing non-convertible debentures and other capital markets instruments periodically and reduce our dependence on term loans from banks and other financial institutions, subject to compliance with conditions as prescribed by the NHB from time to time.

We have received the following credit ratings from various rating agencies:

Nature of Borrowing	Rating Agency		
	CRISIL	ICRA	CARE
Long Term Bank Loan	CRISIL AA/ Stable	ICRA AA -/ (Stable) Outlook: Stable	-
Short-term debt/ Commercial Paper	-	ICRA A1+	CARE A1+
NCDs	CRISIL AA / Stable	-	-

These credit ratings indicate a very strong degree of safety regarding the timely servicing of financial obligations and allow us to access debt financing at competitive interest rates. We believe that the presence of such favourable credit ratings will also result in a favourable response to our Company when raising funds from equity and debt capital markets. This favourable response is expected to allow us to source funding at competitive rates and also reduce the proportion of our financing from banks, thus reducing overall funding costs.

Maintaining good asset quality and risk management framework

We have developed a robust risk management framework covering all types of risks incidental to our Company's business. Our Company recognizes the importance of identifying and controlling risks and ensuring that essential internal controls and procedures have been established, by adopting a structured approach to identify current and

future potential risks to our organization. The Risk Management Committee of our Board of Directors has the overall responsibility to monitor and manage enterprise-wide risk. The primary risk to our business i.e. 'Credit Risk' is managed through a well-defined product policy programs that is reviewed annually or as and when the market condition changes which give rise to a need to re-align the product guidelines. Our Company endeavours to maintain quality loan portfolios by targeting a particular segment of the larger market and having a comprehensive risk assessment process and diligent risk remediation procedures. Our Company places emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk. Being a housing finance company, the operations of our Company are regulated by the NHB. Our Company is presently required by the NHB to maintain a minimum capital adequacy ratio consisting of Tier-I Capital and Tier-II Capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. In addition, under Section 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of not less than 20% of its net profits every year as disclosed in the profit and loss account and before any dividend is declared. The NHB also requires us to make provisions in respect of NPAs.

Maintenance of high asset quality is an important focus area for our Company and accordingly, we have structured our loan products, policies and processes to ensure the same. We are susceptible to risk as our primary customers consist of members of the EWS and LMI groups, who are unable to provide traditional income documents to establish a reliable credit history. As a result of this, we emphasize on conducting a credit, legal, and technical appraisal of the loan application in order to maintain a healthy loan portfolio. Further, we have also implemented comprehensive policies to identify, measure, and control risk.

We conduct several procedures such as assessment of key documents, personal discussions with customers, visits to their place of residence or place of work, in order to assess the credit-worthiness of a potential customer. Further, we also conduct due diligence and examine the structure of the residential property in order to independently ascertain its value. We also maintain conservative financial policies in order to protect our asset quality and maintain a strong credit profile.

Legacy of the 'Muthoot' brand

We are a wholly owned subsidiary of MFL, which is one of India's largest gold financing companies by loan portfolio. The Muthoot group was founded in 1887. We believe that the Muthoot brand name is widely known throughout India and being a part of this group has significantly contributed to the business of our Company. Further, we believe that we can leverage the brand recall of MFL amongst customers in order to generate revenue and expand our business. Further, we believe that we can utilise the vast branch network of MFL in order to educate potential customers about housing loans and the availability of our loan products. Further, we believe that the reputation of the 'Muthoot' brand plays an important role in our ability to reach out to new customers and obtain funding at competitive rates.

Strong and experienced management team

The Board of Directors of our Company comprises of individuals with years of valuable experience, who guide our strategy and operations. Further, the various committees constituted under the Board of Directors, such as the Risk Management Committee, Asset Liability Management Committee and Finance Committee also aid in ensuring timely decision-making and effective governance. Our director, George Alexander Muthoot, has significant experience in managing business operations in the field of financial services. Further, our Chief Executive Officer, Ramratthinam Seshadri, has over 25 years of experience in the retail lending industry. One of our directors, Kuttickattu Rajappan Bijimon also serves as the chief general manager of our parent, MFL. Additionally, Eapen Alexander, our Whole Time Director, also has significant experience in financial services industry.

Our core management team consists of individuals from diverse backgrounds with experience in several important areas, such as credit evaluation, technical evaluation, risk management, and marketing. This diversity allows us to benefit from their expertise in their respective roles, and consequently allows us to adapt a creative and cross-functional approach in the management of our business. We believe that this approach has played an important role in the growth of our business.

Our Strategies

Expanding our geographical reach

The introduction of schemes like the 'Pradhan Mantri Awas Yojana' is expected to improve affordability for borrowers and lead to increased growth potential in the affordable housing segment. (Source: ICRA Report) This increased growth potential is expected to result in a consequent increase in the demand for affordable housing loans. This scheme is targeted towards providing affordable housing to the economically weaker sections of society. Considering that our primary customer base consists of individuals from EWS and LMI groups, we believe that the growth of affordable housing is expected to result in positive impact on the growth of our business.

We intend to expand our geographical reach in order to meet this growing demand in order to enhance our ability to reach out to new customers in states located in East India. Further, we also intend to leverage the branch network of our parent, MFL, in order to expand our operations in the North-Eastern and Eastern parts of India. For this purpose, we have entered into agreements with MFL in order to allow our employees to carry out our business activities out of existing MFL branches located in these regions and share the corresponding infrastructure.

We also intend to introduce, customise and cross-sell new and existing products and services. Accordingly, our existing loan product portfolio is designed to cater to the needs of a variety of customers as per their requirements and repayment capabilities.

Continuing to leverage our relationship with MFL

Our parent, MFL, is one of India's largest gold financing companies by loan portfolio and has a significantly large network of branches and customers, with over 4,370 branches located in all 29 states of India as on September 30, 2018. MFL is engaged in the business of providing personal and business loans secured by gold jewellery to individuals who possess such jewellery but either cannot access formal credit within a reasonable time, or those who to whom formal credit is not available. As on March 31, 2018, the total AUM of MFL was ₹291,384.14 million. We intend to leverage our relationship with our parent in order to cross-sell our loan products to customers of MFL to meet their housing finance requirements and expand our business. Accordingly, we plan to introduce our loan-products to customers of MFL that have applied for a gold loan by providing them a pre-sanction authorisation letter disclosing the amount of housing loan that they can apply for from our Company.

Continuing to enhance our reliance on information technology with a focus on improving customer service

We currently use an integrated loan management system that has been licensed from a third party service provider. Additionally, we have also developed internal systems which have been customised in order to facilitate lending to members of the EWS and LMI groups, who cannot provide the traditional documentation required for processing loan applications. Further, we have a dedicated customer engagement team for reaching out to our customers, which carries out functions ranging from introducing the customer to various facilities being made available to them at the stage of disbursing the loan to making reminder calls about repayment in order to avoid delays and defaults by borrowers.

We are currently in the process of developing a new technology transformation program. We believe that this technology transformation program will assist our Company in improving operational efficiency and optimising costs, by increasing the automation of some of the processes. Further, we propose to replace and update our existing systems on an ongoing basis in order to ensure that the requirements of our business are met in a cost-efficient manner. We believe that increased reliance on information technology will result in an improvement in the efficiency of various processes such as appraisal and know-your-customer procedures, which will enhance the quality of our services to our customers.

Diversifying our sources of funds

We currently rely on term loans from banks in order to fund our business and for onward lending to our customers. However, we seek to diversify the source of our funding in order to reduce funding costs, maintain adequate interest margins, and ensure adequate liquidity in our systems. The following table sets out the various sources of our funding and the percentage contributed by them to our overall funding requirements:

Source of Funding	As at September 30, 2018*	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
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Loans from banks and other financial instruments	76.93%	68.66%	100%	-
Commercial papers	17.71%	11.10%	-	-
Intercompany deposits	5.36%	20.24%	-	-
Total	100%	100%	100%	-

*Details of source of funding as at September 30, 2018 are in accordance with Ind AS

Our weighted average cost of borrowings as on September 30, 2018 in accordance with Ind AS was 8.64% and our weighted average cost of borrowings as on March 31, 2018 and March 31, 2017 in accordance with Indian GAAP was 8.76% and 9.43%, respectively. Furthermore, we did not incur any cost of borrowings as on March 31, 2016.

We have also received favourable credit ratings from agencies such as CRISIL, ICRA and CARE. For more details, please see “*Our Business – Our Strengths*” on page 78. These ratings indicate a high belief in our ability to service our financial obligations, and accordingly, we believe that the presence of these ratings will allow us to seek financing from other sources such as debt and equity capital markets at competitive interest rates. Accordingly, we propose to issue non-convertible debentures and other financial instruments on a regular basis in order to diversify the sources of our funding and reduce our overall cost of funding. Further, because of the composition of our credit portfolio, which qualifies for priority sector lending, we believe that we can raise funds by doing securitization at competitive rates.

Our products

We are a housing finance company and are primarily focused towards providing housing finance to the lower income sections of society, such as the EWS and LMI groups. Our products are intended to cater towards the various needs of a home-buyer, ranging from the financing of the construction or purchase of a developing residential property to the financing of the renovation or extension of an existing residential property. These loan products are secured by creating a mortgage on the residential properties that are the subject matter of the loans.

Additionally, we also provide a range of loans in the form of mortgage against existing property. We focus on projects such as residential projects being implemented by affordable housing builders, township products, gated communities, government housing board projects and projects developed under public-private-partnership schemes. We also participate in all NHB lending schemes and comply with the priority sector lending norms issued by the RBI.

We aid our customers in selecting the housing loan product most suited to their needs and determine the loan amount that may be sanctioned to them by taking into consideration various financial and non-financial factors, including the value of the property in question, the repayment capacity of the customer, the age and educational qualifications of the customer, the business model and the cashflows, the stability and continuity of the customers’ income, and the number of dependents of the customer. We also examine the customer’s historical savings and repayment habits. Our loans are repaid by our customers in equal monthly instalments (“EMI”). The size of the EMI is determined by the quantum of the loan borrowed by the customer, the interest rate charged, and the tenure of the loan.

Our housing loan products are as follows:

1. Housing loan for purchase of a house, apartment, or flat: This loan product is intended to aid our customers in financing the purchase of a residential property that is currently under construction or complete. Customers can apply for a maximum loan of ₹5.00 million with a tenure extending up to 25 years.
2. Housing loan for home construction: This loan product is intended to aid our customers in financing the construction of a residential property on land that is owned by them. Customers can apply for a maximum loan of ₹5.00 million, with a tenure extending up to 25 years.
3. Composite loan: This loan product is intended to aid our customers in financing the purchase of land and the subsequent construction of a residential property on the aforementioned land. Customers can apply for a maximum loan of ₹5.00 million, with a tenure extending up to 25 years.

4. Home extension loans: This loan product is intended to aid our customers in financing the renovation or extension of an existing residential property owned by them. Customers can apply for a maximum loan of ₹5.00 million, with a tenure extending up to 20 years.
5. Home loan balance transfer and top up: This loan product is intended for disbursement to customers who have opted to shift their existing home loan products and for additional loan requirement from other financial institutions to our Company with or without additional loan, i.e. the top up loan. Under this product, customers can apply for disbursements cumulatively amounting to a maximum of ₹0.50 million, with a tenure extending up to 20 years for the home loan part and for 15 years for the top up part.
6. Top-up loans for extension or improvement of existing residential property: This loan product is intended to aid our customers in financing the renovation or extension of residential property owned by them, over and above any existing housing loan taken by them for this purpose. This loan product is intended to meet any unforeseen increases to the cost of the proposed extension or renovation of the residential property. In addition, the top-up loans can also be availed by borrowers for personal use as well. Customers can apply for a maximum loan of ₹5.00 million, with a tenure extending up to 15 years.
7. Housing loans for NRIs: This loan product is a multipurpose product and is intended for non-residential Indian customers. Customers can use the funds disbursed for a variety of purposes such as financing the purchase of a residential property under construction, completed property, financing the construction of a residential property on land owned by them, financing the purchase of land and the construction of a residential property on such land, and the extension, improvement or renovation of existing residential property. Customers can apply for a maximum loan of ₹5.00 million, with a tenure extending up to 15 years.
8. Housing loan for refinancing of property: This loan product is intended to aid customers in refinancing the purchase consideration of residential property that has already been purchased or acquired by them. In case of a completed residential property, customers can apply for this loan product within 12 months of the acquisition of the property. In case of a residential property that is under construction, customers can apply for this loan product within 12 months of their loan applications for financing the acquisition of the property. Customers can apply for a maximum loan of ₹0.99 million, with a tenure extending up to 20 years.

Income Assessment Programme

1. No-income proof product programme: This program is intended for customers belonging to the informal business sector, who are excluded from obtaining financial assistance due to the lack of formal documentation and knowledge. Additionally, this loan product is also intended for servicing customers who are unable to meet stringent eligibility conditions established by banks for the approval of housing finance. In order to be eligible to apply for this loan, customers must have a permanent work establishment, along with tangible stock and business activity. Customers can apply for a maximum loan of ₹2.50 million, with a tenure extending up to 20 years.

Our non-housing loan products are as follows:

1. Loan against property: This is a non-housing loan product intended at providing customers with funds by mortgaging an existing residential property that is currently occupied by them. Customers can use this loan for any purpose to suit their business or personal requirements. This loan product is targeted towards customers who are formal salaried employees. Customers can apply for a maximum loan of ₹2.50 million, with a tenure extending up to 20 years.

Marketing

Our marketing and branding activities are conducted by our in-house marketing team, which is responsible for all the product marketing and branding initiatives. We also engage third party creative and media marketing partners for conducting specialized activities to aid our marketing campaigns. The marketing team based in Mumbai and broadly takes care of brand, marketing, communications, promotions, public relations, contents and creative. Further, we also conduct a 'Loan Mela', which is a property exhibition for the EWS and LMI segments which allows potential residential property buyers, property developers, legal and technical experts and a team from our Company's branch to interact.

We have a wide distribution network, consisting of 70 branches across 11 states and one union territory as on September 30, 2018, namely Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Telangana, Uttar Pradesh, and Chandigarh.

We have increased the geographical diversification of our loan portfolio in the following manner:

Name of the state	As on March 31, 2018		As on March 31, 2017		As on March 31, 2016	
	Amount (in ₹million)	%	Amount (in ₹million)	%	Amount (in ₹million)	%
Andhra Pradesh	52.97	0.36	-	-	-	-
Gujarat	4,379.78	29.90	1,051.10	23.84	-	-
Haryana	44.31	0.30	-	-	-	-
Karnataka	45.22	0.31	-	-	-	-
Kerala	387.25	2.64	375.40	8.52	307.31	97.59
Madhya Pradesh	587.69	4.01	130.50	2.96	-	-
Maharashtra	6,945.56	47.42	2,155.80	48.90	7.59	2.41
Rajasthan	2,083.84	14.23	695.60	15.78	-	-
Telangana	30.02	0.20	-	-	-	-
Uttar Pradesh	64.48	0.44	-	-	-	-
Chandigarh	26.71	0.18	-	-	-	-

Name of the state	As on September 30, 2018	
	Amount (in ₹million)	%
Andhra Pradesh	153.44	0.86
Gujarat	5,343.55	30.10
Haryana	119.22	0.67
Karnataka	146.65	0.83
Kerala	345.96	1.95
Madhya Pradesh	867.61	4.89
Maharashtra	7,927.00	44.65
Punjab	3.34	0.02
Rajasthan	2,552.26	14.38
Telangana	83.79	0.47
Uttar Pradesh	163.79	0.92
Chandigarh	46.82	0.26

Our distribution and marketing network has been structured in order to increase the ease of operations for our customers, especially customers belonging to the EWS and LMI sections of society. Our marketing network is segregated according to zones and regions in order to increase efficiency and improve accountability.

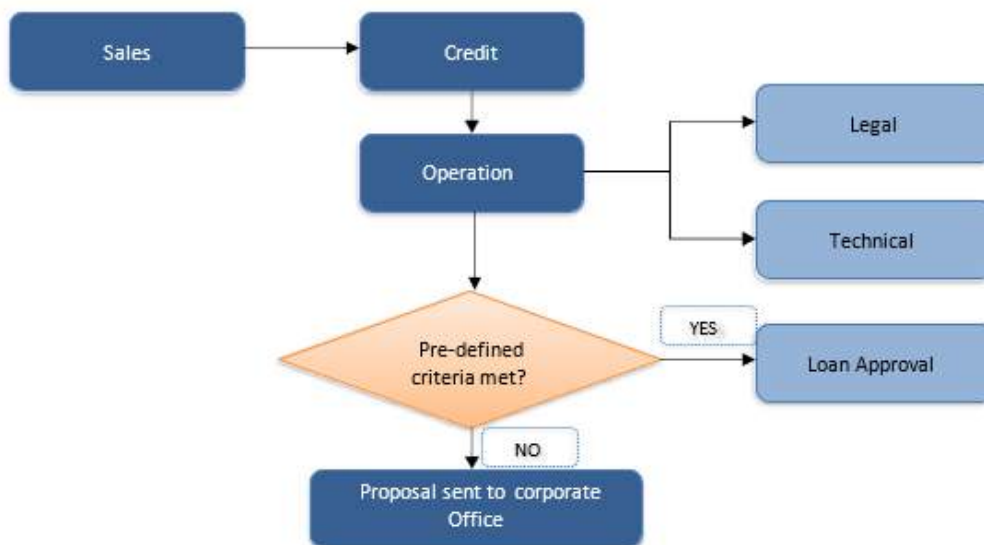
We rely on a mixture of direct selling teams, DSAs, and channel partners in order to market our loan products to our customers and source new customers. Further, we also engage channel partners on the basis of commission which is payable to them at the time of disbursement of loans to customers that have been sourced by them. However, the processing of loan applications, appraisals of customers and management of customer relationships is undertaken by the employees of our Company.

Lending process

We are a housing finance company registered with the NHB. Accordingly, we are governed by the prudential norms, directions and circulars issued by the NHB in framing our internal credit approval processes. Accordingly, the interest rates charged by us as well as other terms and conditions for our loans comply with our internal credit approval process, and by extension, the applicable rules and guidelines framed by the NHB in this regard. We follow a centralised housing loan credit policy to assess our customers' applications on the basis of uniform parameters. Our standardised credit norms enable us to apply uniform rules to applicants with similar credit characteristics from any part of the country.

We cater to customers who are excluded from obtaining financial assistance due to the lack of formal documentation and knowledge, or who are unable to meet stringent eligibility conditions established by banks for the approval of housing finance. Accordingly, this is a high-risk lending segment, and thus we do not rely on traditional methods such as review of income documents for assessing credit worthiness and risk. Instead, we rely

on an in-house system to assess the cash flow and financial behaviour of our customers before sanctioning the loan.



After examination of a customer’s application, the application is reviewed to test whether the customer complies with the income criteria set by our in-house system. Technical and legal due diligence is carried out for the proposed residential property, and an independent valuation of the property is determined by external third-party valuers. Our in-house teams receive the reports from the third-party advisors and valuers, and vet them to ensure that the proposed loan will meet the criteria of our in-house system.

The customer is then required to ensure that he or she has obtained life insurance in order to mitigate the risk of default due to death or serious injury, as well as property insurance for the residential property that is to be the subject matter of the proposed loan.

All loans disbursed by our Company are disbursed from a central location. Our branches are entrusted with the responsibility of preparing the disbursement memos for each loan, which are then vetted by our central operations team before the disbursement is carried out.

Customer service and grievance redressal process

Our Company has established a multi-level customer query and grievance resolution process for customers to approach us through various channels such as through our branches or our Corporate Office at Mumbai. In case of any complaints regarding our services/ charges, our customers can lodge a complaint and approach the branch manager/ in-charge at a branch where the loan was availed and/ or maintained either by way of a letter or by way a visit to the branch office personally and make an entry into the complaint register. We strive to provide a prompt resolution based on a template response mechanism usually within a period of seven days from receipt of complaint.

In the event the response given by the branch is unsatisfactory or if no response is received, the customer can escalate the complaint to the Corporate Office, who shall strive to send a detailed reply or intimation within a period of 30 days from the date of receipt of complaint at the Corporate Office.

Asset recovery

Our strategy towards the collection of overdue loans from our customers is determined by several factors such as the profile of the customer, the geographical location, the length of delay in repayment, and the demographic of the region and state in which the concerned branch that sanctioned or disbursed the loan is located.

Our recovery procedure begins with multiple reminders being sent to defaulting customers through telephone calls, SMS messages, and personal visits to their place of residence or place of work. In the event that the customer

does not rectify the default and pay the amount demanded, we initiate legal action by issuing dunning letters. We also take action under the SARFAESI Act, and issue demand notices to defaulting customers and guarantors, and also issue notice to any parties seeking to acquire any of the properties that are the subject matter of our loans and intended to secure our loans. Additionally, we are entitled to take possession of the residential property that is the subject matter of the defaulted loan and recover our dues by selling the same in the open market via auction. In certain cases, we also institute legal proceedings under Section 138 of the Negotiable Instruments Act, 1881.

The following are the details of our gross and net NPAs as well as our provisions for the financial years ended March 31, 2018, March 31, 2017, and March 31, 2016 in accordance with Indian GAAP:

(in ₹million, except percentages)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Gross NPA	62.12	-	-
Provisions	9.32	-	-
Percentage of gross NPAs to AUM	0.42%	-	-
Net NPAs	52.80	-	-
Percentage of net NPAs	0.36%	-	-
NPA coverage ratio	14.99	-	-

The following are the details of our gross and net NPAs as well as our provisions for the six-month period ended September 30, 2018 in accordance with Ind AS:

(in ₹million, except percentages)

Particulars	Six months period ended September 30, 2018
Gross NPA	137.93
Provisions	25.73
Percentage of gross NPAs to AUM	0.78%
Net NPAs	112.20
Percentage of net NPAs	0.64%
NPA coverage ratio	18.66

Asset classification

Our loans are classified according to the related risks as perceived by us in accordance with our internal policies and in accordance with the requirements of the master directions issued by the NHB. Provisions for contingencies are made for diminution in investment value and on non-performing loans and other assets as per the prudential norms prescribed by the NHB. We also make certain additional provisions to meet unforeseen contingencies.

The following table summarises the risk classification of our gross NPAs and our provisions and write-offs for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, prepared in accordance with Indian GAAP:

(in ₹million, except percentages)

Particulars	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount	% of total NPA	Amount	% of total NPA	Amount	% of total NPA
Housing loan products						
Substandard assets	62.12	100%	-	-	-	-
Doubtful assets	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Total housing loan products (A)	62.12	100.00%	-	-	-	-
Non-housing loan products						
Substandard assets	-	-	-	-	-	-
Doubtful assets	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Total non-housing loan products (B)	-	-	-	-	-	-
Total NPA (A + B)	62.12	100.00%	-	-	-	-
Provisions and write-off	9.32	15.00%	-	-	-	-

The following table summarises the risk classification of our gross NPAs and our provisions and write-offs for the six month period ended September 30, 2018, prepared in accordance with Ind AS:

(in ₹million, except percentages)

Particulars	Six months period ended September 30, 2018	
	Amount	% of total NPA
Housing loan products		
Substandard assets	87.51	63.45%
Doubtful assets	50.42	36.55%
Loss assets	-	-
Total housing loan products (A)	137.93	100%
Non-housing loan products		
Substandard assets	-	-
Doubtful assets	-	-
Loss assets	-	-
Total non-housing loan products (B)	-	-
Total NPA (A + B)	137.93	100%
Provisions and write-off	25.73	18.66%

Loan operations

The total value of the loans disbursed by us as on September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 was ₹19,045.01 million, ₹15,290.46 million, ₹4,476.40 million and ₹318.40 million respectively.

The value of our disbursements has increased by a CAGR of 592.99% from Fiscal 2016 to Fiscal 2018.

Sources of funding

We intend to diversify the sources of our funding in order to reduce our funding costs and avail financing in order to meet our liquidity requirements. For further details regarding our present sources of funding, please see the chapter “*Financial Indebtedness*” on page 132.

Liability Management

As a company engaging in primarily providing housing finance loans, we are exposed to various kinds of risks, including credit risk, interest rate risk, liquidity risk, market risk, and operational risks. We have established a robust risk management framework in order to mitigate the present and future risks that may be experience by our Company. The Risk Management Committee of the Board of Directors has the overall responsibility of monitoring and managing risks.

Capital adequacy ratio

We are mandated under the regulations issued by the NHB to maintain a CAR which must consist of Tier-I and Tier-II capital, and which cannot be less than 12.00% of our aggregate risk weighted assets and risk adjusted value of off-balance sheet items. Accordingly, our CAR, as computed in accordance with the requirements of NHB Directions, as at September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 was 44.90%, 27.66%, 36.60%, and 227.84%, respectively.

Risk and Asset Liability Management

Our Company has established the Risk Management Committee, and the Asset Liability Management Committee in order to identify various risks and strengthen internal controls to mitigate such risks. The Risk Management Committee of our Company comprises of three members and is charged with the following responsibilities:

- Promoting enterprise risk management and ensuring that risk management process and culture is embedded in our Company;

- Ensuring the implementation of objectives enshrined in the risk management policy of our Company;
- Providing adequate information to our Board of Directors on key risk management matters;
- Identifying new strategic risks;
- Monitoring and managing operational risks arising from the information technology systems of our Company;
- Overseeing the team of information security officers of our Company; and
- Overseeing the processes for preventing, detecting, analysing, and responding to incidents of information security breaches.

Further, the Asset Liability Management Committee of our Company comprises of three members, and is charged with the following responsibilities:

- Review of year-to-date operating results;
- Review of liquidity position of our Company and monitoring alternative funding arrangement;
- Review of mismatches in the balance sheet;
- Anticipating the funding requirements of our Company;
- Anticipating the future loan demands of our customers;
- Reviewing (GAP) rate sensitivity measures;
- Reviewing net interest margin and interest rate risk measures;
- Forecasting the change of interest rate for each category of assets and liabilities of our Company;
- Reviewing the internal cost of funds;
- Reviewing the capital levels of our Company (risk based as well as total) in order to determine sufficiency for the purpose of meeting expected growth as well as mitigating interest rate risk and price risk;
- Developing a view on the future direction of interest rate movements and deciding on funding mixes between fixed rate funds as opposed to floating rate funds, between wholesale deposits as compared to retail deposits, between money market funding as compared to capital market funding, etc.;
- Developing alternate strategies to take into account changes in interest rate levels and trends, the mix of loan products and liability of our Company, while ensuring adherence to NHB's regulations;
- Measuring the performance of our Company against established standards; and
- Developing the contingency liquidity plan of our Company.

Interest rate risk

As a housing finance company, we are engaged in the business of lending, with our loans being offered at floating rates of interest to our customers. This exposes our Company to interest rate risk, as the interest charged on our borrowings may be either on fixed or floating basis. Our exposure to fluctuations in interest rate is measured primarily by an analysis of the gap between assets and liability. Further, an interest rate gap analysis is prepared by classifying all our assets and liabilities into various time period categories, according to contracted maturities or anticipated re-pricing dates. The difference in the assets and liabilities maturing or being repriced in any specific time period category is then used as an indication of the exposure of our Company to interest rate risk. This risk is mitigated by our Board of Directors, with assistance from our Asset Liability Management Committee.

Liquidity risk

We experience liquidity risk when there is a mismatch between our assets and liabilities which is caused by a difference in the maturity profile of such assets and liabilities. This risk may also arise from unexpected increases in the cost of our funding and an inability to liquidate a position in a timely manner and at a reasonable price. As a housing finance company, we are particularly susceptible to liquidity risk, as the tenor of our loan products tend to be longer than the tenor of our borrowings which are used to finance our operations. We actively monitor our liquidity position in order to ensure that we can meet all customer requirements, while also complying with our own repayment obligations, and consider investment opportunities, if available.

Credit risk

Credit risk is a risk of loss due to the failure of a borrower to meet the contractual obligation of repaying debt as per the contractually agreed terms. This risk is also commonly known as a risk of default. Our Company has set up internal processes for the identification of credit risk, assessment measurement, monitoring and control. We monitor risks on a company-wide basis and take steps to ensure compliance with the risk parameters and prudential limits approved by our Board of Directors and monitor risk concentrations. We also undertake portfolio analysis and highlight borrower behaviour based on factors including demography, geography, and the loan product profile.

The majority of our customers belong to the EWS and LMI sections of society. It is particularly difficult to obtain reliable credit history and formal financial and income details for this category of customers, and accordingly it is difficult to determine the correct credit score and associated risk for lending to such category. We follow various internal procedures in order to appraise the credit-worthiness of such borrowers, including conducting due diligence on the customer at the time of sanctioning as well as over the tenor of the sanctioned loan. We also have a robust credit risk management policy which allows us to manage, monitor and control the performance of assets in a pro-active manner and prevent the growth of NPAs.

Credit risk management in our Company is carried at two levels:

- Portfolio level: Portfolio monitoring is aimed at managing risk concentration in portfolios as well as identifying stress in certain sectors or industries as determined by factors including annual income, products, and geography; and
- Account level: Account level monitoring is aimed at identifying weak accounts that may potentially be in default at an incipient stage in order to facilitate early corrective actions to prevent default.

Operational risk management

Operational risk may arise from a variety of factors, including the failure to obtain proper internal authorisations, improper documentation of transactions, failure of operational and information security procedures, malfunction or breakdown of internal computer systems and software, and employee error or fraud. Our Company has implemented an operational risk management policy that is aimed at identifying, assessing and monitoring such risks, strengthening internal controls and minimizing operating losses. We review our systems at regular intervals in order to mitigate operational losses and also maintain a system of internal controls and procedures to monitor transactions. We have also established back-up procedures and make regular contingency plans, as well as provide our employees with continuous training. Further, we have formulated the contingency plan to address data recovery in case of a natural disaster and periodically review vigilance and fraud reports, recovery reports and audit reports to detect failures with the objective of systemic remediation. We have instituted risk management systems to manage legal risk, compliance risk and risks relating to our reputation and brand name.

We have taken steps to increase our technology platform and have set up a disaster recovery site for retrieval of data in case of unforeseen circumstances such as system failures.

Management assurance and internal audit function

Our Company's internal audit department reports independently to our Board (through our Audit Committee) and further reports to the Chief Executive Officer. It provides comprehensive audit coverage of all divisions within our Company and assists management in ensuring proper control over our assets and liabilities.

Our Audit Committee reviews the performance of the internal audit function on a quarterly basis, gives direction to its functionaries and reviews effectiveness of internal control systems. The internal auditors undertake a comprehensive audit of all functional areas and operations, with their findings being outlined in the report to our Audit Committee.

Key performance indicators of our Company

Our key operational metrics for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, prepared in accordance with Indian GAAP, and for the six-month period ended September 30, 2018, prepared in accordance with Ind AS, are as follows:

(in ₹million, except percentages)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Net worth	2159.70	881.67	568.68
Total debt, of which	13,476.82	3,565.86	-
-Non-current Maturities of Long-Term Borrowings	9,049.54	2,053.47	-
-Short Term Borrowings	1,233.44	27.60	-
-Current Maturities of Long-Term Borrowings	832.46	96.53	-
Book Overdraft	2,361.38	1,388.26	-
Net fixed assets	42.39	27.29	18.73
Non-current assets	14,385.07	4,333.22	331.20
Cash and bank balances	225.06	57.77	47.64
Current investments	850.00	-	175.25
Current assets	366.75	87.56	240.84
Current liabilities	129.30	37.17	3.26
Assets under management	14,647.81	4,408.36	314.88
Off balance sheet assets	-	-	-
Interest income	998.85	151.36	14.14
Interest expense	501.567	35.45	-
Provisions and write-offs	50.23	16.37	1.19
Profit after tax	278.04	28.74	0.14
Gross NPAs	0.42%	-	-
Net NPAs	0.36%	-	-
Tier I CRAR	26.93%	36.60%	-
Tier II CRAR	0.73%	-	-
Gross debt to equity ratio.	6.24	4.04	-

A summary of our key operational and financial parameters as at and for the six-month period ended September 30, 2018 in accordance with Ind AS¹ are as follows:

(in ₹million, except percentages)

Particulars	For the six-month period ended September 30, 2018 ¹
Equity ²	3,788.84
Total Borrowings of which	13,983.94
-Debt securities	Nil
-Borrowings (other than debt securities)	13,983.94
-Subordinated Liabilities	Nil
Property, Plant and Equipment and Other Intangible assets ³	59.34
Financial assets ⁴	229.23
Non-financial assets ⁵	17.60
Cash and cash equivalents including bank balances	38.04
Financial liabilities ⁶	74.96
Non-financial liabilities ⁷	6.33
Loans ⁸	17,509.86
Interest Income	976.57
Finance Costs	542.63
Impairment on financial instruments	28.74
Total Comprehensive Income	209.87
Gross NPA as % of Loan assets	0.78%
Net NPA as % of Loan Assets	0.64%
CRAR - Tier I Capital Ratio (%)	44.10%
CRAR - Tier II Capital Ratio (%)	0.80%

Notes: The below notes are applicable to the key operational and financial parameters as at and for the six-month period ended September 30, 2018, are as follows:

1. The Company has adopted Ind AS notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Companies Act. Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding figures, presented in these results, have been restated/ reclassified. There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending March 31, 2019 prepared under Ind AS.

2. "Equity" refers to the aggregate of Equity Share capital and other equity.

3. "Property, Plant and Equipment and Other Intangible assets" refers to the aggregate of property, plant and equipment, other intangible assets, capital work in progress and Intangible assets under development.

4. "Financial assets" refers to the aggregate of investments and other financial assets.

5. "Non-financial assets" referred to the aggregate of current tax assets (net), deferred tax assets (net) and other non- financial assets.

6. "Financial liabilities" refers to the aggregate of trade payables and other financial liabilities.

7. "Non-financial liabilities" refers to the aggregate of current tax liabilities (net), provisions and other non-financial liabilities.

8. "Loans" refers to net of impairment loss allowance.

Debt Equity Ratio of the Company

Particulars	For the six-month period ended September 30, 2018
Before the issue of debt securities as at September 30, 2018 ¹	3.69
After the issue of debt securities ²	4.48

*1*The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹3,000.00 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

2"Debt to equity ratio" refers to borrowings (other than debt securities) at the end of the period divided by equity.

Competition

We face competition in our business activities. Our primary competitors are banks and other financial institutions such as housing finance companies. The key competitive factors include service quality, time taken to process loan applications, and terms of the borrowing such as tenor and interest rates. Some of our competitors such as banks may be able to generate greater customer growth due to them leveraging their extensive branch network and existing technologically sophisticated systems.

We carry out various measures such as ensuring premium service quality, a short loan application processing time, and good resource management in order to compete effectively.

Information technology

We recognise the importance of information technology systems and incorporate technology into our internal processes according to our business needs on an on-going basis. Automation of key processes such as asset management, incident management, training, employee education, and collaboration has been carried out, with an aim to reduce errors and increase processing speed. Key functions like asset management and incident management are also automated at our Company with easy access of information to all employees. We are currently also working on developing an end to end expense management system for managing vendor purchase and pay-outs.

Insurance

We have insured our branches and properties against the risk of fire, burglary, breakdown of office equipment, as well as against risk of loss due to fraud or liability to due to injury to third parties or damage to third party property within our premises. Further, we have also obtained insurance to protect money located in the safes and counters of our branches, as well as money in transit.

Our employees and their dependent family members are also protected by a group mediclaim policy and a group personal accident policy.

We currently maintain insurance coverage against fire and allied perils, and burglary and housebreaking. We also maintain group mediclaim, group personal accident, and group life insurance policies for our employees.

Intellectual property

We conduct our operations under the “Muthoot” brand name and use the “Muthoot” logo which is registered in the name of our Promoter, MFL. However, we have not entered into a formal agreement for using the “Muthoot” brand name. Our Company has made an application to obtain the registration of “MUTHOOT HOMEFIN” as a trademark. For further details please see the chapter titled “*Risk Factors*” on page 13.

Property

Our Registered Office is located at Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Cochin Kerala – 682 018, and our Corporate Office is located at Unit No 1201-1202, A - Wing, Lotus Corporate Park, W. E Highway, Goregaon East, Mumbai- 400 063, Maharashtra, India. We do not own our Registered Office, and our Corporate Office is held by us on leasehold basis. Additionally, we have an established network of 70 branches as on September 30, 2018. These branches are situated in locations that have been either leased by us or are being shared by us with MFL under a space sharing arrangement.

Employees

As on September 30, 2018, we had a total work force of 287 individuals employed by our Company. The following table illustrates the break-up of our work force on the basis of the functions carried out by them:

Category	Number of employees of our Company
Collections	8
Credit	77
Sales	89
Technical	25
Others	88
TOTAL	287

We are heavily dependent on technology for the effective management of our employees. For instance, our human resource management system application is used to not only record the details of the employee from appointment until resignation, but also provides the employee with career guidance by the use of an online career portal. Additionally, biometrics are used for recording employee attendance.

We give importance to the training and professional development of our employees, and for this purpose conduct several classroom training sessions for various teams located across India.

As on September 30, 2018, we had an employee attrition rate of 13%.

Corporate social responsibility

Our Company was required to comply with the requirements of Section 135 of the Companies Act with respect to CSR activities from the financial year ended March 31, 2018. Accordingly, our Company has constituted a Corporate Social Responsibility Committee, consisting of Eapen Alexander, Kuttickattu Rajappan Bijimon, and Jose Kurian as members, which is responsible for:

- formulating and recommending to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act;
- reviewing and recommending the amount of expenditure to be incurred on the activities to be undertaken by the company;
- monitoring the CSR policy of the Company from time to time; and

- any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

We did not spend any amount on CSR activities in terms of the CSR policy of the Company in the financial year ended March 31, 2018 as it was the first year of the applicability of Section 135 of the Companies Act on our Company. The reasons for not spending any amount on CSR activities in the financial year ended March 31, 2018 were included in the Board's report in accordance with Section 134 and Section 135 of the Companies Act. For the financial year ended March 31, 2019 the prescribed CSR expenditure is ₹3.20 million, and the CSR activities are being conducted through Muthoot M George Foundation.

HISTORY AND OTHER CORPORATE MATTERS

Brief background of our Company

Our Company was incorporated as Muthoot Homefin (India) Limited on August 26, 2011 at Ernakulam, as a public limited company, under the provisions of the Companies Act, 1956 with corporate identity number U65922KL2011PLC029231. Our Company has obtained a certificate of registration dated May 19, 2014, bearing registration number 05.0112.14 by the NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of NHB Act. For details regarding our Promoter see, "*Our Promoter*" beginning on page 119 of this Prospectus.

Registered Office and changes to Registered Office of our Company

The Registered Office of our Company is situated at Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi - 682 018, Kerala, India. The Company has not changed its Registered Office since its incorporation.

Amalgamation, acquisition, re-organisation or reconstruction undertaken by our Company in the last one year

There have been no amalgamations, acquisitions, re-organisations or re-constructions undertaken by our Company in the last one year, preceding the date of this Prospectus.

Key events, milestones and achievements

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2015	▪ We obtained the license from NHB to commence our housing financing activities without accepting public deposits
2017	▪ Our term loan borrowings of ₹6,000.00 million were assigned AA-(stable) rating by ICRA; and ▪ Our home loan portfolio exceeded ₹4,000.00 million;
2018	▪ We became a wholly owned subsidiary of MFL; and ▪ Our home loan portfolio exceeded ₹14,000 million;
2019	▪ Our term loan borrowings of ₹18,000 million were assigned 'AA/(stable)' rating by CRISIL

Key terms of material agreements

As on date of this Prospectus, the Company has not entered into any material agreements.

Main objects of our Company

The objects of our Company as contained in our Memorandum of Association are:

"1. To carry on the business of providing long term finance to any person or persons, company, corporation, firm, society, association of persons, body of individuals, either with or without interest, either with or without security for the purpose of enabling the borrower to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment or any part or portion thereof in India for residential, commercial or any other purpose on such terms and conditions as the company may deem fit."

Subsidiaries or associate companies

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

REGULATIONS AND POLICIES

The following is a summary of relevant regulations and policies prescribed by the Government of India and other regulatory bodies that are applicable to our Company's business. Taxation statutes such as the IT Act, the applicable goods and services tax statutes, labour regulations and statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The statements below are based on the current provisions of Indian law which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

LAWS RELATED 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 HFCs, 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 role of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs;
- making loans and advances or other forms 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 from time to time;
- 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, and on the direction of the RBI the NHB shall, cause an inspection of the book 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 in order to efficiently discharge its function, is empowered to direct and collect the credit information from any HFC, at any time.

Under the NHB Act, every HFC is required to obtain a certificate of registration and meet the requirement of net owned funds of ₹20.00 million or such other higher amount as the NHB may specify for commencing or carrying on the business of HFCs.

Every HFC has to invest and continue to invest in India in unencumbered approved securities, valued at a price not exceeding the current market price of such securities, an amount which, at the close of business on any day, shall not be less than five percent or such higher percentage not exceeding 25% as the NHB may, from time to time and by notification, specify, of the deposits outstanding at the close of business on the last

working day of the second preceding quarter. Further, every HFCs is required to create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

The NHB may, if it considers necessary in the public interest, regulate or prohibit the issue by any HFC of any prospectus soliciting deposit of money from the public and specify the conditions subject to which such prospectus or advertisement may be issued, if not prohibited.

The NHB 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.

Master Circular - Housing Finance Companies (National Housing Bank) Directions 2010, as on July 2, 2018

The objective of the Master Circular - Housing Finance Companies (National Housing Bank) Directions 2010 (“**NHB Directions**”) is to consolidate and issue directions in relation to the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investments to be observed by HFCs and the matters to be included in the auditors’ report by the auditors of HFCs.

Income Recognition

The NHB Directions require that income recognition should be based on recognised accounting principles. Income including interest, discount, hire charges, lease rentals or any other charges on non-performing assets (“**NPA**s”) shall be recognized only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealized shall be reversed. Further, income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis. However, the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

Income from bonds and debentures of corporate bodies and from Government securities or bonds may be taken into account on an accrual basis provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government, may be taken into account on accrual basis.

Asset Classification

The NHB Directions prescribe that every HFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, 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. An asset is classified as a non-performing asset under these directions when the interest on such asset has remained overdue for a period of more than 90 days. The class of assets shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the upgrade.

Under the NHB Directions, standard assets are assets in respect of which no default in repayment of the principal or payment of interest is perceived and which does not disclose any problem, nor carry more than the normal risk attached to the business. Sub-standard assets are assets which have been classified as a non-performing asset for a period of up to 12 months. Assets in respect of which the terms of the agreement regarding interest or principal have been re-negotiated or rescheduled after release of any instalment of loan or an inter-corporate deposit which has been rolled over, shall be termed as sub-standard assets until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms. Doubtful assets are assets which are classified as sub-standard assets for a period of more than 12 months. Loss assets are assets which are classified as loss assets by an HFC, or by its internal or external auditor or by the NHB, to the extent it is not written off by the HFC. Assets which are adversely affected by a potential threat of being non-recoverable due to, among others, non-availability of security, either primary or collateral, in the case of secured loans and advances are also classified as loss assets.

Provisioning requirement

Every HFC, 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 the security charged, is required to make provision against sub-standard assets, doubtful assets and loss assets as provided under the NHB Directions.

The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be:

- loss assets: the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding amounts should be provided for;
- doubtful assets: 100% provision, to the extent to which the advance is not covered by the realisable value of the security, to which an HFC has valid recourse, shall be made, and in addition, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion i.e. the estimated realisable value of the outstanding shall be made in the following manner: (i) 25% up to the period of one year; (ii) 40% for the period of one year to three years; and (iii) 100% for the period of more than three years;
- sub-standard assets: provision of 15% of the total outstanding amounts should be made without making any allowance for export credit guarantee, corporation guarantee and securities available; and
- standard assets.

Standard Assets

- (a) standard assets with respect to housing loans at teaser/special rates – provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be reset after one year at the applicable rates from the date on which the rates are reset at higher rates if the accounts remain standard;
- (a) standard assets in respect of Commercial Real Estates Residential Housing (“**CRE-RH**”) consisting of loans to builders/developers for residential housing projects (except for captive consumption). Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising of some commercial space (e.g. a shopping complex, a school etc.) can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10% of the total floor space index (“**FSI**”) of the project. In case the FSI of the commercial area in a predominantly residential housing complex exceeds the ceiling of the project loans, the entire loan should be classified as Commercial Real Estate (“**CRE**”) (and not CRE-RH) – provision of 0.75% on the total outstanding amount of such loans; (b) standard assets in respect of all other CRE (consisting of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises, multi-tenanted; commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc., other than those covered in (a). Loans for a third dwelling unit onwards to an individual will also be treated as CRE exposure provision of 1% on the total outstanding amount of such loans; and (c) standard assets in respect of all loans other than (a) and (b) – a general provision of 0.4 % of the total outstanding amount of loans which are standard assets is required to be made;
- (b) standard assets in respect of non-housing loans - a general provision of 0.40 % of the total outstanding amount of loans which are standard assets is required to be made by an HFC. The NHB Directions also prescribe additional provisions for hire purchase and leased assets. Where amounts of hire charges or lease rentals are overdue for more than 12 months and up to 24 months, 10% of the net book value shall be provisioned for, when they are overdue for more than 24 months and up to 36 months 40% of the net book value shall be provisioned for, when they are overdue for more than 36 months and up to 48 months 70% of the net book value shall be provisioned for and when they are overdue for more 48 months 100% of the net book value shall be provisioned for. Nothing shall be provisioned for if the amounts of hire charges or lease rentals are overdue for up to 12 months; and standard assets in respect of individual housing loans (booked after August 1, 2017) at the rate of 0.25 % and standard assets in respect of individual having loans (booked before August 1, 2017) at the rate of 0.40%.

Capital Adequacy

The NHB Directions require HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I Capital and Tier II Capital not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items. Further the total Tier II Capital at any point of time shall not exceed 100 % of Tier I Capital. Other conditions have been imposed on HFCs by the NHB Directions, other directions of the NHB and circulars, including the following:

- No HFC may grant housing loans to individuals (a) of up to ₹3.00 million with a loan to value ratio (“LTV”) exceeding 90%; (b) of between ₹3.00 million to ₹7.50 million with LTV exceeding 80%; and (c) above ₹7.50 million with LTV exceeding 75%.
- No HFC shall invest in land or buildings, except for its own use, an amount exceeding 20% of the aggregate of its Tier I Capital and Tier II Capital. Such investment over and above 10% of its owned funds is required to be made only in residential units.
- No HFC shall lend to any single borrower an amount exceeding 15% of its owned funds, and to any single group of borrowers, an amount exceeding 25% of its owned funds.
- The aggregate exposure of an HFC to the capital market in all forms should not exceed 40% of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds, debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20% of its net worth.
- All HFCs must ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/houses and upfront disbursal should not be made in cases of incomplete/under-construction/greenfield housing projects/ houses.
- HFCs are eligible to issue non-convertible debentures only if it has net owned funds of ₹100.00 million as per their last audited balance sheets.

The NHB vide circular no NHB(ND)/DRS/POL-No. 36/2010 dated October 18, 2010 has directed all HFCs not to charge any prepayment levy or penalty on pre-closure of housing loans by the borrowers out of their own sources. Further, NHB, vide circular no NHB(ND)/DRS/POL-No. 43/2011-2012 dated October 19, 2011 has directed all HFCs to discontinue the pre-payment levy or penalty on pre-closure of housing loans when (a) the housing loan is on a floating rate basis and pre-closed by the borrower from funds received from any source and (b) the housing loan is on a fixed rate basis if pre-closed by the borrowers from their "own sources" which means any source other than by borrowing from a bank, HFC, NBFC and/or a financial institution. It has been clarified vide circular no NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012 that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011 will be applicable to such loans which carry fixed rate of interest at the time of origination. Further, it has been directed vide circular no NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012 that all dual/special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to the fixed/floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for the entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for the floating rate will be applicable once the loan has been converted into a floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter. Further NHB (ND)/DRS/Policy Circular No. 63/2014-15 dated August 14, 2014 directed that HFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. Subsequently, it was clarified vide NHB(ND)/DRS/Policy Circular 66/2014-15 dated September 3, 2014 that the provisions of the circular issued on August 14, 2014 are applicable in respect of all floating rate term loans sanctioned to individual borrowers by HFCs, irrespective of the date of sanction and prepaid on or after August 14, 2014. The provisions of the said circular cover part as well as full prepayment. It was also clarified that the aforesaid circular is applicable to term loans sanctioned to individual borrowers and loans in which company, form etc is a borrower or co-borrower, therefore is excluded from its purview.

The NHB vide circular no NHB(ND)/DRS/POL-No. 58/2013-14 dated November 18, 2013 has directed all HFCs to ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of

construction of the housing projects/houses and upfront disbursement should not be made in cases of incomplete/under-construction/greenfield housing projects/houses.

Refinance Scheme for Housing Finance Companies 2015

Pursuant to the Refinance Scheme for Housing Finance Companies 2015 (“**Refinance Scheme**”) and the clarification provided by the NHB by way of the circular NHB (ND)/ROD/HFC/Refinance Circular 1/2015-16 and the refinance booklet issued by NHB with effect from July 1, 2015, HFCs registered with the NHB are eligible to refinance their debt from NHB in respect of their lending, if they fulfil the following criteria:

- The HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers;
- At least 51% of the total tangible assets less cash and bank balance should be utilized for individual housing loans;
- The HFC should have a Net Owned Fund (“**NOF**”) of not less than ₹100.00 million (Rupees One Hundred Million only). NOF will carry the same meaning as defined in the NHB Directions;
- The Net Non-Performing Assets (“**NNPA**”) of the HFC should not be more than 3.50% of the Net Advances. NNPA means ‘NPA less provision’. **Net Advances** shall mean ‘Advances less provision’. ‘Advances’ shall, apart from housing loans, include mortgage loans, lease transactions, hire purchase assets, bills of exchange, inter-corporate deposits and unquoted debentures. In terms of the NHB Directions, an NPA includes such assets, in respect of which interest has remained overdue for a period of 90 days; in case of a term loan when the instalment or interest is overdue for a period of more than ninety days; a call loan which remained due for more than 90 days; a bill which remained due for a period of more than 90 days; any dues on account of sale of assets or services which remained overdue for a period of more than ninety days, the lease rental and hire purchase instalment, which has become overdue for a period of more than ninety days and such other assets prescribed under NHB Directions.; and
- The HFC should have completed at least three years of operations and be able to furnish three years audited financial statements.

The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of an HFC. If at any time NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security as may be acceptable to NHB to cover such deficiency.

Guidelines for Asset Liability Management System for HFCs dated October 11, 2010 as amended

The Guidelines for Asset Liability Management System for HFCs (“**ALM Guidelines**”) lay down broad guidelines in respect of systems for the management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for the management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset liability committee is required to be constituted, consisting of the HFCs senior management including the chief executive officer, for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFCs budget and decided risk management objectives. Asset liability management support groups to be constituted of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the asset liability committee.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

HFCs meeting the criteria of asset base of ₹1000.00 million (whether accepting/holding public deposits or not) or holding public deposits of ₹200.00 million or more (irrespective of their asset size) as per the audited balance sheet as of March 31, 2010 would be required to submit the quarterly statement of short-term dynamic liquidity and half-yearly statements of structural liquidity and interest rate sensitivity. The quarterly statement shall be submitted within ten days of the close of the quarter and half yearly statements within 20 days of the close of the half year.

The Asset Liability Committee (“**ALCO**”) consisting of the HFC's senior management including the chief executive officer should be responsible for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. The chief executive officer/president or the executive director should head the ALCO. A copy of the policy note recorded by the HFCs on the treatment of the investment portfolio for the purpose of ALM and approved by their board of directors/ALCO should be forwarded to the NHB. ALM Guidelines further provide guidelines for equipping HFC to manage and minimize liquidity risk, currency risk and interest rate risk.

Master Circular- Fair Practice Code for HFCs dated July 2, 2018

The Master Circular- Fair Practice Code for HFCs dated July 2, 2018 (“**Fair Practices Code**”) was issued by the NHB to bring more clarity and transparency and to cover all aspects of loan sanctioning, disbursement and repayment issues. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency, encouraging market forces, promoting fair and cordial relationship between customers and HFCs and fostering confidence in the housing finance system.

The Fair Practices Code provides for regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. The HFCs are required to disclose information on interest rates, common fees and charges through notices etc. The HFCs are required to ensure that all advertising and promotional materials are clear and not misleading, and that privacy and confidentiality of the customers' information is maintained. In addition, whenever loans are given, HFCs should explain the repayment process to the customer by way of amount, tenure and periodicity of repayment. HFCs must communicate rejection of loans in writing and ensure that disbursement is made in accordance with the terms of the sanction letter of the loan agreement. However, if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for the recovery of dues. The process will involve reminding the customer by sending him/her a notice or by making personal visits and/or repossession of security, if any.

Guidelines for Recovery Agents Engaged by HFCs dated July 14, 2008

The Guidelines for Recovery Agents Engaged by HFCs dated July 14, 2008 (“**Recovery Agents Guidelines**”) were issued by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. Under the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for the engagement of recovery agents, which should cover, *inter alia*, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the backgrounds of their employees, which may include pre-employment police verification as a matter of caution. HFCs can decide the periodicity at which re-verification should be resorted to. They are required to ensure that the recovery agents are properly trained to handle their responsibilities with care and sensitivity, in particular, aspects like hours of calling and privacy of customer information, among others. They are also required to inform the borrower of the details of recovery agency firms or companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorised to represent an HFC in a collection and/or security repossession should follow guidelines which ordinarily include contacting the customer at the place of his/her choice, interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be provided to the borrower. HFCs have been advised to constitute grievance redressal machinery within our Company and give wide publicity about it through electronic and print media.

HFCs are required, at least on an annual basis, to review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider, should highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.

Model Code of Conduct for Direct Selling Agents / Direct Marketing Agents

The Model Code of Conduct for Direct Selling Agents (“**DSAs**”) / Direct Marketing Agents (“**DMAs**”) (“**Code of Conduct**”) was issued by the NHB with the objective of safeguarding the interest of the housing finance industry and public at large. The Code of Conduct applies to any person or legal entity involved in marketing and distribution of any loan or other financial products or services of HFCs. The DSAs or DMAs or/and their employees and representatives are required to abide by the Code of Conduct prior to undertaking any direct marketing operation and distribution on behalf of the HFC. Under the Code of Conduct, HFCs shall not engage DSAs or DMAs who do not have any valid registration certificate from the Department of Telecommunication, Government of India as telemarketers. As per the Code of Conduct, the DSAs and DMAs can contact a prospect by telephone between 0930 hours and 1900 hours. The DSAs and DMAs or/and their employees and representatives are required to respect a prospect’s privacy and his/her interest may normally be discussed only with the prospect and with any other individual/family member such as prospect’s accountant/secretary/ spouse only when authorized to do so by the prospect. The DSAs and DMAs shall not mislead the prospect on any product or service offered by an HFC, shall not falsely represent themselves as a HFCs employees and shall not make any false commitment on behalf of an HFC. The Code of Conduct specifies that the terms and conditions governing the contract between the HFC and the service provider should be carefully defined in written agreements and vetted by HFCs legal counsel on their legal effect and enforceability. Every such agreement is required to address the risks and risk mitigation strategies. The agreement should be sufficiently flexible to allow the HFC to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations.

Guidelines on Know Your Customer and Anti-Money Laundering measures for Housing Finance Companies dated April 23, 2015

The Guidelines on Know Your Customer and Anti-Money Laundering measures for Housing Finance Companies dated April 23, 2015 (“**NHB KYC Guidelines**”) issued by NHB mandate the Know Your Customer policies and anti-money laundering measures for HFCs to have certain key elements, including *inter alia* a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the HFC, including its brokers and agents.

Guidelines on Wilful Defaulters dated December 31, 2015

Pursuant to the advice of the RBI and recommendations of the Puri Committee Report, the NHB under the Guidelines on Wilful Defaulters dated December 31, 2015 (“**Wilful Defaulter Guidelines**”) has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs. Every instance above the ₹2.5 million limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all credit information companies (“**CIC**”) on a monthly basis or more frequent basis, latest by 15th of the subsequent month. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Norms for Excessive Interest Rates

The NHB pursuant to its circular on Excessive Interest Charged by Housing Finance Companies on Housing Loans dated June 2, 2009 has advised all HFCs to revisit internal policies in determining interest rates, fees and other charges. According to this notification, the board of each HFC is required to revisit its policies on interest

rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to the disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code to ensure transparency in communications with borrowers.

Guidelines on Corporate Governance

The NHB issued the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (“**NHB Corporate Governance Directions**”) dated July 2, 2018 on corporate governance covering constitution of committees of the board of a non-public depositing HFC with assets size of ₹500.00 million, fit and proper criteria for the appointment of directors, disclosure and transparency in annual reporting, rotation of partners of statutory auditors and framing of internal guidelines on corporate governance.

The NHB Corporate Governance Directions provide for constitution of audit committee, consisting of not less than three members of its board of directors, which will have the same powers, functions and duties as laid down in Section 177 of the Companies Act. The audit committee has to 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 by the HFCs. The HFCs shall also form a nomination committee to ensure fit and proper status of proposed/ existing directors, which will have same powers, functions and duties as set out under Section 178 of the Companies Act. In addition, the HFCs shall form a risk management committee to manage the integrated risk, besides the asset liability management committee.

The HFCs shall have a policy 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 guidelines for a policy on the fit and proper criteria are mentioned in the Directions. A declaration and undertaking has to be obtained from the directors giving additional information on the directors. In addition, Deed of Covenant has to be signed by the directors, as per the format mentioned in the Directions. A quarterly statement on change of directors, and a certificate from the Managing Director of the HFC stating that fit and proper criteria in selection of the directors has been followed has to be furnished to the National Housing Bank within 15 days of the close of the respective quarter. The statement submitted by HFCs for the quarter ending March 31, should be certified by the auditors. As per the Directions, certain disclosures have to be made in the annual financial statements as well. The partner/s of the Chartered Accountant firm conducting the audit has to be rotated every three years. The HFCs are also required to have their internal guidelines on corporate governance with the approval of the board of directors.

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 mandate that in addition to the report made by the auditor under the Companies Act, 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 unfavourable 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 HFC to the Department of Regulation and Supervision, NHB.

Housing Finance Companies – Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016

The NHB pursuant to its circular dated July 2, 2018 issued the Housing Finance Companies – Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016 (“**Transfer of Control Directions**”). The provisions of the Transfer of Control Directions are applicable on all HFCs registered under NHB Act, unless otherwise directed by the NHB, for any takeover or acquisition or control, any change in the shareholding or any change in the management occurring henceforth. The Transfer of Control Directions replace the provisions contained under Paragraph 19 of the NHB Directions. In accordance with the Transfer of Control Directions, prior approval of the NHB is required in the following circumstances: (i) any takeover or acquisition of control of an HFC, which may or may not result in change of management; where, the definition of control is as assigned to it under clause (e) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) 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; and (iii) any change in the management of the HFC which would result in change in more than 30% of the directors, excluding independent directors.

Information Technology Framework for HFCs

Pursuant to the NHB circular dated June 15, 2018, HFCs not accepting public deposit with asset size of ₹100.00 million and above, as per the last audited balance sheet, needs to form Information Technology Strategy Committee, adopt Information Technology Policy, Information Security Policy, Information System Audit policy and Business Continuity Plan and Information Technology Service Outsourcing Policy.

LAWS RELATED TO MONEY LAUNDERING

The Prevention of Money Laundering Act 2002

The Prevention of Money Laundering Act, 2002 (“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.

LAWS RELATED TO SECURING AND RECOVERING DEBTS

Registration of a charge

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the relevant registrar of companies along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the relevant registrar of companies. If the particulars of a charge are not filed within the aforesaid period but filed within a period of 300 days of such creation or modification, an additional fee shall be levied. Further, our Company is required to keep at its Registered Office a register of charges and enter therein particulars of all the charges registered with the relevant registrar of companies on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of our Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be. Where a charge is registered with the relevant registrar of companies, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”) regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution or NBFC may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. In addition to the above, a financial asset may be sold by any bank or

financial institution where the asset is reported, by the bank financial institution to Central Repository for Information on Large Credit, as an NPA wherein the principal or interest payment is overdue between 61 -90 days.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 (“**Code**”) was passed by the Upper House of the Parliament on May 11, 2016 (shortly after being passed by the Lower House on May 5, 2016). The Code has received the assent of the President of India on May 28, 2016. The Country now has a new legal regime that primarily enables time bound restructuring and bankruptcy of debtors. Some of the primary objectives with which the Code has been conceptualised are:

- (a) to consolidate the laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships (“**LLPs**”) under one statutory umbrella and amending relevant laws;
- (b) time bound resolution of defaults and seamless implementation of liquidation/ bankruptcy and maximising asset value;
- (c) to encourage resolution as means of first resort for recovery; and
- (d) creating infrastructure which can eradicate inefficiencies involved in bankruptcy process by introducing National Company Law Tribunal (“**NCLT**”), Insolvency Resolution Professional Agencies (“**IPAs**”), Insolvency Professionals (“**IPs**”) and Information Utilities (“**IUs**”).

In order to cover bankruptcy of individuals, the Code will repeal the Presidency Towns Insolvency Act, 1909 and Provincial Insolvency Act, 1920. Additionally, the Code will amend 11 statutes including, inter alia, the Companies Act, 2013 (“**Companies Act**”) Sick Industrial Companies (Special Provisions) Repeal Act, 2003 (“**SICA**”), Limited Liability Partnership Act, 2008 (“**LLP Act**”), SARFAESI Act and Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (“**RDDBI**”). The Code seeks to establish an Insolvency and Bankruptcy Board of India (Board) which will function as the regulator for all matters pertaining to

insolvency and bankruptcy. The Board will exercise a range of legislative, administrative and quasi-judicial functions.

The Code specifies 2 different adjudicating authorities (the Adjudicating Authority) which will exercise judicial control over the insolvency process as well as the liquidation process. In case of companies, LLPs and other limited liability entities (which may be specified by the Central Government from time to time), the NCLT shall be acting as the Adjudicating Authority. All appeals from NCLT shall lie with the appellate authority, i.e. the National Company Law Appellate Tribunal (“NCLAT”). In case of individuals and partnerships, the Adjudicating Authority would be the Debt Recovery Tribunal (“DRT”) with the Debt Recovery Appellate Tribunal (“DRAT”) continuing to be the appellate tribunal even for insolvency/bankruptcy matters. The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT.

Corporate Insolvency includes two processes within its ambit, (i) Insolvency Resolution and (ii) Liquidation. The Code prescribes a timeline of 180 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. The period is subject to a single extension of 90 days in the event the Adjudicating Authority (being petitioned by a resolution passed by a vote of 75% of the COC) is satisfied that the corporate insolvency resolution process cannot be completed within the period of 180 days. This time period is also applicable to individual insolvency resolution process. During this period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan (accepted by 75% of the financial creditors) and in the event, they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall not be permitted to act as a director of any company (directly/indirectly) or be involved in the promotion or management of a company during the moratorium period. Further, he shall not dispose of his assets or travel abroad during this period, except with the permission of the Adjudicating Authority.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (“IRP”) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on the basis of the priority set out in the Code.

LAWS RELATED TO EMPLOYMENT

Shops and Establishments legislation in various states

The provisions of various shops and establishments legislation, 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 and safety measures and wages for overtime work.

Labour Laws

Our Company is subject to various labour laws that regulate the conditions of work and employment, work hours, safety, protection, working condition, employment terms and welfare of laborers and/or employees. Our Company is, *inter alia*, subject to the applicable shops and establishments legislations, the Employees State Insurance Act, 1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, the Maternity Benefit Act, 1961, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Equal Remuneration Act, 1976.

LAWS RELATED TO INTELLECTUAL PROPERTY

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter alia* govern the law in relation to

intellectual property, including brand names, trade names and service marks and research works. In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislation and other applicable statutes.

LAWS RELATED TO EXTERNAL COMMERCIAL BORROWING

External Commercial Borrowings

RBI has notified the 'External Commercial Borrowings Policy- New External Commercial Borrowings Framework dated January 16, 2019' pursuant to circular no. RBI/2018-19/109 A.P. (DIR Series) Circular No. 17 ("**ECB Policy**") amending the Master Direction-External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016. The salient features of the ECB Policy include Merging of Tracks I and II as "Foreign Currency denominated ECB" and merging of Track III and Rupee Denominated Bonds framework as "Rupee Denominated ECB". The eligible borrowers have been expanded to include all entities eligible to receive FDI. Additionally, Port Trusts, Units in Special Economic Zones, SIDBI, EXIM Bank, registered entities engaged in micro-finance activities, viz., registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations can also borrow under the ECB Policy. The recognised lender should be a resident of Financial Action Task Force or International Organization of Securities Commissions compliant country, multilateral and regional financial institutions, individuals and foreign branches / subsidiaries of Indian banks can also be lenders. The Minimum Average Maturity Period ("**MAMP**") will be three years for all ECBs. However, for ECB raised from foreign equity holder and utilised for specific purposes the MAMP would be five years. Similarly, for ECB up to USD 50 million per financial year raised by manufacturing sector, which has been given a special dispensation, the MAMP would be one year. Any borrower, who is otherwise in compliance of ECB guidelines, except for delay in reporting drawdown of ECB proceeds before obtaining loan registration number or Form ECB 2 returns, can regularize the delay by payment of late submission fee as per the laid down procedure. HFCs regulated by NHB are considered eligible under the ECB Policy as infrastructure space companies.

Disclaimer Clause of NHB

Our Company has a valid Certificate of Registration dated May 19, 2014 bearing registration no.05.0112.14 issued by the NHB under Section 29A of the NHB Act, 1987. 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 our Company and for repayment of deposits/ discharge of liabilities by our Company.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the provisions of the Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall not be less than the number prescribed as minimum or more than the maximum limit as specified by the Companies Act.

The composition of the Board is in conformity with section 149 of the Companies Act. As on date of this Prospectus, our Company has 10 Directors including one woman Director, five Non-Executive Directors, three Independent Directors and one Executive Director.

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

Details relating to Directors as on the date of this Prospectus:

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships
<p>George Alexander Muthoot</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Address:</i> #39/4535, A/B, Plot No. G 343 Panampilly Nagar Ernakulam – 682 036 Kerala, India</p> <p><i>Nationality:</i> Indian</p>	63	00016787	<ul style="list-style-type: none"> ▪ Muthoot Commodities Limited; ▪ Muthoot Securities Limited; ▪ Marari Beach Resorts Private Limited; ▪ Muthoot Broadcasting Private Limited ▪ Muthoot Insurance Brokers Private Limited; ▪ Muthoot Marketing Services Private Limited; ▪ MGM Muthoot Medical Centre Private Limited; ▪ Muthoot Forex Limited; ▪ Geobros Properties and Realtors Private Limited; ▪ Muthoot Health Care Private Limited; ▪ Muthoot Infopark Private Limited; ▪ Muthoot Finance Limited; ▪ Adams Properties Private Limited; ▪ Muthoot Vehicle & Asset Finance Limited; ▪ Muthoot M George Institute of Technology; ▪ Muthoot Anchor House Hotels Private Limited; and ▪ Muthoot M. George Real Estate Private Limited.
<p>Anna Alexander</p> <p><i>Designation:</i> Additional Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> with effect from October 25, 2018 up to the date of the next AGM.</p> <p><i>Address:</i> Muthoot House, G- 343, Panampilly Nagar Ernakulam – 682 036 Kerala, India</p> <p><i>Nationality:</i> Indian</p>	59	00017147	<ul style="list-style-type: none"> ▪ Oxbow Properties Private Limited; ▪ Unix Properties Private Limited; ▪ Muthoot Developers Private Limited; ▪ Muthoot M George Education Private Limited; ▪ Varavade Plantations Private Limited; ▪ Moroshi Plantations Private Limited; ▪ Nerur Rubber and Plantations Private Limited; ▪ Tarkali Rubber and Plantations Private Limited; ▪ Rangana Rubber and Plantations Private Limited; ▪ Maneri Rubber and Plantations Private Limited; ▪ Amboli Rubber and Plantations Private Limited; ▪ Geo Rubber and Plantations Private Limited; ▪ Sawanthavadi Rubber and Plantation Private Limited; ▪ Muthoot Holidays Private Limited; ▪ Muthoot Forex Limited; ▪ Muthoot Vehicle & Asset Finance Limited; and ▪ Muthoot Farms India Private Limited.
<p>Mathai George George Muthoot</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by rotation.</p> <p><i>Address:</i> G-74, East of Kailash New Delhi – 110 065</p>	69	00018201	<ul style="list-style-type: none"> ▪ Muthoot M. George Real Estate Private Limited; ▪ Muthoot Anchor House Hotels Private Limited; ▪ Adams Properties Private Limited; ▪ Muthoot Synergy Fund Limited; ▪ Muthoot Health Care Private Limited; ▪ Geobros Properties and Realtors Private Limited; ▪ Dukanvadi Plantations Private Limited; ▪ Muthoot Commodities Limited; ▪ Muthoot Securities Limited; ▪ Marari Beach Resorts Private Limited; ▪ Muthoot Broadcasting Private Limited;

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships
Delhi, India <i>Nationality:</i> Indian			<ul style="list-style-type: none"> ▪ Muthoot M. George Institute of Technology; ▪ M G M Muthoot Medical Centre Private Limited; ▪ Muthoot Infopark Private Limited; ▪ Muthoot Finance Limited; ▪ Muthoot Farms India Private Limited; ▪ Muthoot M George Chits India Limited; and ▪ Emgee Board and Paper Mills (P) Limited.
George Thomas Muthoot <i>Designation:</i> Non-Executive Director <i>Occupation:</i> Business <i>Term:</i> Liable to retire by rotation <i>Address:</i> Muthoottu House, Miss East Road, Baker Hill Kottayam – 686 001 Kerala, India <i>Nationality:</i> Indian	68	00018281	<ul style="list-style-type: none"> ▪ Muthoot M. George Real Estate Private Limited; ▪ Muthoot M George Chits India Limited; ▪ Muthoot Anchor House Hotels Private Limited; ▪ Adams Properties Private Limited; ▪ Muthoot Synergy Fund Limited; ▪ Muthoot Health Care Private Limited; ▪ Muthoot Vehicle & Asset Finance Limited; ▪ Geobros Properties and Realtors Private Limited; ▪ Muthoot Finance Limited; ▪ Juyathi Plantations Private Limited; ▪ Avalegaon Plantations Private Limited; ▪ Muthoot Leisure and Hospitality Services Private Limited; ▪ Muthoot M George Institute of Technology; ▪ Marari Beach Resorts Private Limited; ▪ Muthoot Broadcasting Private Limited; ▪ Muthoot Holiday Homes and Resorts Private Limited; ▪ M G M Muthoot Medical Centre Private Limited; and ▪ Muthoot Infopark Private Limited.
Kuttickattu Rajappan Bijimon <i>Designation:</i> Non-Executive Director <i>Occupation:</i> Business <i>Term:</i> Liable to retire by rotation <i>Address:</i> Kuttikattu House, 36/943-B East of Lissie hospital Journalist Road Ernakulam – 682 018 Kerala, India <i>Nationality:</i> Indian	48	00023071	<ul style="list-style-type: none"> ▪ Belstar Investment and Finance Private Limited; ▪ Muthoot Forex Limited; ▪ Muthoot Money Private Limited ▪ Muthoot Securities Limited; ▪ Muthoot Commodities Limited; ▪ Backdrop Advertising Private Limited; ▪ MJBR Marketing and Financial Services Private Limited; and ▪ Muthoot Royalex Forex Services Private Limited.
Alexander George <i>Designation:</i> Non-Executive Director <i>Occupation:</i> Business <i>Term:</i> Liable to retire by rotation <i>Address:</i> G-74, East of Kailash New Delhi – 110 065 Delhi, India <i>Nationality:</i> Indian	38	00938073	<ul style="list-style-type: none"> ▪ Muthoot Asset Management Private Limited; ▪ Muthoot Vault and Lockers Private Limited; ▪ Muthoot Systems and Technologies Private Limited; ▪ Mond Plantations Private Limited; ▪ Kunkeshwar Plantations Private Limited; ▪ Patgaon Plantations Private Limited; ▪ Nerur Rubber and Plantations Private Limited; ▪ Tarkali Rubber and Plantations Private Limited; ▪ Unisom Rubber and Plantations Private Limited; ▪ Muthoot Securities Limited; ▪ Muthoot Holidays Private Limited; ▪ Muthoot Insurance Brokers Private Limited; ▪ Muthoot Finance Limited; and ▪ Muthoot M George Permanent Fund Ltd.
Kariath George John <i>Designation:</i> Independent Director <i>Occupation:</i> Business <i>Term:</i> Five years with effect from September 7, 2015	72	00951332	<ul style="list-style-type: none"> ▪ Muthoot Finance Limited; and ▪ Munnar Ridgetree Residences Private Limited.

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships
<i>Address:</i> 22/1532C Kariath Valiakulam Road, Edakochi Ernakulam – 682 010 Kerala, India			
<i>Nationality:</i> Indian			
Eapen Alexander	31	03493601	<ul style="list-style-type: none"> ▪ Muthoot Homefin Advisory Services Private Limited; ▪ Muthoot MMPL Business Services Private Limited; ▪ Ochira Developers Private Limited; ▪ Thekkemala Infra Developers Private Limited; ▪ Kumbanad Developers Private Limited; ▪ Mallappally Property Developers Private Limited; ▪ Kundara Infra Developers Private Limited; ▪ Konni Building Developers Private Limited; ▪ Thevara Builders and Infra Private Limited; ▪ Kozhencherry Infra Developers Private Limited; ▪ Muthoot Vault and Lockers Private Limited; ▪ Muthoot Developers Private Limited; ▪ Oxbow Properties Private Limited; ▪ Vagade Plantations Private Limited; ▪ Muthoot Leisure and Hospitality Services Private Limited; ▪ Muthoot Money Private Limited; and ▪ Muthoot M George Chits India Limited.
<i>Designation:</i> Whole Time Director			
<i>Occupation:</i> Business			
<i>Term:</i> Five years with effect from May 19, 2015			
<i>Address:</i> Muthoot, G-343 Panampilly Nagar Ernakulam – 682 036 Kerala, India			
<i>Nationality:</i> Indian			
Jose Kurian	71	07258367	Nil
<i>Designation:</i> Independent Director			
<i>Occupation:</i> Professional			
<i>Term:</i> Five years with effect from September 7, 2015			
<i>Address:</i> 14A Summer Breeze Seasons Kuravankonam Thiruvananthapuram- 695 003 Kerala, India			
<i>Nationality:</i> Indian			
V. C. James	63	01398943	Contour Readymix Private Limited
<i>Designation:</i> Independent Director			
<i>Occupation:</i> Chartered accountant			
<i>Term:</i> Five years with effect from January 25, 2019			
<i>Address:</i> 36/1857 Vadakkedam Shenoy Road Kaloor, Kaloor P. O Ernakulam - 682 017 Kerala, India			
<i>Nationality:</i> Indian			

Profiles of Directors

George Alexander Muthoot, aged 63 years, is a Non- Executive Director of our Company. He has been associated with our company since incorporation. He holds a bachelor's degree in commerce from Kerala University, where he graduated as a gold medallist. He is a fellow member of the Institute of Chartered

Accountants of India. He has previously served as the Chairman of the Kerala Non-Banking Finance Companies Welfare Association. He is also the member secretary of Finance Companies Association, Chennai. He is the founder member for the Kochi chapter of Indus Entrepreneurs International and is currently a member of its core committee. He was awarded the Business Excellence Award 2009 by the Times of India group in customised Financial Services category and the 'CA Business Leader Award 2013' under financial services sector from the Institute of Chartered Accountants of India.

Anna Alexander, aged 59 years, is an Additional Director of our Company. She has been associated with our Company since October 2018. She holds a bachelor's degree in commerce.

Mathai George George Muthoot, aged 69 years, is a Non-Executive Director of our Company. He has been associated with our company since its incorporation. He holds a bachelor's degree in engineering from Manipal University. He is a member of the National Executive Committee of FICCI and the current Chairman of FICCI - Kerala State Council. He is an active member of various social organizations including the Rotary Club and has been chosen for several awards by the Rotary International for community development and social service. He has been conferred with the Mahatma Gandhi National Award for social service by the Mahatma Gandhi National Foundation in 2001. He is also the recipient of 'Asian Business Man of the Year 2011' from UK- Kerala Business Forum and was also conferred with the Golden Peacock Award, 2012 for business leadership.

George Thomas Muthoot, aged 68 years, is a Non- Executive Director of our Company. He has been associated with our Company since its incorporation. He has received the 'Sustainable Leadership Award' by the CSR congress in 2014.

Kuttickattu Rajappan Bijimon, aged 48 years, is a Non – Executive Director of our Company. He has been associated with our Company since September 2014. He holds a bachelor's degree in law from Mahatma Gandhi University, a bachelor's degree in science from Mahatma Gandhi University and a master's degree in business administration from Cochin University of Science and Technology. He is a fellow member of the Institute of Chartered Accountants of India, a certified associate of the Indian Institute of Banking and Finance and a fellow member of Certified Management Accountants, Institute of Sri Lanka. He started his career as a senior manager (finance) with Muthoot Bankers in 1996. Currently he is the chief general manager of MFL.

Alexander George, aged 38 years, is a Non-Executive Director of our Company. He has been associated with our Company since October 2017. He holds a bachelor's degree in commerce from University of Delhi and a master's degree in business administration from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA.

Kariath George John, aged 72 years, is the Independent Director of our Company. He has been associated with our Company since September 2015. He holds a master's degree in mathematical statistics. He is the retired Chairman and Managing Director of TBWA India. Prior to joining our Company, he was associated with FCB Ulka.

Eapen Alexander, aged 31 years, is the Whole time Director of our Company. He has been associated with our Company since May 2015. He holds a bachelor's degree in economics from St. Xavier's College, Mumbai University, a master's degree in business administration from the Fuqua School of Business at Duke University, USA and a master's degree in international political economy from the London School of Economics, UK.

Jose Kurian, aged 71 years, is an Independent Director of our Company. He has been associated with our Company since September 2015. He holds a bachelor's degree in science from University of Kerala and a master's degree in structural engineering from Indian Institute of Technology, Delhi. He has also completed a post graduate diploma course in earthquake engineering from IISEE, Japan. He has been the president of Indian Concrete Institute and is currently a member of Indian Roads Congress and Indian Building Congress.

V. C. James, aged 63 years, is an Independent Director of our Company. He has been associated with our Company since January 2019. He holds a bachelor's degree in science from University of Kerala. He is a fellow member of the Institute of Chartered Accountants of India. He has, in the past, been a central council member of the Institute of Chartered Accountants of India, New Delhi and was the chairman of Southern India Chartered Accountants, Chennai. Currently, he is a senior partner at Sankar and Moorthy, Kochi.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, and none of our Directors are directors or are 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.

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

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The remuneration for our Executive Director and sitting fees for our Non-Executive Directors and Independent Directors are approved by our Board.

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) pertaining to the last three financial years which has been paid or was payable to the existing Directors by the Company:

Name	(<i>₹</i> in million)		
	Fiscal 2018	Fiscal 2017	Fiscal 2016
George Alexander Muthoot	Nil	Nil	Nil
Anna Alexander	Nil	Nil	Nil
Mathai George George Muthoot	Nil	Nil	Nil
George Thomas Muthoot	Nil	Nil	Nil
Kuttickattu Rajappan Bijimon	0.13	0.09	0.065
Alexander George	Nil	Nil	Nil
Kariath George John	0.105	0.075	0.065
Eapen Alexander	4.9	1.2	0.9
Jose Kurian	0.105	0.075	0.065
V. C. James*	Nil	Nil	Nil

*V. C. James was appointed as an Independent Director on January 25, 2019 and accordingly no sitting fees was paid to him in Fiscal 2018.

Details of the appointment and remuneration of the Whole Time Director

Eapen Alexander was appointed as the Whole Time Director of our Company pursuant to the resolution passed by the Board on May 19, 2015. His appointment was confirmed by the shareholders pursuant to their resolution dated June 15, 2015 for a period of five years. The terms of his appointment were subsequently revised by the shareholders in the AGM dated August 20, 2018.

Relationship with other Directors

Except as stated below none of the directors of the Company are related to each other-

Name of Director	Relationship
George Alexander Muthoot	<ul style="list-style-type: none">Brother of Mathai George George Muthoot and George Thomas Muthoot;Husband of Anna Alexander; andFather of Eapen Alexander.
Anna Alexander	<ul style="list-style-type: none">Wife of George Alexander Muthoot; andMother of Eapen Alexander.
Mathai George George Muthoot	<ul style="list-style-type: none">Brother of George Thomas Muthoot and George Alexander Muthoot; andFather of Alexander George.
George Thomas Muthoot	<ul style="list-style-type: none">Brother of Mathai George George Muthoot and George Alexander Muthoot.
Alexander George	<ul style="list-style-type: none">Son of Mathai George George Muthoot.
Eapen Alexander	<ul style="list-style-type: none">Son of George Alexander Muthoot and Anna Alexander.

Borrowing powers of the Board

Our Shareholders have at the EGM held on January 30, 2018, passed a resolution under section 180(1)(c) of the

Companies Act and authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of ₹32,500 million, provided that the total amount so borrowed shall be within the limits as prescribed under the NHB Directions.

Interest of Directors

None of our Directors has been paid any consideration of any nature from our Company, other than their remuneration and sitting fees as highlighted above. Further, other than Mathai George George Muthoot, George Thomas Muthoot and George Alexander Muthoot, who are interested in our Company by virtue of their shareholding in the Company, no other director has any other interest in our Company. For further details see related party transaction in the chapter “*Financial Statements*” on page 126.

Other than Mathai George George Muthoot, George Thomas Muthoot, George Alexander Muthoot, Alexander George, Eapen Alexander and Anna Alexander who are interested in our Company by virtue of their shareholding in MFL and Mathai George George Muthoot, George Thomas Muthoot, George Alexander Muthoot, Alexander George and Kariath George John being the directors of MFL, none of the Directors are interested in connection with the promotion of our Company.

Other than Mathai George George Muthoot, George Thomas Muthoot, George Alexander Muthoot and Anna Alexander who were first shareholders of the Company, none of the Directors were interested in connection with the formation of the Company.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements and which may be entered into with them.

Shareholding of Directors

Set forth below is the shareholding pattern of our Directors in the Company, as on the date of this Prospectus.

Names of Directors	Number of Equity Shares held
Mathai George George Muthoot*	1
George Thomas Muthoot*	1
George Alexander Muthoot*	1

**Mathai George George Muthoot, George Thomas Muthoot and George Alexander Muthoot are the registered shareholders of the Company for complying with the minimum number of shareholders' requirement in a public company as prescribed under the Companies Act. Furthermore, they have created a beneficial interest in favour of MFL with respect to the Equity Shares held by each of them.*

Debenture holding of directors

As on the date of this Prospectus, none of our directors hold any debentures of the Company.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Appointment of any relatives of Directors to an office or place of profit

As on the date of this Prospectus, our Company has not appointed any relative of our Directors to an office or

place of profit.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

1. Audit Committee

The Audit Committee was constituted on January 21, 2015 and last reconstituted on September 8, 2015. The members of the Audit Committee are:

- (i) Eapen Alexander;
- (ii) Kariath George John; and
- (iii) Jose Kurian;

The terms of reference of the Audit Committee are as follows:

- (a) Providing recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) Reviewing and monitoring auditor's independence and performance and effectiveness of audit process;
- (c) Examining financial statement and the auditors' report thereon;
- (d) Scrutinizing inter-corporate loans and investments;
- (e) Evaluating internal financial controls and risk management systems;
- (f) Monitoring the end use of funds raised through public offers and related matters;
- (g) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (h) Approval or any subsequent modification of transactions of the Company with related parties; and
- (i) Any other responsibilities as may be assigned by the Board from time to time.

2. Asset Liability Management Committee

The Asset Liability Management Committee was constituted on February 20, 2016 and last reconstituted on October 23, 2017. The members of the Asset Liability Management Committee are:

- (i) Eapen Alexander;
- (ii) George Alexander Muthoot; and
- (iii) Alexander George.

The terms of reference of the Asset Liability Management Committee are as follows:

- (a) Developing an asset/liability management process and related procedures;
- (b) Developing asset/liability management strategies and tactics;
- (c) Establishing a monitoring and reporting system;
- (d) Submitting a written report to the Board at least once every quarter; and
- (e) Overseeing the maintenance of a management information system that supplies, on a timely basis, the information and data necessary for the Asset Liability Management Committee to fulfil its role as asset/liability manager of the Company.

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on October 23, 2017. The members of the Corporate Social Responsibility Committee are:

- (i) Eapen Alexander;
- (ii) Kuttickattu Rajappan Bijimon; and
- (iii) Jose Kurian.

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- (a) Formulating and recommending to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act;
- (b) Reviewing and recommending the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- (c) Monitoring the CSR policy of the Company from time to time; and
- (d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

4. Finance Committee

The Finance Committee was constituted on January 2, 2016 and last reconstituted on September 20, 2018. The members of the Finance Committee are:

- (i) George Alexander Muthoot;
- (ii) George Thomas Muthoot;
- (iii) Eapen Alexander; and
- (iv) Kuttickattu Rajappan Bijimon.

The terms of reference of the Finance Committee are as follows:

- (a) Review of Company's financial policies, working capital and cash flow management and make reports and recommendations to the Board with respect thereto as it may deem advisable;
- (b) Review of banking arrangements and cash management;
- (c) Exercise all powers to borrow moneys whether secure or unsecure and taking necessary actions connected therewith including borrowing monies by way of short term/ long term loans, cash credit arrangements and / or by way other instruments and Commercial Papers in any form on such terms as Committee may deem fit not exceeding the limit fixed by the shareholders under section 180(1)(c) of the Companies Act (which at present is Rs 3250 crores);
- (d) Review, approve and accept Renewal/enhancements/disbursements of credit facilities including Cash credit/short term loan/term loans from Banks/financial institutions;
- (e) Giving guarantees/issuing letters of comfort/providing security/ corporate guarantee/performance guarantee/Letter of credit on such terms as Committee may deem fit;
- (f) Exercise all the powers with regard to foreign currency transactions including entering into various hedging mechanism like forward contracts, option contracts, swaps etc.
- (g) Opening/Closing of Bank Accounts and availing various facilities for operating the said Bank Accounts including Internet Banking and Authorize/Change/ Removal of signatories for said Bank Accounts;
- (h) Carry out any other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable;
- (i) To invest the funds of the Company on such terms as Committee may deem fit;

- (j) To determine and approve the terms and conditions and nature of the debentures (NCDs) including Secured Non- Convertible Debentures and Unsecured Non-Convertible Debentures in nature of Sub-Ordinated Debt to be issued on basis of private placement and/or Public Issue;
- (k) To determine and approve the nature/type/pricing/terms of the NCD issue;
- (l) To approve the Draft Issue Documents or Offer Document(s) including Prospectus, Shelf Prospectus, Tranche Prospectus etc related to issue of NCDs; and
- (m) To appoint Compliance Officer and to authorise and appoint Officers of the Company for negotiations, signing and execution of any documents including offer documents, trust deed, Charge Documents and other statutory documents for and on behalf of the Company to the extent authorised by the Committee and
- (n) To appoint and deal with Stock Exchanges, Depositories, Registrar, Merchant Bankers, Brokers, Debentures Trustees, Bankers, agents, attorneys, experts or any other persons in relation to the issue and continuous management of NCDs and enter into agreement with them for and on behalf of the Company;
- (o) To appoint Trustees of each Issue/tranche of the Issue for NCDs as Issued by Board of Directors of the Company from time to time and to approve the Trust Deed;
- (p) To create or modify the Charge on assets of the Company for purpose of securing the NCDs to extent of NCDs issued by Board of Directors of the Company from time to time.
- (q) Ensure that all provisions regarding disclosure and other required under the Companies Act, Reserve Bank of India Guidelines, SEBI (Issue of Debt and Listing) Regulations, 2008 for listing of debentures issued on private placement basis, or such other acts, rules, regulations or guidelines are complied with.
- (r) To approve Rematerialisation / Dematerialisation of NCD's, transfer and transmission of NCD's and issuance of Duplicate NCD Certificates and other day to day activities issued through Private Placement and/or Public Issue.
- (s) To approve and deal with all other matters relating to the issue and do all such acts, deeds, matters and things as it may, at its discretion, deem necessary for such purpose and other matters entrusted by Board of Directors from time to time including without limitation the utilisation of the issue proceeds etc.
- (t) Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee;
- (u) Give authorization from time to time to the executives / Authorised Persons (including Change/Removal of Authorised persons) to implement decisions of the Committee and to execute necessary papers, agreements or any other documents for the purpose of giving effect to this resolution;
- (v) Regularly review and make recommendations about changes to the Charter/terms of reference of the Committee.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on January 21, 2015 and last reconstituted on September 08, 2015. The members of the Nomination and Remuneration Committee are:

- (i) Kuttickattu Rajappan Bijimon;
- (ii) Kariath George John; and
- (iii) Jose Kurian.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- (a) Identifying persons who are qualified to become Directors and who may be appointed in senior

management in accordance with criteria as laid down and recommend to the Board their appointment and removal;

- (b) Ensuring persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act.
- (c) Ensuring that the proposed appointees have given their consent in writing to the Company;
- (d) Reviewing and carrying out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- (e) Planning for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- (f) Being responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (g) Keeping under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place;
- (h) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings;
- (i) Determining and agreeing with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- (j) Reviewing the on-going appropriateness and relevance of the remuneration policy;
- (k) Ensuring that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company;
- (l) Ensuring that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act or such other acts, rules, regulations or guidelines are complied with.
- (m) Formulating ESOP plans and deciding on future grants; and
- (n) Formulating terms and conditions for a suitable employee stock option scheme and to decide on followings under employee stock option schemes of the Company:
 - i. the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
 - ii. the condition under which option vested in employees may lapse in case of termination of employment for misconduct;
 - iii. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - iv. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - v. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - vi. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

- vii. the grant, vest and exercise of option in case of employees who are on long leave;
- viii. the procedure for cashless exercise of options; and
- ix. any other matter, which may be relevant for administration of ESOP Scheme including allotment of shares pursuant to exercise of options from time to time.

6. Risk Management Committee

The Risk Management Committee was constituted on February 20, 2016 and last reconstituted on October 23, 2017. The members of the Risk Management Committee are:

- (i) Eapen Alexander;
- (ii) George Alexander Muthoot; and
- (iii) Alexander George.

The terms of reference of the Risk Management Committee are as follows:

- (a) Credit deployment in line with business plan and within the defined risk appetite;
- (b) Creating requisite capacity in the risk management with a view of monitoring and control.
- (c) Maintaining a well-diversified loan book;
- (d) Optimise profits by way of controlling risk in the Operations and credit delivery process; and
- (e) Inculcating the culture of informed decision-making by creating environment of taking calculated business risk to maximise profits.

7. Information Technology Strategy Committee

The Information Technology Strategy Committee was constituted on May 8, 2018 and last reconstituted on October 25, 2018. The members of the Information Technology Strategy Committee are:

- (i) Kariath George John;
- (ii) Eapen Alexander;
- (iii) Ramratthinam Seshadri;
- (iv) Mehjabeen Taj Aalam; and
- (v) K. N. C. Nair

The terms of reference of the Information Technology Strategy Committee are as follows:

- (a) To work in partnership with other committees of the Board of Directors and Senior Management members to provide input to them on Information Technology; and
- (b) To carry out review and amend the Information Technology strategies in line with the corporate strategies, cyber security arrangements and any other matter related to Information Technology governance.

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 Prospectus are as follows:

Sr. No.	Name <i>Designation</i>	DIN	Date of appointment/ resignation	Reasons
1.	V. C. James	01398943	25.01.2019	Appointment
2.	Anna Alexander	00017147	25.10.2018	Appointment
3.	V. A Joseph	00181554	17.10.2018	Resignation
4.	V. A. Joseph	00181554	16.02.2018	Appointment
5.	Alexander George	00938073	23.10.2017	Appointment

Key managerial personnel of our Company

Our operations are overseen by a professional management team. In addition to the Whole Time Director as set forth above, following are the KMP of our Company:

Ramratthinam Seshadri, aged 49 years, is the Chief Executive Officer of our Company. He was appointed pursuant to the board resolution dated November 10, 2015. He has been associated with our Company since December 14, 2015. He holds a bachelor's degree in science from Saraswathi Narayanan College. He has previously been associated with Sundaram Finance Limited, Citicorp Finance Limited and Centurion Bank of Punjab, Indiabulls Housing Finance Limited, and Religare Finvest Limited. Prior to joining our Company, he was the chief risk officer at Dewan Housing Finance Corporation Limited. He has over 25 years of experience in the retail lending industry. His gross remuneration for Fiscal 2018 was ₹9.08 million.

Pandurang Kadam, aged 37 years, is the Chief Financial Officer our Company. He was appointed pursuant to board resolution dated July 25, 2018. He has been associated with our Company since July 25, 2018. He holds a bachelor's degree in commerce from University of Mumbai. He has been an associate member of the Institute of Chartered Accountants of India since April 7, 2006. He has previously been associated with IndoStar Capital Finance Limited, Karvy Financial Services Limited and the Anand Rathi group. Prior to joining our Company, he was the Chief Financial Officer at India Home Loan Limited. He has over 12 years of experience in retail lending industry. No remuneration was paid to him during Fiscal 2018, as he joined our Company in Fiscal 2019.

Jinu Mathen, aged 39 years, is the Company Secretary of our Company. She was appointed pursuant to the board resolution dated December 17, 2014. She has been associated with our company since December 18, 2014. She holds a bachelor's degree in commerce from Mahatma Gandhi University and a master's degree in business administration from Sikkim Manipal University. She has been an associate member of the Institute of Company Secretaries of India since 2013. Prior to joining our company, she was associated with SVJS and Associates, Company Secretaries. She has more than seven years of experience in corporate secretarial functions. Her gross remuneration for Fiscal 2018 was ₹0.58 million.

Bonus or profit- sharing plan of the key managerial personnel

As on the date of this Prospectus, our Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

None of our KMP has been paid any consideration of any nature from our Company, other than their remuneration.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his employment in our Company.

Shareholding of our Company's key managerial personnel

As on date of this Prospectus, none of our KMP hold any Equity Shares in our Company.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, see "**Financial Statements**" beginning on page 126.

OUR PROMOTER

Profile of our Promoter

Our Promoter is Muthoot Finance Limited (“MFL”). MFL became the sole promoter of our Company pursuant to the transfer of Equity Shares of our Company from (i) Muthoot Vehicle & Asset Finance Limited, (ii) Mathai George George Muthoot, (iii) George Thomas Muthoot, (iv) George Jacob Muthoot, (v) George Alexander Muthoot, (vi) Sara George, (vii) Susan Thomas, (viii) Elizabeth Jacob and (ix) Anna Alexander to MFL. For further details see “*Our Promoter - Changes in promoter’s holding in our Company*” on page 124.

MFL is a “Systemically Important Non-Deposit Taking NBFC” (NBFC-ND-SI) headquartered in the south Indian state of Kerala. MFL’s operating history has evolved over a period of 79 years since M George Muthoot (the father of MFL’s promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887.

MFL is one of the largest gold loan NBFC in India in terms of loan portfolio. MFL provides personal loans and business loans secured by gold jewellery, or gold loans, primarily to individuals who possess gold jewellery but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. MFL’s gold loan portfolio as of September 30, 2018 comprised approximately of ₹8.15 million loan accounts in India that MFL serviced through 4,370 branches across 23 states, the national capital territory of Delhi and five union territories in India.

In addition to the gold loans business, MFL provides money transfer services through their branches as sub-agents of various registered money transfer agencies and also provides collection agency services. MFL also operates three windmills in the state of Tamil Nadu. In February 2014, they entered the business of providing cash withdrawal services through white label ATMs to customers using cards issued to them by commercial banks. As of September 30, 2018, MFL operates 216 ATMs spread across 18 states. MFL has started providing unsecured loans to salaried individuals, loans to traders and self-employed. MFL also provides micro-finance, housing finance, vehicle and equipment finance and insurance broking services through its subsidiaries.

Interest of our Promoter

Except as stated under related party transaction in the section “*Financial Statements*” on page 126 and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company’s business.

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

For details of Equity Shares allotted to our Promoter in the last three Financial Years, please see “*Our Promoter – Changes in Promoter’s holding in our Company*” on page 124.

No Equity Shares have been pledged or encumbered by our Promoter as on the date of this Prospectus.

Other understandings and confirmations

Our Promoter has confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority. Further, our Promoter has not been identified as a Fugitive Economic Offender.

Neither our Promoter, nor person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Our Promoter is not in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

No violations of securities laws have been committed by our Promoter in the past or are currently pending against them. Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions

passed for any reason by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Share holding pattern of MFL as on December 31, 2018

Summary Statement Holding of Equity Shareholders

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
A	Shareholding pattern of the Promoter and Promoter Group							
1	Indian							
(a)	Individuals / Hindu Undivided Family	13	294,463,872	294,463,872	73.5088	0	0.0000	294,463,872
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(1)	13	294,463,872	294,463,872	73.5088	0	0.0000	294,463,872
2	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(2)	0	0	0	0.0000	0	0.0000	0

	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	13	294,463,872	294,463,872	73.5088	0	0.0000	294,463,872
B	Public shareholder							
1	Institutions							
(a)	Mutual Fund	16	42,436,477	42,436,477	10.5937	NA	NA	42,436,477
(b)	Venture Capital Funds	0	0	0	0.0000	NA	NA	0
(c)	Alternate Investment Funds	8	1,514,316	1,514,316	0.3780	NA	NA	1,514,316
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	NA	NA	0
(e)	Foreign Portfolio Investor	179	44,072,135	44,072,135	11.0020	NA	NA	44,072,135
(f)	Financial Institutions / Banks	3	69,484	69,484	0.0173	NA	NA	69,484
(g)	Insurance Companies	0	0	0	0.0000	NA	NA	0
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	NA	NA	0
(i)	Any Other (Specify)	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(1)	206	88,092,412	88,092,412	21.9910	NA	NA	88,092,412
2	Central Government/ State Government(s)/ President of India							
	Central Government / State Government(s)	1	400,546	400,546	0.1000	NA	NA	400,546
	Sub Total (B)(2)	1	400,546	400,546	0.1000	NA	NA	400,546
3	Non-Institutions							
(a)	Individuals		0			NA	NA	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	42,950	8,206,345	8,206,345	2.0486	NA	NA	8,206,203
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	36	4,713,728	4,713,728	1.1767	NA	NA	4,713,728
(b)	NBFCs registered with RBI	5	13,964	13,964	0.0035	NA	NA	13,964
	Trust Employee	0	0	0	0.0000	NA	NA	0

(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	NA	NA	0
(e)	Any Other (Specify)	2,929	4,692,414	4,692,414	1.1714	NA	NA	4,692,414
	Trusts	5	7,9215	79,215	0.0198	NA	NA	79,215
	Foreign Nationals	2	4,022	4,022	0.0010	NA	NA	4,022
	Hindu Undivided Family	1,125	220,793	220,793	0.0551	NA	NA	220,793
	Non Resident Indians (Non Repat)	404	287,706	287,706	0.0718	NA	NA	287,706
	Non Resident Indians (Repat)	725	317,441	317,441	0.0792	NA	NA	317,441
	Clearing Member	202	776,595	776,595	0.1939	NA	NA	776,595
	Bodies Corporate	466	3,006,642	3,006,642	0.7506	NA	NA	3,006,642
	Sub Total (B)(3)	45,920	17,626,451	17,626,451	4.4002	NA	NA	17,626,309
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	46,127	106,119,409	106,119,409	26.4912	NA	NA	106,119,267
C	Total Non-Promoter- Non Public Shareholding							
1	Custodian/DR Holder	0	0	0	0.0000	0	0.0000	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0.0000	0
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0.0000	0	0.0000	0
	Total	46,140	400,583,281	400,583,281	100	0	0.0000	400,583,139

Board of directors of MFL:

1. Mathai George George Muthoot, chairman and whole time director;
2. George Alexander Muthoot, managing director;
3. George Thomas Muthoot, whole time director;
4. George Jacob Muthoot, whole time director;
5. Alexander M George, whole time director;
6. K George John, independent director;
7. Jose Mathew, independent director;
8. John K Paul, independent director;
9. George Joseph, independent director;
10. Pamela Anna Mathew, independent director; and
11. Jacob Benjamin Koshy, independent director.

Details of the promoter of our Promoter

The promoters of our Promoter are:

1. Mathai George George Muthoot;
2. George Thomas Muthoot;
3. George Jacob Muthoot; and
4. George Alexander Muthoot.

Changes in promoter's holding in our Company

Except as disclosed below, there have been no changes to our Promoter's shareholding as of December 31, 2018:

(i) MFL

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)
March 02, 2016	Preferential issue ⁽¹⁾	3,95,00,000	Cash	10	11.37
September 5, 2016	Rights issue	25,00,000	Cash	10	11.37
March 27, 2017	Transfer ⁽²⁾	17,00,000	Cash	10	11.37
August 21, 2017	Transfer ⁽³⁾	1,600,000	Cash	10	44
August 21, 2017	Transfer ⁽⁴⁾	1,600,000	Cash	10	44
August 21, 2017	Transfer ⁽⁵⁾	1,600,000	Cash	10	44
August 21, 2017	Transfer ⁽⁶⁾	1,600,000	Cash	10	44
August 21, 2017	Transfer ⁽⁷⁾	600,000	Cash	10	44

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)
August 21, 2017	Transfer ⁽⁸⁾	600,000	Cash	10	44
August 21, 2017	Transfer ⁽⁹⁾	600,000	Cash	10	44
August 21, 2017	Transfer ⁽¹⁰⁾	600,000	Cash	10	44
August 21, 2017	Transfer ⁽¹¹⁾	(1)	Cash	10	10
August 21, 2017	Transfer ⁽¹²⁾	(1)	Cash	10	10
August 21, 2017	Transfer ⁽¹³⁾	(1)	Cash	10	10
August 21, 2017	Transfer ⁽¹⁴⁾	(1)	Cash	10	10
August 21, 2017	Transfer ⁽¹⁵⁾	(1)	Cash	10	10
August 21, 2017	Transfer ⁽¹⁶⁾	(1)	Cash	10	10
August 28, 2017	Rights issue	22,727,272	Cash	10	44
September 25, 2018	Rights issue	7,142,857	Cash	10	70
September 28, 2018	Rights issue	14,285,714	Cash	10	70

(1) Preferential allotment of Equity Shares to MFL, authorised by way of a resolution of our Shareholders at their meeting held on February 13, 2016.

(2) Transfer of 1,700,000 Equity Shares from Muthoot Vehicle & Asset Finance Limited.

(3) Transfer of 1,600,000 Equity Shares from Mathai George George Muthoot.

(4) Transfer of 1,600,000 Equity Shares from George Thomas Muthoot.

(5) Transfer of 1,600,000 Equity Shares from George Jacob Muthoot.

(6) Transfer of 1,600,000 Equity Shares from George Alexander Muthoot.

(7) Transfer of 600,000 Equity Shares from Sara George.

(8) Transfer of 600,000 Equity Shares from Susan Thomas.

(9) Transfer of 600,000 Equity Shares from Elizabeth Jacob.

(10) Transfer of 600,000 Equity Shares from Anna Alexander.

(11) Transfer of 1 Equity Share to M G George Muthoot.

(12) Transfer of 1 Equity Share to George Thomas Muthoot.

(13) Transfer of 1 Equity Share to George Jacob Muthoot.

(14) Transfer of 1 Equity Share to George Alexander Muthoot.

(15) Transfer of 1 Equity Share to Sara George.

(16) Transfer of 1 Equity Share to Susan Thomas.

Details of Promoter's shareholding in our Company as on December 31, 2018

Name of Promoter(s)	Total Number of Equity Shares held	Number of Equity Shares in demat form*	Total shareholding as a percentage of total number of equity shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
MFL	119,155,837	Nil	99.99%	Nil	Nil

*As on the date of this Prospectus, 119,155,837 Equity Shares are held in dematerialised form.

Except as stated in “Our Promoter”, “Capital Structure”, “Our Management” and “Financial Information” on pages 119, 45, 107 and 126 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoter within the two years preceding the date of filing of this Prospectus. As on the date of this Prospectus, there is no bonus or profit-sharing plan for our Promoter.

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Independent auditors report and Special Purpose Interim Financial Statements	F 1 - F 46
2.	Independent auditors report and Reformatted Standalone Financial Statements	F 47 - F 109

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INDEPENDENT AUDITOR'S REPORT

March 06, 2019

To,

The Board of Directors
Muthoot Homefin (India) Limited
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Banerji Road, Kochi - 682 018,
Kerala, India

Report on the Special Purpose Interim Financial Statements

Opinion

We have audited the accompanying Special Purpose Interim Financial Statements of Muthoot Homefin (India) Limited (the "**Company**"), which comprise the Balance Sheet as at 30 September 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the half year ended on that date, and notes to the Financial Statements, including a summary of significant accounting policies and selected explanatory information (herein after collectively referred as the "**Special Purpose Interim Financial Statements**"), prepared in accordance with the basis of preparation as set out in Note 2 to the said Special Purpose Interim Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Financial Statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2018, the profit, total comprehensive income, changes in equity and its cash flows for the half year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing (SAs) issued by the Institute of Chartered Accountant of India (ICAI). Our responsibility under those standards are further described in the auditor's responsibility for the audit of special purpose interim financial statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial

statements under the provision of the Act and the rules made there under, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the special purpose interim financial statements.

Management's Responsibility for the Special Purpose Interim Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of the Special Purpose Interim Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flow of the company in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the asset of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Financial Statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Special Purpose Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Interim Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Special Purpose Interim Financial Statements, including the disclosures, and whether the Special Purpose Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

The comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 included in these Special Purpose Interim Financial Statements are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

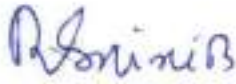
Restrictions on Use

The Note 2 to the Special Purpose Interim Financial Statements describes the purpose and basis for preparation. The Management of the Company has prepared these financial statements under the special purpose framework in connection with the proposed debt offering of the Company.



As a result, the Special Purpose Interim Financial Statements may not be suitable for any other purpose. The Special Purpose Interim Financial Statements cannot be used for any other purpose except with our prior consent in writing.

For **Rangamani & Co.**
Chartered Accountants
Firm Registration Number: 003050 S



R. Sreenivasan
Partner
Membership No: 020566



Kochi

UDIN: 19020566AAAAAH8718

Muthoot Homefin (India) Limited
Special Purpose Interim Balance Sheet as at 30 September, 2018

Particulars	Notes	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
I ASSETS				
1 Financial assets				
a) Cash and cash equivalents	5	38,043,594	225,056,745	57,773,429
b) Loans	6	17,509,858,805	14,450,760,413	4,351,019,255
c) Investments	7	-	851,027,426	-
d) Other Financial assets	8	229,231,658	97,775,570	8,182,056
2 Non-financial Assets				
a) Deferred tax assets (Net)	28	387,603	1,942,751	6,930,922
b) Property, Plant and Equipment	9	54,132,693	35,841,738	19,528,544
c) Capital work-in-progress	9	-	-	34,095
d) Other Intangible assets	10	5,205,734	6,546,877	7,729,022
e) Current tax assets (Net)		4,971,979	-	-
f) Other non financial assets	11	12,245,019	6,067,421	2,933,455
Total assets		17,854,077,085	15,675,018,941	4,454,130,778
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
a) (I) Trade Payable				
(II) Other Payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	12	2,007,345	20,708,617	4,683,727
b) Borrowings (other than debt securities)	13	13,983,937,157	13,466,561,842	3,561,615,622
c) Other Financial liabilities	14	72,956,754	102,757,244	27,391,952
2 Non-financial Liabilities				
a) Current tax liabilities (net)		-	638,640	2,772,971
b) Provisions	15	1,908,777	1,327,000	376,814
c) Other non-financial liabilities	16	4,423,190	4,053,038	812,298
3 Equity				
a) Equity share capital	17	1,191,558,430	977,272,720	750,000,000
b) Other equity	18	2,597,285,432	1,101,699,840	106,477,394
Total Liabilities and Equity		17,854,077,085	15,675,018,941	4,454,130,778

Notes on accounts form part of final accounts
As per our Report of even date attached

For and on behalf of Board of Directors

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

R Sreenivasan
Partner
M. No. 020566
Date March 06, 2019
Place Kochi

Ramratthinam S Pandurang A Kadam Jinu Mathen
Chief Executive Officer Chief Financial Officer Company Secretary

Muthoot Homefin (India) Limited
Special Purpose Interim Statement of Profit and Loss for the Half year ended 30 September, 2018

Particulars	Notes	For the half year ended 30 September 2018	For the year ended 31 March 2018
Revenue from operations			
(i) Interest income	20	976,568,651	1,022,828,222
(ii) Sale of service		56,498,938	126,627,815
(iii) Net gain on fair value changes	21	1,815,189	9,546,909
(I) Total Revenue from operations		1,034,882,778	1,159,002,946
(II) Other Income		4,900,469	11,600,855
(III) Total Income (I + II)		1,039,783,247	1,170,603,801
Expenses			
(i) Finance cost	22	542,626,380	504,026,138
(ii) Impairment of financial instruments	23	28,740,124	50,233,693
(iii) Employee benefit expenses	24	95,804,294	126,383,242
(iv) Depreciation, amortization and impairment	25	11,242,612	15,606,088
(v) Other expenses	26	70,246,870	138,485,659
(IV) Total Expenses (IV)		748,660,280	834,734,820
(V) Profit/(loss) before tax (III- IV)		291,122,967	335,868,981
(VI) Tax Expense:			
(1) Current tax	27	79,856,387	108,341,762
(2) Deferred tax	28	1,508,585	5,000,940
Net Tax Expense (VI)		81,364,972	113,342,702
(VII) Profit/(loss) for the period (V-VI)		209,757,995	222,526,279
(VIII) Other Comprehensive Income			
(i) Items that will not be classified to profit or loss			
(a) Remeasurements of the defined benefit plans		159,900	(43,850)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(46,563)	12,769
Other Comprehensive Income		113,337	(31,081)
(IX) Total Comprehensive Income for the period (VII + VIII)		209,871,332	222,495,198
(X) Earnings per equity share	29		
Basic (Rs.)		2.14	2.52
Diluted (Rs.)		2.14	2.52

Notes on accounts form part of final accounts
As per our Report of even date attached

For and on behalf of Board of Directors

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

R Sreenivasan
Partner
M. No. 020566
Date March 06, 2019
Place Kochi

Ramratthinam S Chief Executive Officer
Pandurang A Kadam Chief Financial Officer
Jinu Mathen Company Secretary

Muthoot Homefin (India) Limited
Special Purpose Interim Cash Flow statement for the Half year ended 30 September, 2018

Particulars	For the half year ended 30 September 2018	For the year ended 31 March 2018
Operating activities		
Profit before tax	291,122,967	335,868,981
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation & amortisation	11,242,612	15,606,088
Impairment on financial instruments	28,740,124	50,233,693
Finance cost	542,626,380	504,026,138
Profit on sale of investment	(1,815,189)	(8,519,484)
Unrealised gain on investment held for sale	-	(1,027,425)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	871,916,894	896,187,991
Working capital changes		
Loans	(3,087,838,516)	(10,149,974,851)
Other financial asset	(131,456,088)	(89,593,514)
Other non financial asset	(3,958,588)	(3,133,966)
other financial liabilities and other non financial liabilities	(29,430,338)	78,606,032
Trade payables	(18,701,272)	16,024,890
Provision	741,677	906,336
Income tax paid	(85,467,006)	(110,476,093)
Net cash flows from/(used in) operating activities	(2,484,193,237)	(9,361,453,175)
Investing activities		
Purchase of fixed and intangible assets	(30,411,434)	(30,703,042)
Sale/(Purchase) of Investments	852,842,615	(841,480,517)
Net cash flows from/(used in) investing activities	822,431,181	(872,183,559)
Financing activities		
Proceeds from issue of shares	1,499,999,970	999,999,968
Borrowings other than debt securities issued	527,371,446	9,915,204,410
Interest paid on borrowings	(552,622,511)	(514,284,328)
Net cash flows from financing activities	1,474,748,905	10,400,920,050
Net increase/(decrease) in cash and cash equivalents	(187,013,151)	167,283,316
Net foreign exchange difference		
Cash and cash equivalents at 1 April	225,056,745	57,773,429
Cash and cash equivalents at 30 September/ 31 March	38,043,594	225,056,745

Notes on accounts form part of final accounts
As per our Report of even date attached

For and on behalf of Board of Directors

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

R Sreenivasan
Partner
M. No. 020566
Date **March 06, 2019**
Place **Kochi**

Ramratthinam S
Chief Executive Officer

Pandurang A Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

Muthoot Homefin (India) Limited
Special Purpose Interim Statement of changes in Equity as at 30 September, 2018

a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

	No.	Rs.
As at 1 April 2017	75,000,000	750,000,000
Issued during the year	22,727,272	227,272,720
As at 31 March 2018	97,727,272	977,272,720
Issued during the year	21,428,571	214,285,710
As at 30 September 2018	119,155,843	1,191,558,430

b. Other Equity

Particulars	Reserves and Surplus			Total
	Statutory Reserve	Share Premium Account	Retained Earnings	
Balance as at April 1, 2017	15,293,512	88,365,000	2,818,882	106,477,394
Dividends	-	-	-	-
Transfer to/from retained earnings	91,878,553	-	(91,878,553)	-
<u>Other Additions/ Deductions during the year</u>				
Premium received during the year	-	772,727,248	-	772,727,248
Profit (loss) for the year after income tax	-	-	222,526,279	222,526,279
Other Comprehensive Income for the year before income tax	-	-	(43,850)	(43,850)
Less: Income Tax	-	-	12,769	12,769
Balance as at March 31, 2018	107,172,065	861,092,248	133,435,527	1,101,699,840
Transfer to/from retained earnings	68,558,024	-	(68,558,024)	-
<u>Other Additions/ Deductions during the period</u>				
Premium received during the period	-	1,285,714,260	-	1,285,714,260
Profit (loss) for the period after income tax	-	-	209,757,995	209,757,995
Other Comprehensive Income for the period before income tax	-	-	159,900	159,900
Less: Income Tax	-	-	(46,563)	(46,563)
Balance as at September 30, 2018	175,730,089	2,146,806,508	274,748,835	2,597,285,432

Notes on accounts form part of final accounts
As per our Report of even date attached

For and on behalf of Board of Directors

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

R Sreenivasan
Partner
M. No. 020566
Date
Place

Ramratthinam S
Chief Executive Officer

Pandurang A Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

1. Corporate Information

Muthoot Homefin (India) Limited was incorporated on 26 August 2011. The Company obtained the certificate of registration under the National Housing Bank (“NHB”) as required under Section 29A of the NHB Act, 1987 on 19th May, 2014.

The Company is primarily engaged in the business of providing long term finance to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment on the terms and conditions as the company may deem fit.

2. Basis of preparation

The Company’s management had previously issued its audited financial statements for the year ended 31 March 2018 on 8 May 2018, that was prepared in accordance with accounting standards notified under the section 133 of the Companies Act 2013 (“the Act”), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

With effect from 1 April 2018, the Company is required to prepare its financial statements under the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS Rules”)

The Company’s management has now proposed these Special Purpose Interim Financial Statements which comprise the Balance Sheet as at 30 September 2018, the Statement of Profit and Loss for the half year ended 30 September 2018, the Statement of Cash Flows for the half year ended 30 September 2018 and the Statement of Changes in equity as at 30 September 2018 and the summary of significant accounting policies and other explanatory information (together hereinafter referred to as “Special Purpose Interim Financial Statements”)

These Special Purpose Interim Financial Statements have been prepared solely for the purpose of inclusion in the offer document prepared by the Company with respect to debt issue and accordingly the comparative information for September 2017 has not been presented.

These Special Purpose Interim Financial Statements have been prepared in accordance with recognition and measurement principles of the Ind AS framework. However, all the disclosures as required under Ind AS have not been furnished in these Special Purpose Interim Financial Statements. The comparative financial information has been restated under Ind AS in these Special Purpose Interim Financial Statements.

These Special Purpose Interim Financial Statements have been prepared in historical cost, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

3. Significant accounting policies

3.1. Recognition of interest income

3.1.1. The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at (Fair Value through Other Comprehensive Income (FVOCI)). The EIR is the rate that exactly discounts estimated

future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

3.1.2. Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired (as set out in Note 3.5) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest revenue on credit impaired assets is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Interest income on all trading assets and financial assets mandatorily required to be measured at Fair Value through Profit or Loss (FVTPL) is recognised using the contractual interest rate in net gain on fair value changes.

3.2. Financial instruments

3.2.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on settlement date. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

3.2.2. Initial and subsequent measurement of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

3.2.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

- b. The contractual terms of the financial 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 at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.5 Impairment of financial assets.

3.2.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

- a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

3.2.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as amortized cost or at FVTOCI, is classified as FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

3.2.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.2.7. Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.3. Derecognition of financial assets and liabilities

3.3.1. Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.3.2. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.4. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5. Impairment of financial assets

3.5.1. Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. 30 Days Past Due is considered as significant increase in credit risk.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 as described below:

Stage 1

When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

3.5.2. The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 3 years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

3.5.3. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

3.5.4. Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

3.5.5. Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.6. Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or

- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.7. Functional and presentation currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

3.8. Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

3.8.1. Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.8.2. Additional finance charges

Additional finance charges/additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

3.8.3. Other income and expenses

All other income and expense are recognized in the period they occur.

3.9. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.10. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprise its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.10.1. Depreciation

Depreciation is calculated using written down value (WDV) method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Leasehold Improvements are amortised in 10 years unless it has a shorter life.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.11. Intangible assets

The Company's intangible assets consist of computer software and website development.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets comprising of software and website development are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.12. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13. Post-Employment Benefits

3.13.1. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contributes monthly at a stipulated percentage of the covered employees' salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

3.13.2. Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional

unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.14. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.15. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.15.1. Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.15.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15.3. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.16. Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

3.17. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.18. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases that do not transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.3. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4. Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.5. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Note 5: Cash and cash equivalents

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Cash on hand	2,566,279	14,409,799	1,985,499
Balances with Banks			
- in current accounts	35,477,315	210,646,946	55,787,930
Total	38,043,594	225,056,745	57,773,429

Note 6: Loans

Particulars	As at 30 September 2018				As at 31 March 2018				As at 1 April 2017			
	Amortised Cost	At Fair value			Amortised Cost	At Fair value			Amortised Cost	At Fair value		
		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss
Housing Loans	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
Total - Gross	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
Less : Impairment loss allowance	(96,194,506)	-	-	-	(67,660,759)	-	-	-	(17,633,443)	-	-	-
Total - Net	17,509,858,805				14,450,760,413				4,351,019,255			
Housing Loans												
I) Secured by tangible assets and intangible assets	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
i) Housing Loans	-	-	-	-	-	-	-	-	-	-	-	-
Total (III) - Gross	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
Less : Impairment loss allowance	(96,194,506)	-	-	-	(67,660,759)	-	-	-	(17,633,443)	-	-	-
Total (III) - Net	17,509,858,805				14,450,760,413				4,351,019,255			
Total (I+II+III) - Net	17,509,858,805				14,450,760,413				4,351,019,255			
Housing Loans												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
Total - Gross	17,606,053,311	-	-	-	14,518,421,172	-	-	-	4,368,652,698	-	-	-
Less: Impairment Loss Allowance (C)*	(96,194,506)	-	-	-	(67,660,759)	-	-	-	(17,633,443)	-	-	-
Total - Net	17,509,858,805				14,450,760,413				4,351,019,255			

* ECL provision is made as per NPA provision norms specified in Housing Finance Companies(NHB)Directions 2010 vide circular number NHB (ND)/DRS/REG/MC-01/2016 dated 01 July 2016.

Note 7: Investments

Particulars	As at 30 September 2018				As at 31 March 2018				As at 1 April 2017			
	Amortised cost	At fair value			Amortised cost	At fair value			Amortised cost	At fair value		
		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss
i) Mutual funds												
IDFC Cash Fund - Growth - Regular Nil (March 31, 2018: 47,609.93 Units (April 1,2017: Nil)	-	-	-	-	-	-	100,143,662	-	-	-	-	-
Mahindra Liquid Fund - Regular - Growth - Regular Nil (March 31, 2018: 133,810.31 Units (April 1,2017: Nil)	-	-	-	-	-	-	150,080,648	-	-	-	-	-
Mirae Asset Cash Management Fund - Regular Growth Plan- Regular Nil (March 31, 2018: 55,167.91 Units (April 1,2017: Nil)	-	-	-	-	-	-	100,057,783	-	-	-	-	-
Reliance Liquid Fund - Treasury Plan - Growth Nil (March 31, 2018: 47,439.56 Units (April 1,2017: Nil)	-	-	-	-	-	-	200,301,479	-	-	-	-	-
SBI Premier Liquid Fund - Regular Plan - Growth Nil (March 31, 2018: 55,328.84 Units (April 1,2017: Nil)	-	-	-	-	-	-	150,250,680	-	-	-	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth Nil (March 31, 2018: 77,433.39 Units (April 1,2017: Nil)	-	-	-	-	-	-	150,193,174	-	-	-	-	-
Total Gross (A)	-	-	-	-	-	-	851,027,426	-	-	-	-	-
i) Overseas investments	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	-	-	-	-	-	851,027,426	-	-	-	-	-
Total Gross (B)	-	-	-	-	-	-	851,027,426	-	-	-	-	-
Less : Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	-	-	-	-	-	-	851,027,426	-	-	-	-	-

No dividend income received as on September 30, 2018 as all investment income is the capital gain from debt fund growth option plan;

Note 8: Other financial assets

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Security deposits	8,873,797	7,022,872	4,101,775
Interest accrued on NPA	-	-	-
Other financial assets	220,357,861	90,752,698	4,080,281
Total	229,231,658	97,775,570	8,182,056

Note 9: Property, plant and equipment

Particulars	Furniture & Fixtures	Leasehold Improvements	Computer	Office Equipment	Servers and Networks	Total
Gross Carrying Amount:						
Deemed cost as At 1 April 2017	2,643,158	8,692,046	5,692,309	2,121,317	379,714	19,528,544
Additions	1,296,914	9,916,093	13,344,452	2,690,358	642,145	27,889,962
Disposals	-	-	-	-	-	-
At 31 March 2018 (A)	3,940,072	18,608,139	19,036,761	4,811,675	1,021,859	47,418,506
Additions						
Additions	4,260,258	11,848,867	6,933,876	4,650,006	368,617	28,061,624
Disposals	-	-	-	-	-	-
At 30 September 2018 (B)	8,200,330	30,457,006	25,970,637	9,461,681	1,390,476	75,480,130
Depreciation and impairment:						
At 1 April 2017	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation charge for the year	800,178	2,988,462	6,151,747	1,381,106	255,275	11,576,768
At 31 March 2018 (C)	800,178	2,988,462	6,151,747	1,381,106	255,275	11,576,768
Disposals						
Disposals	-	-	-	-	-	-
Depreciation charge for the half year	633,307	2,811,731	5,009,176	1,123,879	192,576	9,770,669
At 30 September 2018 (D)	1,433,485	5,800,193	11,160,923	2,504,985	447,851	21,347,437
Net book value:						
At 1 April 2017	2,643,158	8,692,046	5,692,309	2,121,317	379,714	19,528,544
At 31 March 2018 (A-C)	3,139,894	15,619,677	12,885,014	3,430,569	766,584	35,841,738
At 30 September 2018 (B-D)	6,766,845	24,656,813	14,809,714	6,956,696	942,625	54,132,693

The company has capital work in progress Rs.Nil (March 31, 2018 : Rs.Nil, April 01 2017: Rs. 34,095)

Note 10: Other Intangible Assets

Particulars	Computer Software	Website Development	Total
Gross Carrying Amount:			
Deemed cost as At 1 April 2017	7,662,738	66,284	7,729,022
Additions	2,716,375	130,800	2,847,175
Disposals	-	-	-
At 31 March 2018 (A)	10,379,113	197,084	10,576,197
Additions			
Additions	-	130,800	130,800
Disposals	-	-	-
At 30 September 2018 (B)	10,379,113	327,884	10,706,997
Depreciation and impairment:			
At 1 April 2017	-	-	-
Disposals	-	-	-
Depreciation charge for the year	3,999,284	30,036	4,029,320
At 31 March 2018 (C)	3,999,284	30,036	4,029,320
Disposals			
Disposals	-	-	-
Depreciation charge for the half year	1,433,755	38,188	1,471,943
At 30 September 2018 (D)	5,433,039	68,224	5,501,263
Net book value:			
At 1 April 2017	7,662,738	66,284	7,729,022
At 31 March 2018 (A-C)	6,379,829	167,048	6,546,877
At 30 September 2018 (B-D)	4,946,074	259,660	5,205,734

Note 11: Other Non-financial assets

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Prepaid expenses	10,026,009	6,067,421	2,933,455
Capital advances	2,219,010	-	-
Total	12,245,019	6,067,421	2,933,455

Note 12: Other Trade Payable

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,007,345	20,708,617	4,683,727
Total	2,007,345	20,708,617	4,683,727

Note 13: Borrowings (other than debt securities)

Particulars	As at 30 September 2018			As at 31 March 2018			As at 1 April 2017		
	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss
(a) Term loan									
(i) from banks									
Term loan	8,412,785,288	-	-	7,521,743,094	-	-	2,145,753,838	-	-
(Secured by way of <i>pari passu</i> charge on receivables of the company)	-	-	-	-	-	-	-	-	-
(b) Loans repayable on demand									
Book Overdraft	804,607,568	-	-	2,361,377,377	-	-	1,388,258,769	-	-
Working Capital Demand Loan from Banks	100,000,000	-	-	100,000,000	-	-	-	-	-
Cash Credit	138,385,485	-	-	-	-	-	27,603,015	-	-
(c) Loans from related party									
Holding Company	1,100,000,000	-	-	-	-	-	-	-	-
Directors and Relatives	200,000,000	-	-	-	-	-	-	-	-
(d) Intercompany Deposit (ICD)									
Holding Company	750,000,000	-	-	2,250,000,000	-	-	-	-	-
(e) Commercial Paper*	2,478,158,816	-	-	1,233,441,371	-	-	-	-	-
Total (A)	13,983,937,157			13,466,561,842			3,561,615,622		
Borrowings in India	13,983,937,157			13,466,561,842			3,561,615,622		
Borrowings outside India	-			-			-		

*net of unexpired discount

Terms of repayment of of long term borrowings outstanding as at Septemeber 30, 2018

Original maturity of loan	Interest rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthly repayment schedule	8%-10%	12	86,400,000	12	86,400,000	10	70,000,000	-	-	-	-	-	-	34	242,800,000
Quarterly repayment schedule	8%-10%	46	677,223,081	51	830,956,405	46	772,623,077	30	488,348,073	21	276,923,078	15	188,141,031	209	3,234,214,745
Half yearly repayment schedule	8%-10%	15	403,966,666	21	620,633,332	22	645,633,332	20	583,133,332	20	583,133,332	21	609,366,673	119	3,445,866,667
Yearly repayment schedule	8%-10%	-	-	2	250,000,002	2	250,000,000	2	250,000,000	2	250,000,000	4	499,999,999	12	1,500,000,001
At the end of tenure	8%-10%	-	-	3	1,100,000,000	3	1,100,000,000	-	-	-	-	-	-	3	1,100,000,000
		73	1,167,589,747	86	1,787,989,739	83	2,838,256,409	52	1,321,481,405	43	1,110,056,410	40	1,297,507,703	377	9,522,881,413

Terms of repayment of of long term borrowings outstanding as at March 31, 2018

Original maturity of loan	Interest rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly repayment schedule	8%-10%	37	553,331,414	45	764,289,738	47	843,456,412	37	633,073,073	24	359,214,744	25	309,935,902	215	3,463,301,283
Half yearly repayment schedule	8%-10%	10	279,133,333	19	545,733,332	22	645,733,332	21	614,033,332	20	583,133,332	31	900,933,339	123	3,568,700,000
Yearly repayment schedule	8%-10%	-	-	1	83,333,335	1	83,333,333	1	83,333,333	1	83,333,333	2	166,666,666	6	500,000,000
		47	832,464,747	65	1,393,356,405	70	1,572,523,077	59	1,330,439,738	45	1,025,681,409	58	1,377,535,907	344	7,532,001,283

Terms of repayment of of long term borrowings outstanding as at April 01, 2017

Original maturity of loan	Interest rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly repayment schedule	8%-10%	3	51,602,564	16	290,705,126	16	290,705,126	15	269,871,797	12	207,371,794	17	289,743,595	79	1,400,000,002
Half yearly schedule	8%-10%	1	31,300,000	6	145,866,666	6	145,866,666	6	145,866,666	5	114,166,666	8	166,933,336	32	750,000,000
		4	82,902,564	22	436,571,792	22	436,571,792	21	415,738,463	17	321,538,460	25	456,676,931	111	2,150,000,002

Note 14: Other Financial liabilities

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Others	72,956,754	102,757,244	27,391,952
Total	72,956,754	102,757,244	27,391,952

Note 15: Provisions

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits - Gratuity	1,908,777	1,327,000	376,814
Total	1,908,777	1,327,000	376,814

Note 16: Other Non-financial liabilities

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Statutory dues payable	4,423,190	4,053,038	812,298
Total	4,423,190	4,053,038	812,298

Note 17: Equity share capital

The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Authorised: 150,000,000 Equity Shares of Rs. 10/- each (Previous Year: 100,000,000 Equity Shares of Rs. 10/- each)	1,500,000,000	10,000,000,000	10,000,000,000
Issued, subscribed and fully paid up 119,155,843 Equity Shares of Rs. 10/- each (31 March 2018 : 9,77,27,272 April 01, 2017: 7,50,00,000 Equity Shares of Rs. 10/- each)	1,191,558,430	977,272,720	750,000,000
Total Equity	1,191,558,430	977,272,720	750,000,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount in Rs.
As at 1 April 2017	75,000,000	750,000,000
Issued during the year	22,727,272	227,272,720
As at 31 March 2018	97,727,272	977,272,720
Issued during the period	21,428,571	214,285,710
As at 30 September 2018	119,155,843	1,191,558,430

Terms/ rights attached to equity shares

a) The Company has only one class of equity shares having par value of Rs.10 per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at 30 September 2018		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Muthoot Finance Limited	119,155,843	100%	97,727,272	100%	66,200,000	88.27%

Note 18: Other equity

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Statutory reserve (Pursuant to section 29 C of National Housing Bank Act, 1987)*			
Opening balance	107,172,065	15,293,512	
Add: Transfer from surplus balance in the Statement of Profit and Loss	68,558,024	91,878,553	
Closing balance	175,730,089	107,172,065	15,293,512
Security Premium			
Opening balance	861,092,248	88,365,000	
Add: Securities premium received during the year	1,285,714,260	772,727,248	
Closing balance	2,146,806,508	861,092,248	88,365,000
Retained Earnings			
Opening balance	133,435,527	2,818,882	
Add: Profit for the period	209,757,995	222,526,279	
Less Appropriation :-			
Transfer to Statutory Reserve	(68,558,024)	(91,878,553)	
OCI for the year	113,337	(31,081)	
Total appropriations	(68,444,687)	(91,909,634)	
	274,748,835	133,435,527	2,818,882
Total	2,597,285,432	1,101,699,840	106,477,394

Note 19: Nature and purpose of reserve

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

* Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of Rs.685 lakhs to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

Note 20: Interest income

Particulars	For the Half year ended 30 September 2018				For the year ended 31 March 2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans:								
Interest income on loan	-	976,190,924	-	976,190,924	-	1,021,576,131	-	1,021,576,131
Other interest income	-	377,727	-	377,727	-	1,252,091	-	1,252,091
Total	-	976,568,651	-	976,568,651	-	1,022,828,222	-	1,022,828,222

Note 21: Net gain on fair value changes

Particulars	For the Half year ended 30 September 2018	For the year ended 31 March 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On investment portfolio	-	-
- Investments	1,815,189	9,546,909
Total Net gain/(loss) on fair value changes	1,815,189	9,546,909
(C) Fair Value changes:		
- Realised	1,815,189	8,519,484
- Unrealised	-	1,027,425
Total Net gain/(loss) on fair value changes	1,815,189	9,546,909

Note 22: Finance Cost

Particulars	For the Half year ended 30 September 2018			For the year ended 31 March 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest Expense on Borrowings:						
Interest on borrowing	-	539,155,388	539,155,388	-	503,694,815	503,694,815
Other charges	-	694,991	694,991	-	-	-
Other borrowing costs	-	2,776,001	2,776,001	-	331,323	331,323
Total	-	542,626,380	542,626,380	-	504,026,138	504,026,138

Note 23: Impairment of financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

Particulars	For the Half year ended 30 September 2018			For the year ended 31 March 2018		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	28,740,124	28,740,124	-	50,233,693	50,233,693
Bad Debts Written Off	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total	-	28,740,124	28,740,124	-	50,233,693	50,233,693

Note 24: Employee Benefit Expenses

Particulars	For the Half year ended 30 September 2018	For the year ended 31 March 2018
Salaries and Wages	90,152,931	117,803,096
Contributions to Provident and Other Funds	4,025,824	4,248,509
Staff Welfare Expenses	1,625,539	4,331,637
Total	95,804,294	126,383,242

Note 25: Depreciation, amortization and impairment

Particulars	For the Half year ended 30 September 2018	For the year ended 31 March 2018
Depreciation of Tangible Assets	9,770,669	11,576,768
Amortization of Intangible Assets	1,471,943	4,029,320
Total	11,242,612	15,606,088

Note 26: Other Expenses

Particulars	For the Half year ended 30 September 2018	For the year ended 31 March 2018
Rent	16,805,894	22,352,457
Electricity Charges	2,605,842	3,320,807
Business Promotion Expenses	1,802,748	6,621,533
Advertisement	885,508	16,554,112
Repairs & Maintenance	3,837,997	5,499,496
Credit Rating Fees	2,915,748	2,346,291
Credit Verification Charges	4,650,698	13,403,682
Postage, Telegram and Telephone	-	7,458,763
Printing and Stationery	4,348,442	7,117,913
Rates & Taxes	128,949	1,195,810
Legal & Professional Charges	16,661,901	35,372,785
Travelling and Conveyance	5,456,415	9,694,864
Bank Charges	-	1,888,019
Franking & Stamp Paper Charges	302,470	848,725
General Office Expenses	2,005,068	2,374,944
House Keeping Charges	778,288	1,413,699
Newspaper and Periodicals	640	6,496
Vehicle Hire & Maintenance	47,445	82,900
Payments to Auditor	154,750	131,750
Directors' Sitting Fee	359,700	-
Commission	13,140	800,613
Insurance	3,954	-
Network Maintenance Charges	1,011,723	-
Technical Verification charges	1,103,912	-
Communication Expenses	4,365,638	-
Total	70,246,870	138,485,659

*Auditor fees

Particulars	For the Half year ended 30 September 2018	For the year ended 31 March 2018
As auditor:		
Statutory audit of the Company	104,500	71,500
Tax audit	-	10,000
Other Services	50,250	50,250
	154,750	131,750

Note 27: Income Tax

The components of income tax expense for the half year ended 30 September 2018 and year ended 31 March 2018 are:

Particulars	For the Half year ended 30 September 2018	For the Year ended 31 March 2018
Current tax	79,856,387	108,341,762
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	1,508,585	5,000,940
Income tax expense reported in statement of profit and loss	81,364,972	113,342,702
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net loss/(gain) on remeasurements of defined benefit plans	(46,563)	12,769
Income tax charged to OCI	(46,563)	12,769

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the company. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the half-year ended 30 September 2018 and year ended 31 March 2018 is, as follows:

Particulars	For the Half year ended 30 September 2018	For the Year ended 31 March 2018
Accounting profit before tax	291,122,967	335,868,981
Statutory income tax rate of 29.120% (March 31, 2018: 28.840%)	84,775,008	96,864,614
Effect of unrecognised deferred tax assets	3,360,046	11,800,088
Additional deduction under Income tax act	-	(321,095)
Effect of change in tax rate	(6,752,773)	5,000,125
Others	(17,309)	(1,030)
Income tax expense reported in the statement of profit or loss	81,364,972	113,342,702

The effective income tax rate for 30 September 2018 is 27.95% (31 March 2018: 33.75%).

Note 28: Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred tax relates to the following:

	Balance sheet			Statement of profit and loss	
	As at September 30, 2018	As at March 31, 2018	As at April 01, 2017	For the Half year ended September 30, 2018	For the Year ended March 31, 2018
Fixed assets: Impact of difference between tax depreciation and depreciation as per books of account	3,341,684	909,664	1,278,819	(2,432,020)	369,155
Statutory Reserve	(51,172,602)	(36,506,320)	(4,708,990)	14,666,281	31,797,330
Provision for NPA	7,492,902	2,713,399	-	(4,779,503)	(2,713,399)
Prepaid expense	(1,148,310)	(946,862)	(551,697)	201,447	395,165
Security Deposit	1,212,071	994,259	576,901	(217,812)	(417,358)
Bank Borrowings	(2,910,873)	(2,987,185)	(1,224,593)	(76,311)	1,762,592
Housing Loans processing fees	43,016,895	37,678,560	11,451,809	(5,338,335)	(26,226,751)
Investments		(299,186)		(299,186)	299,186
Provision for Gratuity	555,836	386,422	108,673	(169,413)	(277,749)
Net deferred tax asset / (liabilities), net	387,603	1,942,751	6,930,922	1,555,148	4,988,171
Deferred tax charge/(credit)					

Reconciliation of deferred tax assets/(liabilities)

	Half year ended September 30, 2018	Year ended March 31, 2018
Opening balance as of 1 April	1,942,751	6,930,922
Tax income/(expense) during the period recognised in profit or loss	(1,508,585)	(5,000,940)
Tax income/(expense) during the period recognised in OCI	(46,563)	12,769
Closing balance	387,603	1,942,751

Note 29: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders

Particulars	For the Half year ended September 30, 2018	For the Year ended March 31, 2018
Net profit attributable to ordinary equity shareholders	209,757,995	222,526,279
Weighted average number of ordinary shares for basic earnings per share	98,195,656	88,449,564
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	98,195,656	88,449,564
Earnings per share		
Basic earnings per share (Rs.)	2.14	2.52
Diluted earnings per share (Rs.)	2.14	2.52

Note 30: Retirement Benefit Plan

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan in Indian Rupees

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	For the Half year ended September 30, 2018	For the Year ended March 31, 2018
Current service cost	693,234	880,713
Interest cost on benefit obligation	48,443	25,623
Expected return on plan assets	-	-
Past Service Cost	-	-
Net actuarial (gain)/loss recognized in the year	(159,900)	43,850
Net (benefit) / expense	581,777	950,186
Actual return on plan assets	-	-

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Defined benefit obligation	1,908,777	1,327,000	376,814
Fair value of plan assets	-	-	-
Asset/ (liability) recognized in the balance sheet	(1,908,777)	(1,327,000)	(376,814)
Experience adjustments on plan liabilities (gain)/ loss	(40,248)	87,412	(29,241)
Experience adjustments on plan assets gain / (loss)	NA	NA	NA

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Opening defined benefit obligation	1,327,000	376,814	74,588
Transfer in/ (out)	-	-	-
Current service cost	693,234	880,713	317,067
Interest Cost	48,443	25,623	5,520
Benefits paid	-	-	-
Past Service Cost	-	-	-
Actuarial loss / (gain) on obligation	(159,900)	43,850	(20,361)
Closing defined benefit obligation	1,908,777	1,327,000	376,814

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Discount rate	8.1% p.a.	7.3% p.a.	7.4% p.a.
Attrition rate	15% p.a.	15% p.a.	15% p.a.
Expected rate of return on assets	NA	NA	NA

Assumptions

Sensitivity Level	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (30 September, 2018)	DBO decreases by Rs 146,601	DBO increases by Rs 164,473	DBO increases by Rs 164,634	DBO decreases by Rs 149,342
Impact on defined benefit obligation (31 March, 2018)	DBO decreases by Rs 107,062	DBO increases by Rs 120,597	DBO increases by Rs 119,767	DBO decreases by Rs 108,299

The weighted average duration of the defined benefit obligation as at 30 September, 2018 is 5 years (31 March, 2018: 5 years)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 31: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 30 September 2018			As at 31 March 2018			As at 01 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	38,043,594	-	38,043,594	225,056,745	-	225,056,745	57,773,429	-	57,773,429
Loans	2,726,518,582	14,783,340,223	17,509,858,805	2,059,357,070	12,391,403,343	14,450,760,413	74,166,026	4,276,853,229	4,351,019,255
Investments	-	-	-	851,027,426	-	851,027,426	-	-	-
Trade receivables	-	-	-	-	-	-	-	-	-
Other financial assets	220,357,861	8,873,797	229,231,658	58,109,882	39,665,688	97,775,570	3,184,577	4,997,479	8,182,056
Non-financial Assets									
Current tax assets (Net)	4,971,979	-	4,971,979	-	-	-	-	-	-
Deferred tax assets (net)	-	387,603	387,603	-	1,942,751	1,942,751	-	6,930,922	6,930,922
Investment property	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	54,132,693	54,132,693	-	35,841,738	35,841,738	-	19,528,544	19,528,544
Capital Work In Progress	-	-	-	-	-	-	34,095	-	34,095
Other intangible assets	-	5,205,734	5,205,734	-	6,546,877	6,546,877	-	7,729,022	7,729,022
Other non financial assets	12,245,019	-	12,245,019	-	6,067,421	6,067,421	-	2,933,455	2,933,455
Total assets	3,002,137,035	14,851,940,050	17,854,077,085	3,193,551,123	12,481,467,818	15,675,018,941	135,158,127	4,318,972,651	4,454,130,778
Liabilities									
Financial Liabilities									
Trade Payable	2,007,345	-	2,007,345	20,708,617	-	20,708,617	4,683,727	-	4,683,727
Borrowings (other than debt securities)	4,587,455,798	9,396,481,359	13,983,937,157	4,426,149,714	9,040,412,129	13,466,561,842	1,512,198,924	2,049,416,698	3,561,615,622
Other Financial liabilities	58,561,779	14,394,975	72,956,754	90,406,450	12,350,794	102,757,244	23,754,252	3,637,700	27,391,952
Non-financial Liabilities									
Current tax liabilities (net)	-	-	-	638,640	-	638,640	2,772,971	-	2,772,971
Provisions	-	1,908,777	1,908,777	-	1,327,000	1,327,000	-	376,814	376,814
Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-
Other non-financial liabilities	-	4,423,190	4,423,190	4,053,038	-	4,053,038	812,298	-	812,298
Total Liabilities	4,648,024,922	9,417,208,301	14,065,233,223	4,541,956,459	9,054,089,923	13,596,046,381	1,544,222,172	2,053,431,212	3,597,653,384
Networth			3,788,843,862			2,078,972,560			856,477,394

Note 32: Change in liabilities arising from financing activities

Particulars	As at 31 March 2018	Cash Flows	Other	As at 30 September 2018
Borrowings other than debt securities	13,466,561,842	527,371,446	(9,996,131)	13,983,937,157
Other Financial liabilities	102,757,244	(29,800,490)	-	72,956,754
Total liabilities from financing activities	13,569,319,086	497,570,956	(9,996,131)	14,056,893,911

Particulars	As at 1 April 2017	Cash Flows	Other	As at 31 March 2018
Borrowings other than debt securities	3,561,615,622	9,915,204,410	(10,258,190)	13,466,561,842
Other Financial liabilities	27,391,952	75,365,292	-	102,757,244
Total liabilities from financing activities	3,589,007,574	9,990,569,702	(10,258,190)	13,569,319,086

Note 33: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Nil (March 31, 2018 :Nil ,April 1, 2017: Nil)

(B) Commitments

i. Capital commitments :- Nil (March 31, 2018 :Nil ,April 1, 2017: Nil)

ii. Loan commitments on account of undisbursed loans: Rs.2,519,129,615 (March 31, 2018 :Rs. 1,079,739,661 ,April 1, 2017: Rs. 360,065,229)

Note 34: Related Party Disclosures

Name of the entity	Name of relationship
Muthoot Finance Limited	Holding Company
Muthoot Insurance Broker Private Limited	Fellow Subsidiary
Belstar Investment and Finance Private Limited	Fellow Subsidiary
Asia Asset PLC	Fellow Subsidiary
b) Name of the Key management personnel (KMP)	
Mr. George Alexander Muthoot	Non executive Director
Mr. George Thomas Muthoot	Non executive Director
Mr.M G George Muthoot	Non executive Director
Mr. Eapen Alexander	Whole Time Director
K.R Bijimon	Non executive Director
Mr. Ramratthinam S	Chief Executive Officer
Mr. Pandurang A Kadam	Chief Financial Officer
Mrs Jinu Mathen	Company Secretary

Related Party transactions during the year:

Particulars	Holding Company			Key Management Personnel		
	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Loan availed				200,000,000	990,000,000	300,000,000
Loan repaid				-	990,000,000	300,000,000
Interest paid to KMP on account of loan				131,507	4,795,892	1,063,123
ICD taken	4,500,000,000	5,060,000,000	440,000,000			
ICD repaid	6,000,000,000	2,810,000,000	440,000,000			
Interest on ICD	35,599,318	14,043,081	1,535,342			
Rent on account of infrastructure sharing	1,053,927	2,226,000	1,858,000			
Fixed Assets purchased	-	864,620	-			
Term loan availed	1,100,000,000	-	-			
Interest on account of term loan availed	25,987,945	-	-			
Balance outstanding as at the year end:						
Term Loan by Muthoot Finance Limited	1,100,000,000	-	-			
ICD by Muthoot Finance Limited	750,000,000	2,250,000,000	-			
Loan from KMP	-	-	-	200,000,000	-	-
Rent payable to Muthoot Finance Ltd	1,053,927	-	-			

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.
- Loans availed by companies are from directors .

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	30 September 2018	31 March 2018	1 April 2017
Contribution to PF (defined contribution)	82,675	135,299	80,400
Short term benefits	10,296,721	16,140,000	9,231,000
Termination benefits	97,316	110,374	48,273
	10,476,712	16,385,673	9,359,673

Note 35: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At FVTPL			Total
	Level-1	Level-2	Level-3	
Investment	851,027,426	-	-	851,027,426

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date.

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value			Fair Value		
		As at 30 September 2018	As at 31 March 2018	As at 1 April 2017	As at 30 September 2018	As at 31 March 2018	As at 1 April 2017
Financial assets							
Cash and cash equivalents	2	38,043,594	225,056,745	57,773,429	38,043,594	225,056,745	57,773,429
Bank Balance other than above	2	-	-	-	-	-	-
Trade receivables	2	-	-	-	-	-	-
Loans	2	17,509,858,805	14,450,760,413	4,351,019,255	17,509,858,805	14,450,760,413	4,351,019,255
Other Financial assets	2	229,231,658	97,775,570	8,182,056	229,231,658	97,775,570	8,182,056
Total financial assets		17,777,134,057	14,773,592,728	4,416,974,740	17,777,134,057	14,773,592,728	4,416,974,740
Financial Liabilities							
Trade Payable	3	2,007,345	20,708,617	4,683,727	2,007,345	20,708,617	4,683,727
Borrowings (other than debt security)	2	13,983,937,157	13,466,561,842	3,561,615,622	13,983,937,157	13,466,561,842	3,561,615,622
Other Financial liabilities	2	72,956,754	102,757,244	27,391,952	72,956,754	102,757,244	27,391,952
Financial Liabilities		14,058,901,256	13,590,027,703	3,593,691,301	14,058,901,256	13,590,027,703	3,593,691,301

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above table

Short-term financial assets and liabilities

For financial assets and financial liabilities that 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 instruments include: cash and bank balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans

The company provides housing loans at variable rate of interest rate. Hence, the fair value of the loans will be same as the carrying value of loan .

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

Note 36: Risk Management

The Company's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the company's operations.

At the other hand Company's principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors, Audit Committee and Risk Management Committee

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are credit risk, liquidity risk and market risk.

Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Company addresses credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is subject to interest rate risk, primarily since it lends to customers at floating rates and for maturity periods that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Due to the very nature of housing finance, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the company. Interest Rate Risk arises due to:

- i) Changes in Regulatory or Market Conditions affecting the interest rates
- ii) Short term volatility
- iii) Prepayment risk translating into a reinvestment risk
- iv) Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provides details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on 30 September 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Borrowings	383,864,196	1,222,102,310	2,027,605,398	298,118,214	655,765,680	5,671,861,460	2,428,652,072	1,295,967,827	-	-	13,983,937,157
Other financial liabilities	10,750,971	26,032,571	17,355,047	-	-	-	-	-	-	18,818,165	72,956,754
Loans	298,075,986	403,279,276	447,113,980	701,355,262	876,694,078	3,059,662,332	2,098,060,099	2,624,076,546	3,500,770,623	3,500,770,623	17,509,858,805
Other financial assets	-	-	-	-	220,357,861	-	-	-	8,873,797	-	229,231,658

Maturity pattern of assets and liabilities as on 31 March 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Borrowings	614,990,219	1,352,044,957	1,740,610,464	251,196,516	467,307,557	5,311,840,120	2,352,912,234	1,375,659,775	-	-	13,466,561,842
Other financial liabilities	18,868,789	42,922,597	28,615,064	-	-	-	-	-	-	12,350,794	102,757,244
Loans	68,873,144	260,521,928	524,728,505	573,374,003	631,859,492	730,554,435	799,935,004	1,037,944,335	1,602,373,485	8,220,596,082	14,450,760,413
Investments	851,027,426	-	-	-	-	-	-	-	-	-	851,027,426
Other financial assets	8,800,555	-	-	-	58,109,882	-	-	-	7,022,872	23,842,261	97,775,570

Maturity pattern of assets and liabilities as on 1 April 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Borrowings	377,603,015	350,000,000	688,258,769	14,785,556	81,551,583	866,670,155	731,520,936	451,225,608	-	-	3,561,615,622
Other financial liabilities	7,733,181	9,612,643	6,408,428	-	-	-	-	-	-	3,637,700	27,391,952
Loans	5,833,488	5,894,389	5,955,930	18,243,564	38,238,655	308,034,557	356,457,745	414,129,538	688,058,163	2,510,173,226	4,351,019,255
Other financial assets	-	-	-	-	3,184,577	-	-	-	4,997,479	-	8,182,056

Note 37: Micro Enterprises and Small Enterprises

Based on and to the extent on information received by the Company from the Suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006(MSMED Act) there are no amounts due to the suppliers registered under MSMED Act, 2006.

Note 38: Segment Information

The Company is primarily engaged in the business of Housing Finance. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments"

Note 39: First-time Adoption of Ind AS

These financial statements, for the half year ended 30 September 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for half year ending on 30 September 2018, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

> A first-time adopter may opt to continue with the carrying value for all of its Plant Property and Equipment (PPE) as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Company has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments, where application of Indian GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017 the date of transition to Ind AS, and as of March 31, 2018.

Muthoot Homefin (India) Limited

Notes to Special Purpose Interim financial statements as at and for the Half year ended 30 September 2018

Equity reconciliation for 1 April 2017

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		57,773,429	-	57,773,429
Loans (net of provision)	a	4,390,727,330	(39,708,075)	4,351,019,255
Other financial assets	d	10,182,405	(2,000,349)	8,182,056
Total (A)		4,458,683,164	(41,708,424)	4,416,974,740
Non-financial assets				
Deferred tax assets (net)		-	6,930,922	6,930,922
Property, plant and equipment		19,528,544	-	19,528,544
Capital work-in-progress		34,095	-	34,095
Other Intangible assets		7,729,022	-	7,729,022
Other non-financial assets	d	1,020,497	1,912,958	2,933,455
Total (B)		28,312,158	8,843,880	37,156,038
Total Assets (A+B)		4,486,995,322	(32,864,544)	4,454,130,778
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
(I) Trade Payables		-	-	-
(I) Other Payables		-	-	-
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		4,683,727	-	4,683,727
Borrowings (other than debt securities)	b	3,565,861,784	(4,246,162)	3,561,615,622
Other financial liabilities		27,391,952	-	27,391,952
Total (C)		3,597,937,463	(4,246,162)	3,593,691,301
Non-financial liabilities				
Current tax liabilities (net)		2,772,971	-	2,772,971
Deferred tax liabilities (net)		3,430,171	(3,430,171)	-
Provisions		376,814	-	376,814
Other non-financial liabilities		812,298	-	812,298
Total (D)		7,392,254	(3,430,171)	3,962,083
Total Liabilities (C+D)		3,605,329,717	(7,676,333)	3,597,653,384
Equity Share Capital				
Other Equity		750,000,000	-	750,000,000
Total equity		131,665,606	(25,188,212)	106,477,394
Total equity		881,665,606	(25,188,212)	856,477,394
Total liabilities and equity		4,486,995,323	(32,864,545)	4,454,130,778

Muthoot Homefin (India) Limited

Notes to Special Purpose Interim financial statements as at and for the Half year ended 30 September 2018

Equity reconciliation for 31 March 2018

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		225,056,745		225,056,745
Loans	a	14,580,151,072	(129,390,659)	14,450,760,413
Investments	c	850,000,000	1,027,426	851,027,426
Other financial asset	d	101,189,920	(3,414,350)	97,775,570
Total (A)		15,756,397,737	(131,777,583)	15,624,620,154
Non-financial assets				
Deferred tax assets (net)		-	1,942,751	1,942,751
Property, plant and equipment		35,841,738		35,841,738
Other Intangible assets		6,546,877		6,546,877
Other non-financial assets	d	2,815,834	3,251,587	6,067,421
Total (B)		45,204,449	5,194,338	50,398,787
Total Assets (A+B)		15,801,602,186	(126,583,245)	15,675,018,941
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
(I) Trade Payables				
(I) Other Payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		20,708,617	-	20,708,617
Borrowings (other than debt securities)	b	13,476,820,032	(10,258,190)	13,466,561,842
Other financial liability		102,757,244	-	102,757,244
Total (C)		13,600,285,893	(10,258,190)	13,590,027,703
Non-financial liabilities				
Current tax liabilities (net)		638,640		638,640
Deferred tax liabilities (net)		35,596,656	(35,596,656)	-
Provisions		1,327,000		1,327,000
Other non-financial liabilities		4,053,038		4,053,038
Total (D)		41,615,334	(35,596,656)	6,018,678
Total Liabilities (C+D)		13,641,901,227	(45,854,846)	13,596,046,381
Equity				
Equity Share Capital		977,272,720		977,272,720
Other Equity		1,182,428,241	(80,728,401)	1,101,699,840
Total equity		2,159,700,961	(80,728,401)	2,078,972,560
Total liabilities and equity		15,801,602,188	(126,583,247)	15,675,018,941

Profit reconciliation for the year ended 31 March
2018

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
Revenue from operations				
Interest income	a	999,592,112	23,236,110	1,022,828,222
Net gain on fair value changes	c	8,519,484	1,027,425	9,546,909
Sale of services		239,039,005	(112,411,190)	126,627,815
Total revenue from operations		1,247,150,601	(88,147,655)	1,159,002,946
Other Income		11,600,855	-	11,600,855
Total Income		1,258,751,456	(88,147,655)	1,170,603,801
Expenses				
Finance costs	b	510,038,166	(6,012,028)	504,026,138
Impairment on financial instruments		50,233,693	-	50,233,693
Employee benefits expenses	e	126,427,092	(43,850)	126,383,242
Depreciation, amortisation and impairment		15,606,088	-	15,606,088
Other expenses	d	137,902,783	582,876	138,485,659
Total expenses		840,207,822	(5,473,002)	834,734,820
Profit/(loss) before exceptional items and tax		418,543,634	(82,674,653)	335,868,981
Exceptional items		-	-	-
Profit/(loss) before tax		418,543,634	(82,674,653)	335,868,981
Tax Expense:				
(1) Current tax		108,341,762		108,341,762
(2) Deferred tax (credit)		32,166,485	(27,165,545)	5,000,940
Profit/(loss) for the period		278,035,387	(55,509,108)	222,526,279
Other Comprehensive Income				
(i) Items that will not be classified to profit or loss	e	-	(43,850)	(43,850)
(ii) Income tax relating to items that will not be reclassified to profit or loss	e	-	12,769	12,769
Other Comprehensive Income		-	(31,081)	(31,081)
Total comprehensive income		278,035,387	(55,540,189)	222,495,198

Footnotes to the reconciliation of equity as at 1 April 2017 and 31 March 2018 and statement of profit and loss for the year ended 31 March 2018

Effective interest rate impact

- a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased grossly by Rs. 397 lakhs and impact of the same has been taken to retained earnings. Further, the loans has been reduced by Rs. 183 lakhs and Rs. 896 lakhs for the half year ended 30 September 2018 and year ended 31 March 2018 respectively and impact of the same has been taken to statement of profit and loss in the respective year.
- b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have decreased by 44.5 lakhs and impact of the same has a positive impact on retained earnings. Further, impact for the half year ended 30 September 2018 and for the year ended 31 March 2018 amounting to Rs. 14.31 lakhs and Rs. 81.41 lakhs respectively and same has increased the expense to Profit and loss for the respective year.

Investments

- c. Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of Rs. 10.27 lakhs in net fair value changes for the year ended 31 March 2018.
- d. Security deposits paid
Refundable Security deposits has been discounted as per the requirement of Ind AS 109. Consequently the same has been decreased by Rs. 19.21 lakhs as at 31 March 2018 (1 April, 2017: Rs. 24.30 lakhs) and prepaid rent has been increased by same amount.
- e. Other comprehensive income
Under previous GAAP, the Company does not have to present other comprehensive income (OCI) separately. Hence, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS. The impact of actuarial gain/ loss on gratuity under Previous GAAP is accounted above profit before tax however as per Ind AS it has to be shown under other comprehensive income.

Deferred Tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. As a result of Ind AS adjustments, the deferred tax as on 31 March 2017 has increased by Rs. 103 lakhs leading to an increase in retained earnings. The impact for the half year ended 30 September is 31 lakhs and for year ended 31 March 2018 is Rs. 271 lakhs which have been taken to the Profit and loss.

Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Auditors' Report on Reformatted Standalone Financial Information

March 06, 2019

To,

The Board of Directors

Muthoot Homefin (India) Limited

2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Banerji Road, Kochi - 682 018,
Kerala, India

Dear Sirs,

1) We have examined the attached Reformatted Standalone Financial Statements of Muthoot Homefin (India) Limited (the "**Company**") which comprise of the Reformatted Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014, and the Statement of Significant Accounting Policies and notes thereon prepared by the Company's management in terms of the requirements of :

- a) Section 26 (1) of Part I of Chapter III of the Companies Act, 2013 ("the Act") and
- b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")

in connection with the Proposed Public Offering of Secured, Redeemable, Non-Convertible Debentures ("NCD") of the Company and has been approved by the Finance Committee of the Board of Directors of the Company.

Management's Responsibility

2) The preparation of the Reformatted Standalone Financial Statement is the responsibility of the Company's management for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Statement.



The Management is also responsible for identifying and ensuring that the Company complies with the requirements of the Act and the SEBI Regulations.

- 3) The Reformatted Standalone Financial Statement have been extracted by the Management from the Audited Standalone Financial Statements of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which were approved by the Board of Directors at the meetings held on May 08, 2018, May 12, 2017, May 25, 2016, June 15, 2015 and August 05, 2014 respectively.

Auditors' Responsibility

- 4) We have examined such Reformatted Standalone Financial Statement taking into consideration:
 - a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 02, 2019 in connection with the proposed issue of non-convertible debentures of the Company;
 - b) requirements of Section 26 (1) of Part I of Chapter III of the Act and SEBI Regulations; and
 - c) Guidance Note on Reports or certificates for Special Purposes and Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("The Guidance Notes"). The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements to the extent applicable to this assignment.

- 5) As stated in the audit reports referred to in paragraph 3 above, the audits were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act issued by the Institute of Chartered Accountants of India. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for



the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls for the years ended March 31, 2015 and 2014. For the years ended March 31, 2018, 2017 and 2016, in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

Opinion

- 6) According to the information and explanations given to us, in our opinion, the Reformatted Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Statement of Profit and Loss and Schedules forming part thereof and the Reformatted Statement of Cash Flows of the Company, including as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us read with Statement of Significant Accounting Policies and Notes, have been accurately extracted after making regrouping, as are appropriate and have been prepared in accordance with Section 26 (1) of Part I of Chapter III of the Act, read with the SEBI Regulations and the Guidance Notes.
- 7) Based on the above and according to the information and explanations given to us, for the respective years, we further report that:
 - a) The Reformatted Standalone Financial Statement has to be read in conjunction with the Statement of Significant Accounting Policies and notes.
 - b) The figures of the periods ended March 31, 2017, 2016, 2015 and 2014 have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Standalone Financial Statement as at and for the year ended March 31, 2018.
 - c) There are no extraordinary items which need to be disclosed separately in the attached Reformatted Standalone Financial Statement;
 - d) There are no qualifications and matters of emphasis in the auditors' reports, which require any adjustments to the Reformatted Standalone Financial Statement; and
 - e) In the preparation and presentation of Reformatted Financial Statement based on audited standalone financial statements as referred to in paragraph 3 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports.



- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should this report be construed as a new opinion on any of the Audited Standalone financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10) At the Company's request, we have also examined the following "Other Financial Information", relating to the Company as at and for the years ended march 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the draft prospectus and the prospectus is annexed to this report:
- a) Statement of Dividend, as appearing in Annexure I; and
 - b) Statement of Accounting Ratio, as appearing in Annexure II

At the Company's request, we have also examined the following "Other Financial Information", relating to the Company as at and for the six month period ended on September 30, 2018 proposed to be included in the draft prospectus and the prospectus to be annexed to this report:

- a) Statement of Capitalization as appearing in Annexure III

Restrictions of Use

- 11) This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Non-convertible debentures of Muthoot Homefin (India) Limited. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For **Rangamani & Co.**
Chartered Accountants
Firm Registration Number: 003050 S



R. Sreenivasan
Partner
Membership No: 020566



Kochi

UDIN: 19020566AAAAAE2416

REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

	Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES							
I	Shareholders' Funds						
(a)	Share Capital	1	97,72,72,720.00	75,00,00,000.00	50,00,00,000.00	10,50,00,000.00	10,50,00,000.00
(b)	Reserves and Surplus	2	1,18,24,28,241.00	13,16,65,606.00	6,86,78,257.26	1,44,27,504.65	93,14,540.31
			2,15,97,00,961.00	88,16,65,606.00	56,86,78,257.26	11,94,27,504.65	11,43,14,540.31
II	Non-Current Liabilities						
(a)	Long-term Borrowings	3	9,04,95,36,545.00	2,05,34,72,222.00	0.00	0.00	0.00
(b)	Deferred Tax Liability (Net)		3,55,96,656.00	34,30,171.00	18,395.00	3,570.00	0.00
(c)	Long-term Provisions	4	6,78,40,642.00	1,77,09,683.00	74,588.00	0.00	0.00
			9,15,29,73,843.00	2,07,46,12,076.00	92,983.00	3,570.00	0.00
III	Current Liabilities						
(a)	Short-term Borrowings	3	1,23,34,41,371.00	2,76,03,015.00	0.00	0.00	0.00
(b)	Trade Payables						
	Micro, Small and Medium Enterprises		0.00	0.00	0.00	0.00	0.00
	Others	5	11,05,44,433.00	2,27,51,106.00	12,03,526.73	9,91,316.69	0.00
(c)	Other Current Liabilities	6	3,21,08,16,580.00	1,49,61,33,386.00	8,01,178.84	2,83,500.00	6,91,651.69
(d)	Short-term Provisions	7	17,85,757.00	30,73,545.00	12,59,513.00	67,536.00	0.00
			4,55,65,88,141.00	1,54,95,61,052.00	32,64,218.57	13,42,352.69	6,91,651.69
	Total Equity and Liabilities						
	(I+II+III)		15,86,92,62,945.00	4,50,58,38,734.00	57,20,35,458.83	12,07,73,427.34	11,50,06,192.00

ASSETS**IV Non-Current Assets**

(a)	Fixed Assets	8						
	Tangible Assets		3,58,41,738.00	1,95,28,544.00	2,66,153.00	65,122.00	0.00	
	Intangible Assets		65,46,877.00	77,29,022.00	0.00	0.00	0.00	
	Capital Work-in-Progress		0.00	34,095.00	1,84,66,782.90	0.00	0.00	
(b)	Long-term Loans and Advances	9	14,38,50,66,172.00	4,33,32,17,323.00	31,24,63,785.00	2,00,23,017.46	0.00	
			14,42,74,54,787.00	4,36,05,08,984.00	33,11,96,720.90	2,00,88,139.46	0.00	

V Current Assets

(a)	Current Investments	10	85,00,00,000.00	0.00	17,52,54,245.18	0.00	0.00	
(b)	Cash and Bank Balances	11	22,50,56,745.00	5,77,73,429.00	4,76,42,428.75	9,68,90,301.00	11,39,20,554.00	
(c)	Short-term Loans and Advances	12	29,70,25,143.00	8,21,41,278.00	1,24,56,004.00	8,27,182.45	0.00	
(d)	Other Current Assets	13	6,97,26,270.00	54,15,043.00	54,86,060.00	29,67,804.43	10,85,638.00	
			1,44,18,08,158.00	14,53,29,750.00	24,08,38,737.93	10,06,85,287.88	11,50,06,192.00	

Total Assets (IV+V)

			15,86,92,62,945.00	4,50,58,38,734.00	57,20,35,458.83	12,07,73,427.34	11,50,06,192.00	
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The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

As per our report of even date attached

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

For and on behalf of the Board of Directors

R Sreenivasan
Partner
Membership No: 020566

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

Place: Kochi
Date: March 06, 2019

Ramaratthinam S
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

REFORMATTED STATEMENT OF PROFIT AND LOSS

			For the year ended March 31,2018	For the year ended March 31,2017	For the year ended March 31,2016	For the year ended March 31,2015	For the year ended March 31, 2014
A	INCOME						
I	Revenue from Operations	14	1,24,27,25,186.00	23,49,16,892.00	1,34,97,105.07	1,63,354.34	0.00
II	Other Income	15	1,60,26,270.00	67,36,629.00	58,31,779.18	95,55,879.00	1,02,04,292.00
	Total Revenue		1,25,87,51,456.00	24,16,53,521.00	1,93,28,884.25	97,19,233.34	1,02,04,292.00
B	EXPENSES						
I	Employee Benefits Expense	16	12,64,27,092.00	7,10,86,754.00	76,17,282.40	12,34,262.00	0.00
II	Finance Costs	17	51,00,38,166.00	4,03,93,111.00	0.00	0.00	0.00
III	Other Expenses	18	13,79,02,783.00	4,88,88,604.00	97,50,521.24	9,67,035.00	3,34,448.69
IV	Depreciation and Amortization Expense		1,56,06,088.00	1,20,42,402.00	39,619.00	20,830.00	0.00
V	Provisions and Write-offs	19	5,02,33,693.00	1,63,73,930.00	11,91,977.00	67,536.00	0.00
	Total Expenses		84,02,07,822.00	18,87,84,801.00	1,85,99,399.64	22,89,663.00	3,34,448.69
C	Profit Before Tax (A-B)		41,85,43,634.00	5,28,68,720.00	7,29,484.61	74,29,570.34	98,69,843.31
D	Tax expense						
I	Current Tax		10,83,41,762.00	2,07,19,595.00	5,78,907.00	23,13,036.00	30,91,930.00

II	Deferred Tax	3,21,66,485.00	34,11,776.00	(14,825.00)	(3,570.00)	0.00
III	Taxes relating to Previous Years	0.00	0.00	0.00	0.00	0.00
	Total Tax Expenses	14,05,08,247.00	2,41,31,371.00	5,93,732.00	23,16,606.00	30,91,930.00
E	Profit for the year	27,80,35,387.00	2,87,37,349.00	1,35,752.61	51,12,964.34	67,77,913.31
	Net Adjustments	0.00	0.00	0.00	0.00	0.00
	Net Profit/(Loss) as Restated	27,80,35,387.00	2,87,37,349.00	1,35,752.61	51,12,964.34	67,77,913.31
	Earnings per Equity Share of ₹ 10/- each	20				
	Basic	3.14	0.45	0.01	0.49	0.65
	Diluted	3.14	0.45	0.01	0.49	0.65

The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

As per our report of even date attached

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

For and on behalf of the Board of Directors

R Sreenivasan
Partner
Membership No: 020566

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

Place: Kochi
Date: March 06, 2019

Ramaratthinam S
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

REFORMATTED CASH FLOW STATEMENT

Particulars	For the year ended March 31, 2018	For the year Ended March 31, 2017	For the year Ended March 31, 2016	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Cash Flow From Operating Activities					
Net Profit Before Taxation	41,85,43,634.00	5,28,68,720.00	7,29,484.61	74,29,570.34	98,69,843.31
Adjustments for:-					
Add: Provision for Standard Assets	4,07,09,325.00	1,63,73,930.00	11,91,977.00	67,536.00	0.00
Add: Provision for Sub-Standard Assets	93,17,991.00	0.00	0.00	0.00	0.00
Add: Depreciation and Amortization	1,56,06,088 .00	1,20,42,402 .00	39,619 .00	20,830 .00	0.00
Add: Provision for Gratuity	9,50,186.00	3,02,226.00	74,588.00	0.00	0.00
Less: Interest received on Bank Deposits	(7,44,588.00)	(26,411.00)	(31,52,300.00)	(95,53,919.00)	(1,02,04,292.00)
Less: Profit on Sale of Investment	(85,19,484.00)	(56,71,217.00)	(2,54,245.18)	0.00	0.00
Operating Profit before Working Capital changes	47,58,63,152.00	7,58,89,650 .00	(13,70,876.57)	(20,35,982.66)	(3,34,448.69)
Adjustments for:-					
(Increase)/ Decrease in Loans & Advances	(10,26,67,32,714.00)	(4,08,96,62,631.00)	(30,40,69,589.09)	(2,08,50,199.91)	0.00
(Increase) / Decrease in Other Current Assets	(6,43,11,227.00)	(2,06,48,578.00)	(29,16,195.57)	(7,715.43)	0.00
Increase / (Decrease) in Trade Payables	8,77,93,327.00	0.00	0.00	0.00	0.00
Increase/ (Decrease) in Current Liabilities	97,87,46,233.00	1,44,06,07,361.00	7,29,888.88	5,83,165.00	2,31,910.69
Cash generated from Operations	(8,78,86,41,229.00)	(2,59,38,14,198.00)	(30,76,26,772.35)	(2,23,10,733.00)	(1,02,538.00)
Income Taxes paid	(11,04,76,093.00)	(1,75,42,617.00)	(18,98,700.00)	(24,21,500.00)	(30,93,068.00)
Net Cash from Operating Activities (A)	(8,89,91,17,322.00)	(2,61,13,56,815.00)	(30,95,25,472.35)	(2,47,32,233.00)	(31,95,606.00)
Cash Flow From Investing Activities					

Purchase of Fixed Assets	(3,07,37,137.00)	(3,90,33,815.00)	(2,40,650.00)	(85,952.00)	0.00
(Increase) / Decrease in Capital Work in Progress	34,095.00	1,82,16,742.00	(1,84,66,782.90)	0.00	0.00
Sale/(Purchase) of Investments	(84,14,80,516.00)	18,09,25,462.00	(17,50,00,000.00)	0.00	0.00
Interest received – Bank Deposits	7,44,588.00	26,411.00	48,70,033.00	77,87,932.00	93,71,453.00
Net Cash from Investing Activities (B)	(87,14,38,970.00)	16,01,34,800.00	(18,88,37,399.90)	77,01,980.00	93,71,453.00
Cash Flow From Financing Activities					
Proceeds from Bank Borrowings	8,93,78,39,640.00	2,17,76,03,015.00	0.00	0.00	0.00
Proceeds from issue of Share Capital	22,72,72,720.00	25,00,00,000.00	39,50,00,000.00	0.00	0.00
Proceeds from issue of Share Capital (Securities Premium)	77,27,27,248.00	3,42,50,000.00	5,41,15,000.00	0.00	0.00
(Increase)/ Decrease in Bank Deposits held for greater than 3 months	0.00	0.00	1,14,07,590.00	7,63,19,316.00	1,25,58,437.00
Net Cash from Financing Activities (C)	9,93,78,39,608.00	2,46,18,53,015.00	46,05,22,590.00	7,63,19,316.00	1,25,58,437.00
Net Increase in Cash and Cash Equivalents					
(A+B+C)	16,72,83,316.00	1,06,31,000.00	(3,78,40,282.25)	5,92,89,063.00	1,87,34,284.00
Cash and Cash Equivalent at the Beginning of the Year	5,77,73,429.00	4,71,42,429.00	8,49,82,711.00	2,56,93,648.00	69,59,364.00
Cash and Cash Equivalent at the End					
of the Year	22,50,56,745.00	5,77,73,429.00	4,71,42,428.75	8,49,82,711.00	2,56,93,648.00

Components of Cash and Cash Equivalents					
at the end of the year					
Current Account with Banks	21,06,46,946.00	5,57,87,930.00	4,57,34,330.25	2,36,315.00	38,225.00
Deposit with Banks	0.00	0.00	0.00	8,46,80,840.00	2,56,55,423.00
Cash on Hand	1,44,09,799 .00	19,85,499.00	14,08,098.50	65,556.00	0.00
Total	22,50,56,745.00	5,77,73,429.00	4,71,42,428.75	8,49,82,711.00	2,56,93,648.00

The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

Other Notes:

- 1) The above cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 2) All figures in brackets indicate outflow.
- 3) The cash flows from operating, investing and financing activities are segregated.

As per our report of even date attached

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

For and on behalf of the Board of Directors

R Sreenivasan
Partner
Membership No: 020566

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

Place: Kochi
Date: March 06, 2019

Ramaratthinam S
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

NOTES FORMING PART OF REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

Note 1: SHARE CAPITAL

1.1 Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
<u>Authorised</u>					
Equity Shares	1,00,00,00,000.00	1,00,00,00,000.00	50,00,00,000.00	11,00,00,000.00	11,00,00,000.00
	10,00,00,000 equity shares of ₹10 each	10,00,00,000 equity shares of ₹10 each	5,00,00,000 equity shares of ₹10 each	1,10,00,000 equity shares of ₹10 each	1,10,00,000 equity shares of ₹10 each
Total	1,00,00,00,000.00	1,00,00,00,000.00	50,00,00,000.00	11,00,00,000.00	11,00,00,000.00
<u>Issued, Subscribed & Paid-up</u>					
	97,72,72,720.00	75,00,00,000.00	50,00,00,000.00	10,50,00,000.00	10,50,00,000.00
	9,77,27,272 Equity shares of ₹ 10 each fully paid up	7,50,00,000 Equity shares of ₹ 10 each fully paid up	5,00,00,000 Equity shares of ₹ 10 each fully paid up	1,05,00,000 Equity shares of ₹ 10 each fully paid up	1,05,00,000 Equity shares of ₹10 each fully paid up
Total	97,72,72,720.00	75,00,00,000.00	50,00,00,000.00	10,50,00,000.00	10,50,00,000.00

1.2 Terms and Rights attached to Equity Shares

- a) The Company has only one class of equity shares having par value of ₹10 per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.
- b) Company has not issued any preference shares.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

1.3 The reconciliation of the number of shares outstanding and the amount of Share Capital

Particulars	As on March 31, 2018		As on March 31, 2017		As on March 31, 2016		As on March 31, 2015		As on March 31, 2014	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
Shares outstanding at the beginning of the year	7,50,00,000.00	75,00,00,000.00	5,00,00,000.00	50,00,00,000.00	1,05,00,000.00	10,50,00,000.00	1,05,00,000.00	10,50,00,000.00	1,05,00,000.00	10,50,00,000.00
Shares issued during the year	2,27,27,272.00	22,72,72,720.00	2,50,00,000.00	25,00,00,000.00	3,95,00,000.00	39,50,00,000.00	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year	9,77,27,272.00	97,72,72,720.00	7,50,00,000.00	75,00,00,000.00	5,00,00,000.00	50,00,00,000.00	1,05,00,000.00	10,50,00,000.00	1,05,00,000.00	10,50,00,000.00

1.4 Disclosure as to the Shareholders holding more than 5 percent shares

Name of Shareholder	As on March 31, 2018		As on March 31, 2017		As on March 31, 2016		As on March 31, 2015		As on March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Muthoot Finance Ltd.	9,77,27,272.00	100%	6,62,00,000.00	88.27 %	3,95,00,000.00	79.00 %	-	-	-
M. G. George Muthoot	-	-	16,00,000.00	2.13 %	16,00,000.00	3.20 %	16,00,000.00	15.24 %	16,00,000.00	15.24 %
George Thomas Muthoot	-	-	16,00,000.00	2.13 %	16,00,000.00	3.20 %	16,00,000.00	15.24 %	16,00,000.00	15.24 %
George Jacob Muthoot	-	-	16,00,000.00	2.13 %	16,00,000.00	3.20 %	16,00,000.00	15.24 %	16,00,000.00	15.24 %
George Alexander Muthoot	-	-	16,00,000.00	2.13 %	16,00,000.00	3.20 %	16,00,000.00	15.24 %	16,00,000.00	15.24 %
Sara George	-	-	6,00,000.00	0.80%	6,00,000.00	1.20%	6,00,000.00	5.71%	6,00,000.00	5.71%
Susan Thomas	-	-	6,00,000.00	0.80%	6,00,000.00	1.20%	6,00,000.00	5.71%	6,00,000.00	5.71%
Elizabeth Jacob	-	-	6,00,000.00	0.80%	6,00,000.00	1.20%	6,00,000.00	5.71%	6,00,000.00	5.71%
Anna Alexander	-	-	6,00,000.00	0.80%	6,00,000.00	1.20%	6,00,000.00	5.71%	6,00,000.00	5.71%
Muthoot Vehicle & Assets Finance Ltd.	-	-	-	-	17,00,000.00	3.40%	17,00,000.00	16.20%	17,00,000.00	16.20%

1.5 During the year 2017-18, the Company has allotted 2,27,27,272 Equity Shares of face value of ₹ 10/- each at premium of ₹ 34/- per share for an aggregate amount of ₹ 99,99,99,968 to Muthoot Finance Limited by way of Rights Issue.

1.6 As at March 31, 2018 the holding company Muthoot Finance Limited holds 100 % equity share capital of the company.

Note 2: Reserves and Surplus

Particulars	As at March	As at March	As at March	As at March	As at March
	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014
a. Special Reserve u/s. 29 C of NHB Act, 1987 (Refer Note 2.1)					
Balance at the beginning of the year	1,52,93,512.00	10,49,744.00	10,22,593.00	0.00	0.00
Add: Transfer from current year profit	9,18,78,553.00	1,42,43,768.00	27,151.00	10,22,593.00	0.00
Less: Appropriation during the year	0.00	0.00	0.00	0.00	0.00
	10,71,72,065.00	1,52,93,512.00	10,49,744.00	10,22,593.00	0.00
b. Securities Premium Account					
Balance at the beginning of the year	8,83,65,000.00	5,41,15,000.00	0.00	0.00	0.00
Add : Securities premium credited on Equity Share issue	77,27,27,248.00	3,42,50,000.00	5,41,15,000.00	0.00	0.00
Less: Appropriation during the year	0.00	0.00	0.00	0.00	0.00
	86,10,92,248.00	8,83,65,000.00	5,41,15,000.00	0.00	0.00
c. Surplus/(Deficit) in the Statement of Profit and Loss					
Balance at the beginning of the year	2,80,07,094.00	1,35,13,513.00	1,34,04,911.65	93,14,540.31	25,36,627.00
Add: Net Profit for the year	27,80,35,387.00	2,87,37,349.00	1,35,752.61	51,12,964.34	67,77,913.31
Less: Transfer to Special Reserve U/s. 29 C of NHB Act ,1987	9,18,78,553.00	1,42,43,768.00	27,151.00	10,22,593.00	0.00
	21,41,63,928.00	2,80,07,094.00	1,35,13,513.26	1,34,04,911.65	93,14,540.31
Closing Balance	1,18,24,28,241.00	13,16,65,606.00	6,86,78,257.26	1,44,27,504.65	93,14,540.31

2.1 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB (ND)/DRS/Pol. Circular 61/2013-14 dated April 7, 2014:

Particulars	As at March	As at March	As at March	As at March	As at March
	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014
Balance at the beginning of the year					
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	1,16,23,488.00	10,49,744.00	10,22,593.00	0.00	0.00
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	36,70,024.00	0.00	0.00	0.00	0.00
Total	1,52,93,512.00	10,49,744.00	10,22,593.00	0.00	0.00
Addition/ Appropriation/ Withdrawal during the year					
Add:					
a) Amount transferred u/s 29C of the NHB Act, 1987	8,37,08,727.00	1,05,73,744.00	27,151.00	10,22,593.00	0.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987 in addition to (a) above	81,69,826.00	36,70,024.00	0.00	0.00	0.00
Less:					
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	0.00	0.00	0.00	0.00
b) Amount withdrawn from Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	0.00	0.00	0.00	0.00	0.00
Balance at the end of the year					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	9,53,32,215.00	1,16,23,488.00	10,49,744.00	10,22,593.00	0.00
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	1,18,39,850.00	36,70,024.00	0.00	0.00	0.00
Total	10,71,72,065.00	1,52,93,512.00	10,49,744.00	10,22,593.00	0.00

Note 3: Borrowings**Borrowings – Secured and Unsecured**

Particulars	Non-Current				
	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
<u>Secured</u>					
(a) Term Loans					
From banks					
Term Loan from Banks	7,53,20,01,284.00	2,15,00,00,000.00	0.00	0.00	0.00
Working Capital Demand Loan from Banks	10,00,00,000.00	0.00	0.00	0.00	0.00
Sub Total	7,63,20,01,284.00	2,15,00,00,000.00	0.00	0.00	0.00
<u>Unsecured</u>					
(a) Other loans and advances					
Inter Corporate Deposit	2,25,00,00,000.00	0.00	0.00	0.00	0.00
Sub Total	2,25,00,00,000.00	0.00	0.00	0.00	0.00
Total	9,88,20,01,284.00	2,15,00,00,000.00	0.00	0.00	0.00
Less: Amount included under Current Liabilities	83,24,64,739.00	9,65,27,778.00	0.00	0.00	0.00
As per Balance Sheet	9,04,95,36,545.00	2,05,34,72,222.00	0.00	0.00	0.00

Particulars	As on	As on	Current	As on	As on
	March 31, 2018	March 31, 2017	As on March 31, 2016	March 31, 2015	As on March 31, 2014
<u>Secured</u>					
Cash Credit	0.00	2,76,03,015.00	0.00	0.00	0.00
<u>Unsecured</u>					
Other loans and advances					
Commercial Paper	1,23,34,41,371.00	0.00	0.00	0.00	0.00
Total	1,23,34,41,371.00	2,76,03,015.00	0.00	0.00	0.00
Less: Amount included under Current Liabilities	0.00	0.00	0.00	0.00	0.00
As per Balance Sheet	1,23,34,41,371.00	2,76,03,015.00	0.00	0.00	0.00
Long Term Borrowings	9,04,95,36,545.00	2,05,34,72,222.00	0.00	0.00	0.00
Short Term Borrowings	1,23,34,41,371.00	2,76,03,015.00	0.00	0.00	0.00

* Secured by pari passu charge on receivables of the Company

Note 4: Long Term Provisions

Particulars	As on March31, 2018	As on March31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Provision for Gratuity	13,23,000.00	3,76,814.00	74,588.00	0.00	0.00
Provision for Standard Assets (Refer Note 7.1)	5,72,94,310.00	1,73,32,869.00	0.00	0.00	0.00
Provision for Sub-Standard Assets (Refer Note 7.1)	92,23,332.00	0.00	0.00	0.00	0.00
Total	6,78,40,642.00	1,77,09,683.00	74,588.00	0.00	0.00

Note 5: Trade Payables

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Due to Micro, Small and Medium Enterprises	0.00	0.00	0.00	0.00	0.00
Due to Others :					
(a) Expenses Payable	7,14,47,911.00	1,59,76,321.00	9,32,244.66	9,91,316.69	0.00
(b) Sundry Creditors	2,07,08,615.00	46,83,727.00	2,71,282.07	0.00	0.00
(c) Interest Payable	1,83,87,907.00	20,91,058.00	0.00	0.00	0.00
Total	11,05,44,433.00	2,27,51,106.00	12,03,526.73	9,91,316.69	0.00

Note 6: Other Current Liabilities

Particulars	As on March	As on March	As on March	As on March	As on March
	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014
(a) Current Maturities of Long-Term Debt	83,24,64,739.00	9,65,27,778.00	0.00	0.00	0.00
(b) Audit Fee Payable	89,750.00	44,750.00	57,250.00	28,500.00	16,854.00
(c) TDS Payable	30,39,190.00	15,77,559.00	3,66,302.00	2,55,000.00	0.00
(d) P F Payable	9,41,127.00	4,27,313.00	1,21,809.00	0.00	0.00
(e) Advance EMI	1,23,50,794.00	36,37,700.00	0.00	0.00	0.00
(f) Salary Payable	4,80,882.00	56,42,123.00	0.00	0.00	0.00
(g) Book Overdraft	2,36,13,77,377.00	1,38,82,58,769.00	0.00	0.00	0.00
(h) Profession Tax Payable	72,721.00	17,394.00	0.00	0.00	0.00
(i) Service Tax Payable	0.00	0.00	2,55,817.84	0.00	0.00
(j) Dues to Related Party	0.00	0.00	0.00	0.00	6,74,797.69
Total	3,21,08,16,580.00	1,49,61,33,386.00	8,01,178.84	2,83,500.00	6,91,651.69

Note 7: Short-Term Provisions

Particulars	As on March	As on March	As on March	As on March	As on March
	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014
Provision for Standard Assets (Refer Note 7.1)	10,48,458.00	3,00,574.00	12,59,513.00	67,536.00	0.00
Provision for Sub-Standard Assets (Refer Note 7.1)	94,659.00	0.00	0.00	0.00	0.00
Provision for Gratuity	4,000.00	0.00	0.00	0.00	0.00
Provision for Income Tax (Net of Advance tax and TDS)	6,38,640.00	27,72,971.00	0.00	0.00	0.00
Total	17,85,757.00	30,73,545.00	12,59,513.00	67,536.00	0.00

Note 7.1: Movement of Provision for Standard and Non-Performing Assets

Particulars	As on March 31, 2018	As on March31, 2017	As on March31, 2016	As on March31, 2015	As on March31, 2014
Provision for Standard Assets					
Standard Assets	14,58,56,91,887.00	4,40,83,60,773.00	31,48,78,305.00	1,68,84,099.91	0.00
Provision at the beginning of the year	1,76,33,443.00	12,59,513.00	67,536.00	0.00	0.00
Additional Provision made/ (Reversed) during the year	4,07,09,325.00	1,63,73,930.00	11,91,977.00	67,536.00	0.00
Provision at the close of the year	5,83,42,768.00	1,76,33,443.00	12,59,513.00	67,536.00	0.00
Non-Performing Assets					
Substandard Assets	6,21,19,944.00	0.00	0.00	0.00	0.00
Doubtful Assets	0.00	0.00	0.00	0.00	0.00
Total Non-Performing Assets	6,21,19,944.00	0.00	0.00	0.00	0.00
Provision for Non-Performing Assets					
Provision at the beginning of the year	0.00	0.00	0.00	0.00	0.00
Additional Provision made during the year	93,17,992.00	0.00	0.00	0.00	0.00
Provision at the close of the year	93,17,992.00	0.00	0.00	0.00	0.00

Note 8: Fixed Assets

Description	Gross Block					Accumulated Depreciation					Net Block				
	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<u>Tangible</u>															
<u>Assets</u>															
Furniture & Fixtures	46,04,793	33,07,879	15,252	15,252	0	14,64,899	6,64,721	3,643	649	0	31,39,894	26,43,158	11,609	14,603	0
Leasehold Improvements	2,13,75,680	1,14,59,587	0	0	0	57,56,003	27,67,541	0	0	0	1,56,19,677	86,92,046	0	0	0
Computer	2,12,60,409	79,15,957	3,11,350	70,700	0	83,75,395	22,23,648	56,806	20,181	0	1,28,85,014	56,92,309	2,54,544	50,519	0
Office Equipment	61,75,744	34,85,386	0	0	0	27,45,175	13,64,069	0	0	0	34,30,569	21,21,317	0	0	0
Servers and Networks	11,27,078	4,84,933	0	0	0	3,60,494	1,05,219	0	0	0	7,66,584	3,79,714	0	0	0
Sub Total	5,45,43,704	2,66,53,742	3,26,602	85,952	0	1,87,01,966	71,25,198	60,449	20,830	0	3,58,41,738	1,95,28,544	2,66,153	65,122	0
<u>Intangible</u>															
<u>Assets</u>															
Software	1,52,82,200	1,25,65,825	0	0	0	89,02,371	49,03,087	0	0	0	63,79,829	76,62,738	0	0	0
Website Development	2,71,650	1,40,850	0	0	0	1,04,602	74,566	0	0	0	1,67,048	66,284	0	0	0
Sub Total	1,55,53,850	1,27,06,675	0	0	0	90,06,973	49,77,653	0	0	0	65,46,877	77,29,022	0	0	0

Capital work															
in	0	0	0	0	0	0	0	0	0	0	0	34,095.00	1,84,66,782.90	0	0
Progress															
Total	7,00,97,554	3,93,60,417	3,26,602	85,952	0	2,77,08,939	1,21,02,851	60,449	20,830	0	4,23,88,615	2,72,91,661	1,87,32,935.90	65,122.00	0

Note 9: Long-Term Loans and Advances

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Secured, Considered good					
Housing Loans					
Standard Loans	13,49,06,63,599.00	4,33,32,17,323.00	30,68,15,085.00	1,60,56,917.46	0.00
Sub-standard loans	6,14,88,883.00	0.00	0.00	0.00	0.00
Doubtful loans	0.00	0.00	0.00	0.00	0.00
Loss assets	0.00	0.00	0.00	0.00	0.00
Other Property Loans					
Standard Loans	83,29,13,690.00	0.00	0.00	0.00	0.00
Sub-standard loans	0.00	0.00	0.00	0.00	0.00
Doubtful loans	0.00	0.00	0.00	0.00	0.00
Loss assets	0.00	0.00	0.00	0.00	0.00
Capital Advances					
Advance for Software & website	0.00	0.00	56,48,700.00	39,66,100.00	0.00
Total	14,38,50,66,172.00	4,33,32,17,323.00	31,24,63,785.00	2,00,23,017.46	0.00

9.1 Other Property Loan includes top-up loan given against residential housing property.

9.2 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loan. The insurance portion amounting to Rs. 63,62,16,121/- to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing Loan Portfolio against any eventuality.

Note 10: Current Investments

Particulars	As on March	As on Mach	As on March	As on March	As on March
	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014
Investments in Mutual Funds - Unquoted (At Net Asset Value)					
IDFC Cash Fund - Growth – Regular	10,00,00,000.00	0.00	0.00	0.00	0.00
Mahindra Liquid Fund - Regular - Growth	15,00,00,000.00	0.00	0.00	0.00	0.00
Mirae Asset Cash Management Fund - Regular Growth Plan	10,00,00,000.00	0.00	0.00	0.00	0.00
Reliance Liquid Fund - Treasury Plan - Growth	20,00,00,000.00	0.00	0.00	0.00	0.00
SBI Premier Liquid Fund - Regular Plan – Growth	15,00,00,000.00	0.00	0.00	0.00	0.00
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	15,00,00,000.00	0.00	0.00	0.00	0.00
Investments in Mutual Funds -Quoted (At Lower of Cost or Market Price)					
Investments in UTI	0.00	0.00	17,52,54,245.18	0.00	0.00
Total	85,00,00,000.00	0.00	17,52,54,245.18	0.00	0.00

10.1 MOVEMENT IN INVESTMENTS AND OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS

Particulars	As on March 31, 2018	As on Mach 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Value of Investments					
(i) Gross Value of Investments					
(a) In India	85,00,00,000.00	0.00	17,52,54,245.18	0.00	0.00
(b) Outside India	0.00	0.00	0.00	0.00	0.00
(ii) Provision for Depreciation					
(a) In India	0.00	0.00	0.00	0.00	0.00
(b) Outside India	0.00	0.00	0.00	0.00	0.00
(iii) Net value of Investments					
(a) In India	85,00,00,000.00	0.00	17,52,54,245.18	0.00	0.00
(b) Outside India	0.00	0.00	0.00	0.00	0.00
Movement of provisions held towards depreciation on investments					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Add: Provisions made during the year	0.00	0.00	0.00	0.00	0.00
Less: Write-off/ Written-back of excess provisions during the year	0.00	0.00	0.00	0.00	0.00
Closing Balance	0.00	0.00	0.00	0.00	0.00

Note 11: Cash and Bank Balances

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
I. Cash and Cash Equivalents					
a. Cash on hand	1,44,09,799.00	19,85,499.00	14,08,098.50	65,556.00	0.00
b. Balances with Banks					
- Current Accounts	21,06,46,946.00	5,57,87,930.00	4,57,34,330.25	2,36,315.00	38,225.00
- Fixed Deposits (maturing within a period of 3 months)	0.00	0.00	0.00	8,46,80,840.00	2,56,55,423.00
II. Other Bank Balances					
Other Fixed Deposits	0.00	0.00	5,00,000.00	1,19,07,590.00	8,82,26,906.00
Total	22,50,56,745.00	5,77,73,429.00	4,76,42,428.75	9,68,90,301.00	11,39,20,554.00
Out of the above, Fixed Deposits with more than 12 months maturity	0.00	0.00	0.00	0.00	0.00

Note 12: Short-term Loans and Advances

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Secured, Considered good					
Housing Loans					
Standard Loans	24,55,90,345.00	7,51,43,450.00	80,63,220.00	8,27,182.45	0.00
Sub-standard loans	6,31,061.00	0.00	0.00	0.00	0.00
Doubtful loans	0.00	0.00	0.00	0.00	0.00
Loss assets	0.00	0.00	0.00	0.00	0.00
Other Property Loans					
Standard Loans	1,65,24,253.00	0.00	0.00	0.00	0.00
Sub-standard loans	0.00	0.00	0.00	0.00	0.00
Doubtful loans	0.00	0.00	0.00	0.00	0.00
Loss assets	0.00	0.00	0.00	0.00	0.00
Other Advances	3,42,79,484.00	69,97,828.00	43,92,784.00	0.00	0.00
Total	29,70,25,143.00	8,21,41,278.00	1,24,56,004.00	8,27,182.45	0.00

Note 13: Other Current Assets

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Instalments / Interest due from customers (secured)	5,81,09,882.00	31,84,577.00	0.00	0.00	0.00
Prepaid Expenses	28,15,834.00	10,20,498.00	4,15,911.00	0.00	0.00
Service Tax Credit	0.00	12,09,968.00	0.00	0.00	0.000
GST Credit	88,00,554.00	0.00	0.00	0.00	0.00
Interest Receivable on Bank Deposit	0.00	0.00	0.00	17,17,733.00	9,07,138.00
Service Income Receivable	0.00	0.00	25,08,000.00	0.00	0.00
Interest Receivable on Housing Loan	0.00	0.00	0.00	7,715.43	0.000
Advance Tax & TDS (Net of Provision for Income Tax)	0.00	0.00	25,62,149.00	12,42,356.00	1,78,500.00
Total	6,97,26,270.00	54,15,043.00	54,86,060.00	29,67,804.43	10,85,638.00

NOTES FORMING PART OF REFORMATTED STATEMENT OF PROFIT AND LOSS

Note 14: Revenue from Operations

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Interest on Housing Loans	99,88,47,524.00	15,13,62,753.00	1,09,86,795.66	1,57,754.34	0.00
Processing Fee	23,90,39,005.00	8,32,27,172.00	23,43,338.41	0.00	0.00
Other Operating Income	48,38,657.00	3,26,967.00	1,66,971.00	5,600.00	0.00
Total	1,24,27,25,186.00	23,49,16,892.00	1,34,97,105.07	1,63,354.34	0.00

Note 15: Other Income

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Interest on Bank Deposit	7,44,588.00	26,411.00	31,52,300.00	95,53,919.00	1,02,04,292.00
Profit on Sale of Investments	85,19,484.00	56,71,217.00	2,54,245.18	0.00	0.00
Other Non-Operating Income	67,62,198.00	10,39,001.00	25,234.00	0.00	0.00
Service Income	0.00	0.00	24,00,000.00	0.00	0.00
Interest on Income Tax Refund	0.00	0.00	0.00	1,960.00	0.00
Total	1,60,26,270.00	67,36,629.00	58,31,779.18	95,55,879.00	1,02,04,292.00

Note 16: Employee Benefits Expense

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Salaries and Incentives	11,78,03,096.00	6,34,35,430.00	74,32,393.00	12,34,262.00	0.00
Contribution to Provident and Other Funds	42,92,359.00	16,32,507.00	63,254.00	0.00	0.00
Staff Welfare Expenses	43,31,637.00	60,18,817.00	1,21,635.40	0.00	0.00
Total	12,64,27,092.00	7,10,86,754.00	76,17,282.40	12,34,262.00	0.00

Note 17: Finance Costs

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Interest Expenses	50,15,65,843.00	3,54,51,386.00	0.00	0.00	0.00
Other Borrowing Costs	84,72,323.00	49,41,725.00	0.00	0.00	0.00
Total	51,00,38,166.00	4,03,93,111.00	0.00	0.00	0.00

Note 18: Other Expenses

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Audit Fee	1,31,750.00	1,00,250.00	57,250.00	28,500.00	16,854.00
Printing & Stationery	71,17,913.00	24,87,986.00	89,025.59	25,849.00	0.00
Credit Rating Fee	23,46,291.00	5,03,800.00	0.00	0.00	0.00
Travelling & Conveyance	96,94,864.00	33,28,423.00	3,85,746.20	72,993.00	0.00
Business Promotion Expenses	66,21,533.00	1,64,947.00	4,05,821.00	0.00	0.00
Repairs & Maintenance	54,99,496.00	29,86,271.00	10,47,892.00	5,200.00	0.00
Bank Charges	18,88,019.00	1,03,586.00	30,593.24	466.00	56.00
Legal & Professional Charges	3,53,72,785.00	1,54,09,012.00	7,22,991.00	53,094.00	3,00,000.00
Rates & Taxes	11,95,810.00	0.00	29,25,050.00	5,050.00	11,443.69
Rent Paid	2,17,69,581.00	1,19,89,694.00	24,73,200.00	0.00	0.00
Advertisement	1,65,54,112.00	12,70,655.00	10,47,509.00	7,75,883.00	0.00
Commission Paid	8,00,613.00	22,66,684.00	32,000.00	0.00	0.00
Credit Verification Charges	1,34,03,682.00	38,54,848.00	33,043.00	0.00	0.00
Electricity Charges	33,20,807.00	10,41,709.00	65,936.00	0.00	0.00
Franking & Stamp Paper Charges	8,48,725.00	52,660.00	40,500.00	0.00	0.00
Vehicle Maintenance Expenses	82,900.00	65,564.00	1,47,658.00	0.00	0.00
General Office Expenses	23,74,944.00	2,84,573.00	71,236.00	0.00	0.00
House Keeping Charges	14,13,699.00	5,45,348.00	71,384.60	0.00	0.00
Newspaper & Subscription	6,496.00	18,462.00	1,496.00	0.00	0.00
Postage , Telegram & Telephone	74,58,763.00	24,14,132.00	74,954.61	0.00	0.00
Security Charges	0.00	0.00	27,235.00	0.00	0.00

Income Tax (Previous Years)	0.00	0.00	0.00	0.00	6,095.00
TOTAL	13,79,02,783.00	4,88,88,604.00	97,50,521.24	9,67,035.00	3,34,448.69

Note 19: Provisions and Write-offs

Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Provision for Non-Performing Assets	93,17,991.00	0.00	0.00	0.00	0.00
Provision for Standard Assets	4,07,09,325.00	1,63,73,930.00	11,91,977.00	67,536.00	0.00
Principal Waived-off	2,06,377.00	0.00	0.00	0.00	0.00
TOTAL	5,02,33,693.00	1,63,73,930.00	11,91,977.00	67,536.00	0.00

Note 20: Earnings per Share

As per the Accounting Standard 20, Earnings per Share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The numbers used in calculating the basic and diluted earnings are stated below-

Particulars	For the year ended	For the year ended	For the year ended March	For the year ended	For the year ended
	March 31,2018	March 31,2017	31,2016	March 31,2015	March 31,2014
Net Profit / (Net Loss) after taxation for the year	27,80,35,387.00	2,87,37,349.00	1,35,752.61	51,12,964.34	67,77,913.31
Weighted Average Number of Equity Shares outstanding during the year	8,84,49,564.00	6,41,78,082.00	1,37,46,575.34	1,05,00,000.00	1,05,00,000.00
Adjusted Face Value Per Share	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Earnings Per Share	3.14	0.45	0.01	0.49	0.65

SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

M/s Muthoot Homefin (India) Limited was incorporated on 26th August 2011. The Company obtained the certificate of registration under the National Housing Bank (“NHB”) as required under Section 29A of the NHB Act, 1987 on 19th May, 2014. The Company is primarily engaged in the business of providing long term finance to any person or persons, company, corporation, firm, society, association of persons, body of individuals, for the purpose of enabling the borrower to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment on the terms and conditions as the company may deem fit.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS

1. ACCOUNTING CONCEPTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time. The financial statements have been prepared on accrual basis under the historical cost convention except interest on loans, which have been classified as non-performing assets and are accounted for on realisation basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

3. REVENUE RECOGNITION

a) Interest on housing loans:

Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance method. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable on the loan amount already disbursed.

Interest on performing assets is recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.

b) Processing fees and documentation charges are recognised on disbursement of loans.

c) Interest on Fixed deposits is accounted on accrual basis.

d) All other income are accounted on accrual basis

4. CLASSIFICATION AND PROVISIONING OF LOAN PORTFOLIO

Loans and other credit facilities are classified as standard, sub-standard, doubtful, and loss assets in accordance with the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.

Loans are provided for as per the management's estimates, subject to the minimum provision required as per the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.

5. EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post-Employment Benefits:

a) Defined Contribution Plan

Provident Fund

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

b) Defined Benefit Plan

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

6. FIXED ASSETS

Fixed Assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost and other incidental expenses incurred during the construction /installation stage attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates derived based on the useful lives of the assets specified in Schedule II of the Companies Act, 2013 on Written Down Value method.

7. INTANGIBLE ASSETS

Intangible Assets are recognized in the accounts only if it is probable that the future economic benefits that are attributable to the assets will flow into the company and cost of the assets can be reliably measured.

8. TAXES ON INCOME

Tax expenses for the current year comprises of current tax and deferred tax (asset or liability). Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized on timing differences between accounting income and taxable income for the period and are measured using rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

9. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All current investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in values is made to recognize a decline, other than temporary in the value of the investments.

10. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances.

11. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the company has present, legal, or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of obligation.

Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- ii) 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.
- iii) Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

12. EARNINGS PER SHARE

In determining earnings per share, the companies consider the net profit after tax. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the year. Diluted earnings per share is computed using weighted average number of basic and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued later.

13. PROVISION FOR CONTINGENCIES

Provision for Contingencies has been made on standard as well as on non-performing housing loans as per the Prudential Norms prescribed by the National Housing Bank.

14. STATUTORY/ SPECIAL RESERVE

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

15. SEGMENT REPORTING

Company's prime business is to provide loans against / for purchase, construction, repairs & renovation of Houses/ Flats etc. There are no other business operations "outside India". Hence all the activities are considered as a "Single business / Geographical Segment" for the purpose of Accounting Standard on Segment Reporting (AS-17) issued by The Institute of Chartered Accountants of India.

NOTES FORMING PART OF THE REFORMATTED FINANCIAL STATEMENT

A. Key Managerial Personnel

Sl. No.	For the period ended March 31, 2018	For the period ended March 31, 2017	For the period ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
1	Mr. George Alexander Muthoot	Mr. George Alexander Muthoot	Mr. George Alexander Muthoot	Mr. George Alexander Muthoot	Mr. George Alexander Muthoot
2	Mr. George Thomas Muthoot	Mr. George Thomas Muthoot	Mr. George Thomas Muthoot	-	-
3	Mr. M. G. George Muthoot	Mr. M. G. George Muthoot	Mr. M. G. George Muthoot	-	-
4	Mr. Eapen Alexander	Mr. Eapen Alexander	Mr. Eapen Alexander	-	-

B. Holding Company

Sl. No.	For the period ended March 31, 2018	For the period ended March 31, 2017	For the period ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
1	Muthoot Finance Ltd.	Muthoot Finance Ltd.	Muthoot Finance Ltd.	Nil	Nil

TRANSACTIONS WITH RELATED PARTIES

Sl. No.	Particulars	Entities over which Key Managerial Personnel & their Relatives are able to exercise significant influence/Subsidiaries				
		For the period ended	For the period ended	For the period ended	For the year ended	For the year ended
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
A	Transactions during the year					
1	Directors Loan accepted	99,00,00,000.00	30,00,00,000.00	17,00,00,000.00	0.00	3,35,157.69
2	Directors Loan repaid	99,00,00,000.00	30,00,00,000.00	17,00,00,000.00	6,74,797.69	0.00
3	Interest paid to Directors	47,95,892.00	10,63,123.00	0.00	0.00	0.00
4	Remuneration to Directors	49,00,000.00	12,00,000.00	9,00,000.00	0.00	0.00
5	ICD taken from Muthoot Finance Ltd.	5,06,00,00,000.00	44,00,00,000.00	0.00	0.00	0.00
6	ICD repaid to Muthoot Finance Ltd.	2,81,00,00,000.00	44,00,00,000.00	0.00	0.00	0.00
7	Interest on ICD paid to Muthoot Finance Ltd.	1,40,43,081.00	15,35,342.00	0.00	0.00	0.00
8	Fixed Assets purchased from Muthoot Finance Ltd.	8,64,620.00	0.00	0.00	0.00	0.00
9	Rent paid to Muthoot Finance Ltd.	22,26,000.00	18,58,000.00	0.00	0.00	0.00
	Net Amount Receivable / (Due) as at the year end	As at March 31,	As at March 31,	As at March 31,	As at March 31,	As at March 31,
		2018	2017	2016	2015	2014
	ICD from Muthoot Finance Ltd.	(2,25,00,00,000.00)	0.00	0.00	0.00	0.00
	Directors Loan	0.00	0.00	0.00	0.00	(6,74,797.69)

Other Notes forming part of the Reformatted Financial Statement

1. The Company is required to comply with Section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility (CSR) from the financial year 2017 -18. Accordingly, the Company has constituted a CSR Committee as prescribed under the Act. However, being the first year of applicability, the Company has not spent any amount on CSR activities as prescribed under the Act and the Rules made thereunder.

2. AUDITOR'S REMUNERATION

Particulars	As on	As on	As on	As on	As on
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Statutory Audit	71,500.00	40,000.00	28,625.00	28,500.00	16,854.00
Tax Audit	10,000.00	10,000.00	28,625.00	0.00	0.00
Other Services	50,250.00	50,250.00	0.00	0.00	0.00
Total	1,31,750.00	1,00,250.00	57,250.00	28,500.00	16,854.00

3. Employee Benefits

a) Defined Contribution Plan

The Company has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note.18- Employee Benefit Expenses as under :

(i) Defined Benefit Plan

Gratuity Plan

The following table set out the status of the Gratuity Plan as required under AS 15.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
A) Reconciliation of opening and closing balance of defined benefit obligation					
Present value of Defined Benefit Obligation at the beginning of the year	3,76,814.00	74,588.00	0.00	0.00	0.00
Interest Cost	25,623.32	5,520.00	0.00	0.00	0.00
Current Service Cost	8,80,712.00	3,17,067.00	65,252.00	0.00	0.00
Benefits paid	0.00	0.00	0.00	0.00	0.00
Past Service Cost	0.00	0.00	9,336.00	0.00	0.00
Actuarial (gain)/loss	43,850.00	(20,361.00)	0.00	0.00	0.00
Present value of Defined benefit obligation at the end of the year	13,27,000.00	3,76,814.00	74,588.00	0.00	0.00
B) Reconciliation of opening and closing balance of fair value of Plan Assets					
Fair value of plan assets at the beginning of the year	0.00	0.00	0.00	0.00	0.00
Expected rate of return on plan assets	0.00	0.00	0.00	0.00	0.00
Contributions	0.00	0.00	0.00	0.00	0.00

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
(Benefit paid)	0.00	0.00	0.00	0.00	0.00
Actuarial gains/(losses) on plan assets	0.00	0.00	0.00	0.00	0.00
Fair value of plan assets at the end of the year	0.00	0.00	0.00	0.00	0.00
C) Expense for the year					
Current service cost	8,80,712.00	3,17,067.00	65,252.00	0.00	0.00
Interest Cost	25,623.00	5,520.00	0.00	0.00	0.00
(Expected rate of return on plan assets)	0.00	0.00	0.00	0.00	0.00
Past Service Cost	0.00	0.00	9,336.00	0.00	0.00
Actuarial gains/(losses)	43,850.00	(20,361.00)	0.00	0.00	0.00
Employer Expense	9,50,186.00	3,02,226.00	74,588.00	0.00	0.00
D) Investment details					
Insurer managed funds	0.00	0.00	0.00	0.00	0.00
E) Experience adjustment					
Defined Benefit Obligation	13,27,000.00	3,76,814.00	74,588.00	0.00	0.00
Fair Value of Plan Assets	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	(13,27,000.00)	(3,76,814.00)	(74,588.00)	0.00	0.00
On Plan Liability (Gain)/Losses	87,412.00	(29,241.00)	0.00	0.00	0.00
On Plan Assets (Losses)/Gain	NA	NA	0.00	0.00	0.00
F) Actuarial Assumptions					
Discount Rate	7.30% p.a	7.40% p.a	7.40% p.a	0.00%	0.00%
Salary Escalation	7.00% p.a	7.00% p.a	7.00% p.a	0.00%	0.00%
Withdrawal/ Attrition Rate	15.00% p.a.	15.00% p.a.	15.00% p.a.	0.00%	0.00%

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
-Rate of return on plan assets	NA	NA	NA	NA	NA
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)	-	-
Expected average remaining working life	5 years	4.5 years	4.5 years	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Defined benefit obligation	13,27,000.00	3,76,814.00	74,588.00	0.00	0.00
Plan Assets	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	(13,27,000.00)	(3,76,814.00)	(74,588.00)	0.00	0.00
Experience adjustments on plan Liabilities - (Gains) / Losses	87,412.00	(29,241.00)	0.00	0.00	0.00
Experience adjustments on plan Assets - (Losses) / Gains	NA	0.00	0.00	0.00	0.00

4. DISCLOSURE WITH REGARD TO DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information available with the company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to amounts unpaid as at the year ended 31st March 2018 together with interest paid/payable are required to be furnished.

5. CONTINGENT LIABILITIES AND COMMITMENTS (As at 31st March 2018)

(a) Contingent Liabilities - NIL (Previous Year - NIL)

(b) Commitments

i. Capital commitments: - Nil (Previous Year: -Nil)

ii. Loan commitments on account of partly disbursed loans: ₹107,97,39,661 (Previous Year: ₹36,00,65,229)

6. Additional information pursuant to provisions of Paragraph 5 of Schedule III of the Companies Act, 2013.

a) CIF Value of Imports : Nil

b) Expenditure in foreign currency : Nil

c) Amount remitted during the period in foreign currency : Nil

d) Earnings in foreign currency : Nil

7. Disclosure of details as required under the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 issued by the National Housing Bank vide

Notification No: NHB.HFC.CGDIR.1 / MD&CEO / 2016 dated February 09, 2017

7.1 Capital to Risk Assets Ratio (CRAR)

SI NO	Items	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
i	CRAR (%)	27.66 %	36.60 %	225.96 %	773.44 %	0.00%
ii	CRAR – Tier I Capital (%)	26.93 %	36.60 %	225.96 %	773.44 %	0.00%
iii	CRAR – Tier II Capital (%)	0.73 %	0.00%	0.00%	0.00%	0.00%
iv	Amount of subordinated debt raised as Tier - II Capital	0.00	0.00	0.00	0.00	0.00
v	Amount raised by issue of Perpetual Debt Instruments	0.00	0.00	0.00	0.00	0.00

7.2 Exposure

(i) Exposure to Real Estate Sector

	Category	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
a)	Direct Exposure					
(i)	Residential Mortgages					
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	0.00	0.00	0.00	0.00	0.00
	Individual housing loans up to 15 Lakhs	10,64,75,15,580.00	2,74,79,30,703.00	4,78,48,156.00	71,15,255.38	0.00
	Individual housing loans above 15 Lakhs	4,00,02,96,251.00	1,66,04,30,070.00	26,70,30,149.00	97,68,844.53	0.00
(ii)	Commercial Real Estate -					
	Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	0.00	0.00	0.00	0.00	0.00
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures -					
	A Residential Exposure	0.00	0.00	0.00	0.00	0.00

	B Commercial Real Estate	0.00	0.00	0.00	0.00	0.00
b)	Indirect Exposure	0.00	0.00	0.00	0.00	0.00
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00	0.00	0.00	0.00

(ii) The Company does not have any exposure to Capital Market during the financial year (PY - Nil). Hence disclosure under Para. 3.7.2 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable.

(iii) The Company has not financed any parent company products during the financial year (PY - Nil). Hence, disclosure under Para 3.7.3 to Annex-4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable

(iv) The Company has not exceeded exposure limits as stipulated by the NHB prudential norms during the year with reference to Single Borrower Limit (SGL)/ Group Borrower Limit (GBL). Hence, disclosure under Para 3.7.4 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable.

(v) The Company does not have any exposure to unsecured advances during the financial year (PY - Nil). Hence, disclosure under Para 3.7.5 to Annex - 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable.

7.3 Asset Liability Management

Maturity pattern of certain items assets and liabilities

For the year ended 31st March 2018 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	2,46,79,487.00	0.00	6,97,68,911.00	85,00,00,000.00
Over one month to 2 months	2,08,33,331.00	74,08,95,656.00	26,39,10,290.00	0.00
Over 2 months to 3 months	6,74,67,948.00	49,25,45,715.00	53,15,53,153.00	0.00
Over 3 months to 6 months	25,15,39,099.00	0.00	58,08,31,337.00	0.00
Over 6 months to 1 year	46,79,44,873.00	0.00	64,00,77,491.00	0.00
Over 1 year to 3 years	3,06,58,79,492.00	2,25,00,00,000.00	74,00,56,066.00	0.00
Over 3 to 5 years	2,35,61,21,147.00	0.00	81,02,85,514.00	0.00
Over 5 to 7 years	1,37,75,35,906.00	0.00	1,05,13,90,407.00	0.00
Over 7 to 10 years	0.00	0.00	1,62,31,60,554.00	0.00
Over 10 years	0.00	0.00	8,32,74,60,117.00	0.00
Total	7,63,20,01,284.00	3,48,34,41,371.00	14,63,84,93,839.00	85,00,00,000.00

Maturity pattern of certain items assets and liabilities

For the year ended 31st March 2017 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	2,76,03,015.00	0.00	59,10,367.00	0.00
Over one month to 2 months	0.00	0.00	59,72,070.00	0.00
Over 2 months to 3 months	0.00	0.00	60,34,422.00	0.00
Over 3 months to 6 months	1,48,14,815.00	0.00	1,84,83,994.00	0.00
Over 6 months to 1 year	8,17,12,963.00	0.00	3,87,42,597.00	0.00
Over 1 year to 3 years	86,83,85,180.00	0.00	18,11,35,588.00	0.00
Over 3 to 5 years	73,29,68,519.00	0.00	23,01,96,939.00	0.00
Over 5 to 7 years	45,21,18,523.00	0.00	28,86,28,781.00	0.00
Over 7 to 10 years	0.00	0.00	56,61,67,476.00	0.00
Over 10 years	0.00	0.00	2,41,23,35,186.00	0.00
Total	2,17,76,03,015.00	0.00	3,75,36,07,420.00	0.00

Maturity pattern of certain items assets and liabilities

For the year ended 31st March 2016 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	0.00	0.00	6,52,751.00	0.00
Over one month to 2 months	0.00	0.00	6,58,230.00	0.00
Over 2 months to 3 months	0.00	0.00	6,63,755.00	0.00
Over 3 months to 6 months	0.00	0.00	20,24,870.00	0.00
Over 6 months to 1 year	0.00	0.00	42,05,309.00	0.00
Over 1 year to 3 years	0.00	0.00	1,89,39,186.00	0.00
Over 3 to 5 years	0.00	0.00	2,24,40,822.00	0.00
Over 5 to 7 years	0.00	0.00	2,54,82,999.00	0.00
Over 7 to 10 years	0.00	0.00	4,57,97,653.00	0.00
Over 10 years	0.00	0.00	14,45,28,554.00	0.00
Total	0.00	0.00	26,53,94,129.00	0.00

Maturity pattern of certain items assets and liabilities

For the year ended 31st March 2015 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	0.00	0.00	28,043.62	0.00
Over one month to 2 months	0.00	0.00	69,613.32	0.00
Over 2 months to 3 months	0.00	0.00	70,205.09	0.00
Over 3 months to 6 months	0.00	0.00	2,14,216.48	0.00
Over 6 months to 1 year	0.00	0.00	4,45,103.94	0.00
Over 1 year to 3 years	0.00	0.00	20,24,740.82	0.00
Over 3 to 5 years	0.00	0.00	24,80,923.88	0.00
Over 5 to 7 years	0.00	0.00	19,56,172.10	0.00
Over 7 to 10 years	0.00	0.00	30,69,693.59	0.00
Over 10 years	0.00	0.00	52,17,912.07	0.00
Total	0.00	0.00	1,55,76,624.91	0.00

Maturity pattern of certain items assets and liabilities

For the year ended 31st March, 2014 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	0.00	0.00	0.00	0.00
Over one month to 2 months	0.00	0.00	0.00	0.00
Over 2 months to 3 months	0.00	0.00	0.00	0.00
Over 3 months to 6 months	0.00	0.00	0.00	0.00
Over 6 months to 1 year	0.00	0.00	0.00	0.00
Over 1 year to 3 years	0.00	0.00	0.00	0.00
Over 3 to 5 years	0.00	0.00	0.00	0.00
Over 5 to 7 years	0.00	0.00	0.00	0.00
Over 7 to 10 years	0.00	0.00	0.00	0.00
Over 10 years	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

* Advances net off NPA Provisions.

7.4 The Company has not entered into any derivative transactions during the financial year (PY - Nil). Hence, disclosure under Para 3.4 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable

7.5 The Company has not entered into any securitisation transactions during the financial year (PY - Nil). Hence, disclosure under Para 3.5 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable

7.6 Remuneration of Non-Executive Directors consist of ₹3,63,375/- towards sitting fees as at 31st March 2018.

7.7 Break-up of Provisions and Contingencies shown under the head Expenditure in Profit & Loss Account

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
1. Provisions for depreciation on Investment	0.00	0.00	0.00	0.00	0.00
2. Provision made towards Income Tax	6,38,640.00	27,72,971.00	0.00	0.00	0.00
3. Provision towards NPA	93,17,991.00	0.00	0.00	0.00	0.00
4. Provision for Standard Assets	5,83,42,768.00	1,76,33,443.00	12,59,513.00	67,536.00	0.00
5. Provision for Gratuity	13,27,000.00	3,76,814.00	74,588.00	0.00	0.00

7.8 Break-up of Loans & Advances and Provisions thereon

Particulars	As on March 31, 2018		As on March 31, 2017		As on March 31, 2016		As on March 31, 2015		As on March 31, 2014	
	Housing	Non-Housing	Housing	Non-Housing	Housing	Non-Housing	Housing	Non-Housing	Housing	Non-Housing
Standard Assets										
a) Total Outstanding Amount	13,73,62,53,944.00	84,94,37,943.00	4,40,83,60,773.00	0.00	31,48,78,305.00	0.00	1,68,84,099.91	0.00	0.00	0.00
b) Provision Made	5,49,45,016.00	33,97,752.00	1,76,33,443.00	0.00	12,59,513.00	0.00	67,536.00	0.00	0.00	0.00
Sub-Standard Assets										
a) Total Outstanding Amount	6,21,19,944.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Provision Made	93,17,991.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Doubtful Assets - Category I										
a) Total Outstanding Amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Provision Made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Doubtful Assets - Category 2										
a) Total Outstanding Amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Provision Made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Doubtful Assets - Category 3										
a) Total Outstanding Amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Provision Made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss Assets										
a) Total Outstanding Amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Provision Made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL										
a) Total Outstanding Amount	13,79,83,73,888.00	84,94,37,943.00	4,40,83,60,773.00	0.00	31,48,78,305.00	0.00	1,68,84,099.91	0.00	0.00	0.00
b) Provision Made	6,42,63,007.00	33,97,752.00	1,76,33,443.00	0.00	12,59,513.00	0.00	67,536.00	0.00	0.00	0.00

7.9 The Company has not made any draw down from reserves during the financial year 2017-18 (PY - Nil). Hence, disclosure under Para 5.2 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable.

7.10 The Company being a non-deposit taking HFC, disclosure under Para 5.3.1 to Annex- 4 of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 is not applicable.

8. Advances are classified as performing and non-performing assets in accordance with directions on prudential norms issued by National Housing Bank (NHB). Provisions on standard assets, sub-standard assets, doubtful assets and loss assets have been made as per NHB Directions, 2010 as amended from time to time. Details are given hereunder(As at March 31, 2018):

Loans	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	13,73,62,53,944.00	6,21,19,944.00	0.00	0.00	13,79,83,73,888.00
(Previous Year)	(4,40,83,60,773.00)	0.00	0.00	0.00	(4,40,83,60,773.00)
Other Property Loans	84,94,37,943.00	0.00	0.00	0.00	84,94,37,943.00
(Previous Year)	0.00	0.00	0.00	0.00	0.00
Provisions made	5,83,42,768.00	93,17,991.00	0.00	0.00	6,76,60,759.00
(Previous Year)	(1,76,33,443.00)	0.00	0.00	0.00	(1,76,33,443.00)

9. The Company does not have any overseas assets as on 31.3.2018.

10. Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's classifications /disclosure

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

For and on behalf of the Board of Directors

R Sreenivasan
Partner
Membership No: 020566

George Alexander Muthoot
Director

Eapen Alexander
Whole time Director

Place: Kochi
Date:

Ramaratthinam S
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Jinu Mathen
Company Secretary

ANNEXURE-I: DETAILS OF RATES OF DIVIDEND					
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Equity Share Capital (In. Rs.)	97,72,72,720	75,00,00,000	50,00,00,000	10,50,00,000	10,50,00,000
Face Value of Equity Share (Rs)	Rs.10	Rs.10	Rs.10	Rs.10	Rs.10
Dividend on Equity Shares (Rs per Equity Share)	NIL	NIL	NIL	NIL	NIL
Total Dividend on Equity Shares	NIL	NIL	NIL	NIL	NIL
Dividend Declared Rate (In %)	NIL	NIL	NIL	NIL	NIL
Dividend Tax	NIL	NIL	NIL	NIL	NIL

Annexure II

Statement of Accounting Ratio

Sr. No	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Number of equity shares at the beginning of the period/year	7,50,00,000	5,00,00,000	1,05,00,000	1,05,00,000	1,05,00,000
	Number of equity shares at the end of the period/year	9,77,27,272	7,50,00,000	5,00,00,000	1,05,00,000	1,05,00,000
	Weighted average number of equity shares of Rs. 10 each	8,84,49,564	6,41,78,082	1,37,46,575	1,05,00,000	1,05,00,000
	Dilutive effect on weighted average number of shares	-	-	-	-	-
	Weighted average number of equity shares of Rs. 10 each (Diluted)	8,84,49,564	6,41,78,082	1,37,46,575	1,05,00,000	1,05,00,000
	Net profit after tax available for equity shares (Rs. In million)	278.04	28.74	0.14	5.11	6.78
	Networth at the end of the year period/year (Rs. In million)	2,159.70	881.67	568.68	119.43	114.31
	Average Networth during the period/year (Rs. In million)	1,520.68	725.17	344.05	116.87	110.93
	Shareholders fund at the end of the period/year (Rs. In million)	2,159.70	881.67	568.68	119.43	114.31
A.	Basic Earnings Per Share (EPS)	3.14	0.45	0.01	0.49	0.65
B.	Diluted Earnings Per Share (EPS)	3.14	0.45	0.01	0.49	0.65
	Return on Networth (%)					
C	Considering Networth at the end of the period/year	12.87%	3.26%	0.02%	4.28%	5.93%
D	Considering Average Networth during the period/year	18.28%	3.96%	0.04%	4.37%	6.11%
E	Net Asset Value Per Equity Share	22.10	11.76	11.37	11.37	10.89
	Total Borrowings at the end of the period/year (Rs. In million)	13,476.82	3,565.86	-	-	-
F	Debt Equity	6.24	4.04	-	-	-

Annexure III

Statement of Capitalisation as at September 30, 2018

			<i>(in ₹ million)</i>
Particulars	Pre Issue As at September 30, 2018 (A)	Proposed Proceeds from the Issue (B)	Post Issue¹ (C=A+B)
Debt			
Short Term Debt ²	4,471.15		4,471.15
Long Term Debt ³	9,512.79	3,000.00	12,512.79
Total Debt	13,983.94	3,000.00	16,983.94
Shareholder's fund			
Share Capital	1,191.56		1,191.56
Reserve and surplus excluding revaluation reserve	2,597.29		2,597.29
Total shareholder's funds	3,788.85		3,788.85
Long term debt/equity (in times)⁵	2.51		3.30
Total debt/ equity (in times)⁴	3.69		4.48

1. The debt equity ratio post the Issue assuming subscription of ₹3,000 million is 4.48 times, based on a total outstanding debt of ₹16,983.94 million and shareholders fund of ₹3,788.84 million as on September 30, 2018.
2. Short term debt = Short term borrowings + Unclaimed matured deposits and interest accrued thereon.
3. Long term debt = Long term borrowings + current maturities of long term borrowings.
4. Total Debt-Equity = Total debt outstanding at the end of the year/Shareholders Fund
5. Long term Debt-Equity = Total long-term debt outstanding at the end of the year/Shareholders Fund

MATERIAL DEVELOPMENTS

Except in relation to the financial assistance availed from IndusInd Bank amounting to ₹500 million in terms of sanction letter dated February 14, 2019, there have been no material developments since September 30, 2018 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of our Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the chapter “*Financial Information*” beginning on page 126.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDAS

The MCA, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. MCA pursuant to its notification dated March 30, 2016, has included HFCs in the definition of NBFCs. The notification further explains that NBFCs having a net worth of ₹5,000.00 million or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Accordingly, our Company has prepared the financial statements for the six months ended September 30, 2018 in accordance with the Ind AS.

NHB pursuant to its policy Circular No.88/2017-18 dated April 16, 2018 has clarified that HFCs are advised to be guided by the extant provisions of Ind AS, including the date of implementation i.e. April 1, 2018. HFCs are also required to follow the extant directions on prudential norms, including on asset classification, provisioning, etc. issued by NHB with regards to the implementation of Ind AS.

“Summary of Significant Differences among Indian GAAP and Ind AS”, does not present all differences between Indian GAAP and Ind AS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Prospectus. Furthermore, our Company has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. Our Company has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of our Company’s business, the terms of the offerings and the financial information included in this Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information included in this Prospectus. Our Company cannot assure that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on our Company’s future financial information.

Summary of Significant Differences among Indian GAAP and Ind AS:

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	Presentation of Financial Statements	<p>Other Comprehensive Income:</p> <p>There is no concept of ‘Other Comprehensive Income’ under Indian GAAP.</p> <hr/> <p>Extraordinary items:</p> <p>Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.</p> <p>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.</p> <hr/> <p>Change in Accounting Policies:</p> <p>Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.</p> <p>If a change in the accounting policy has no material effect on the financial statements for the current period but is expected to have a material effect in the later periods, the same should be appropriately disclosed.</p>	<p>Other Comprehensive Income:</p> <p>Ind AS 1 introduces the concept of Other Comprehensive Income (“OCI”). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as “Fair Value through OCI</p> <hr/> <p>Extraordinary items:</p> <p>Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p> <hr/> <p>Change in Accounting Policies:</p> <p>Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p>
2.	Deferred Taxes	<p>Under Indian GAAP, the</p> <p>Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.</p>	<p>As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.</p> <p>Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments</p>
3.	Property, plant and equipment – reviewing	<p>Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.</p>	<p>Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively.</p>

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
	depreciation and residual value		Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS
4.	Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are to be recognized directly in OCI.
5.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
6.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share-based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
7.	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			(processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method.
			Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
8.	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
9.	Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
10.	Financial Instruments - Disclosure	<p>Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements:</p> <ul style="list-style-type: none"> • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and • The foreign currency exposures that are not hedged by a derivative instrument or otherwise. 	<p>Requires disclosure of information about the nature and extent of risks arising from financial instruments:</p> <ul style="list-style-type: none"> • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on December 31, 2018 are as follows:

Sr. No.	Nature of Borrowing	Amount* (₹in million)	%
1.	Secured Borrowings	8,710.15	62.68
2.	Unsecured Borrowings	5,320.00	37.92
Total Borrowings*		14,030.15	100.00

**In accordance with Indian GAAP*

Set forth below, is a summary of the borrowings by our Company as at December 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

Details of Secured Borrowings

Our Company's secured borrowings in accordance with Indian GAAP as on December 31, 2018 amounts to ₹8,710.18 million. The details of the borrowings are set out below:

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned (₹in million)	Principal Amount Outstanding (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any.
1.	Andhra Bank	March 27, 2018	250.00	250.00	March 27, 2025	Our Company is required to repay the outstanding loan amount in 12 half yearly instalments after an initial moratorium period of one year. Our Company has the option to prepay the loan in part or in full on payment of prepayment penalty equivalent to 1% of the principal amount prepaid.
2.	Axis Bank	November 20, 2017	400.00	400.00	November 20, 2021	Our Company is required to repay the outstanding loan amount in 12 quarterly instalments after an initial moratorium period of one year. Our Company is allowed to prepay the loan out of the internal accruals of our Company by serving a prior notice of 30 days to the lender. In all other circumstances, our Company is required to pay prepayment penalty equivalent to 2% of the principal amount prepaid.
3.	Bajaj Finance Limited	November 24, 2017	400.00	400.00	November 30, 2022	Our Company is required to repay the outstanding loan amount in 12 quarterly instalments after an initial moratorium period of one year.
4.	Canara Bank	March 27, 2017	250.00	203.13	March 27, 2022	Our Company is required to repay the outstanding loan amount in 16 quarterly instalments after an initial

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned (₹in million)	Principal Amount Outstanding (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any.
						<p>moratorium period of one year.</p> <p>Our Company is required to pay prepayment fees equivalent to 1% on the outstanding liability in case of a takeover.</p>
5.	DCB Bank	December 29, 2017	500.00	500.00	November 28, 2024	<p>Our Company is required to repay the loan in 24 equated quarterly instalments after an initial moratorium period of one year.</p> <p>Our Company is required to pay penalty equivalent to 2% of the principal amount prepaid. Furthermore, our Company is not required to pay prepayment penalty if our Company prepays loan with 60 days' prior notice to the lender.</p>
6.	Dena Bank	March 28, 2018	250.00	250.00	March 28, 2025	<p>Our Company is required to repay the loan in 10 half yearly instalments after an initial moratorium period of one year.</p> <p>Our Company is required to pay prepayment penalty equivalent to 1% of the principal amount prepaid. Furthermore, our Company is not required to pay prepayment penalty if our Company prepays loan with 30 days' prior notice to the lender.</p>
7.	Federal Bank	August 6, 2016	250.00	187.40	August 6, 2021	<p>Our Company is required to repay the loan in 8 half yearly instalments after an initial moratorium period of one year.</p> <p>Our Company is required to pay prepayment penalty equivalent to 1% of the principal amount prepaid. Furthermore, our Company is not required to pay prepayment penalty if our Company prepays the loan with 30 days' prior notice to the lender.</p>
		March 16, 2017	250.00	229.20	March 16, 2024	<p>Our Company is required to repay the loan in 12 half yearly instalments after an initial moratorium period of one year.</p>

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned (₹in million)	Principal Amount Outstanding (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any.
		September 29, 2017	250.00	250.00	September 29, 2024	Our Company is required to pay prepayment penalty equivalent to 1% of the principal amount prepaid. Furthermore, our Company is not required to pay prepayment penalty if our Company prepays the loan with 30 days' prior notice to the lender.
		November 3, 2016	250.00	166.70	November 3, 2020	Our Company is required to repay the loan in 12 half yearly instalments after an initial moratorium period of one year.
		June 30, 2016	250.00	218.75	June 30, 2022	Our Company is required to pay prepayment penalty equivalent to 1% of the principal amount prepaid. Furthermore, our Company is not required to pay prepayment penalty if our Company prepays the loan with 30 days' prior notice.
8.	HDFC Bank	November 02, 2017	500.00	437.50	January 3, 2024	Our Company is required to repay the loan in 12 quarterly instalments after initial moratorium period of one year.
9.	IDBI Bank	January 02, 2017	500.00	437.50	January 3, 2024	Our Company is required to repay the loan in 24 quarterly instalments after an initial moratorium period of one year.
10.	Indian Bank	September 29, 2017	500.00	500.00	September 29, 2024	Our Company is required to pay prepayment fees of 2% of the principal amount prepaid. Furthermore, our Company would not be required to pay prepayment penalty if on the interest reset date, the revised rate of interest is not acceptable to our Company.
11.	Karnataka Bank Limited	June 29, 2017	250.00	229.20	June 29, 2024	Our Company is required to repay the loan in 10 half yearly instalments after initial moratorium period of one year.
		June 29, 2017	250.00	229.20	June 29, 2024	Our Company is required to repay the loan in 12 half yearly instalments after initial moratorium period of one year.

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned (₹in million)	Principal Amount Outstanding (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any.
		August 31, 2018	250.00	221.20	July 31, 2021	Our Company is required to pay pre-closure charges of 2% of the principal amount prepaid in case of takeover of liabilities by other banks. Our Company is required to repay the loan in 35 instalments.
12.	Kotak Mahindra Bank Limited	September 28, 2017	250.00	171.88	September 28, 2021	Our Company is required to pay pre-closure charges of 2% of the principal amount prepaid in case of takeover of liabilities by other banks. Our Company is required to repay the loan in 16 quarterly instalments.
13.	Oriental Bank of Commerce	June 30, 2017	600.00	550.00	June 30, 2024	Our Company is required to pay prepayment fee of 2% of the principal amount prepaid. Our Company is required to repay the loan in 12 quarterly instalments.
14.	Punjab and Sind Bank	December 28, 2017	500.00	500.00	December 28, 2024	Our Company is required to repay the loan in 6 annual instalments after an initial moratorium period of one year. Our Company is not required to pay prepayment penalty, if our Company serves 30 days prior notice to the lender.
15	Shinhan Bank	March 16, 2018	250.00	200.00	March 16, 2021	Our Company is required to repay the loan in 12 quarterly instalments.
16	Syndicate Bank	January 19, 2017 March 9, 2018	250.00 250.00	229.17 250.00	January 19, 2024 March 09, 2025	Our Company is required to repay the loan in 12 half yearly instalments after an initial moratorium period of one year. Our Company is not required to pay prepayment penalty if our Company prepaays the loan with 30 days' prior notice.
17	UCO Bank	June 22, 2018	1,000.00	1,000.00	June 22, 2025	Our Company is required to repay the loan in 6 yearly instalments after an initial moratorium period of one year. Our Company is not required to pay prepayment penalty if our Company prepaays the loan with 30 days' prior notice.
18	United Bank of India	June 30, 2017	500.00	458.33	June 30, 2024	Our Company is required to repay the loan in 12 half yearly

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned (₹in million)	Principal Amount Outstanding (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any.
						instalments after an initial moratorium period of one year. Our Company is required to pay prepayment fees of 1.15% of the principal amount prepaid. However, our Company is not required to pay prepayment penalty if our Company prepays the loan with 30 days' prior notice.
19.	Union Bank of India	December 17, 2018	500.00	500.00	December 17, 2025	Our Company is required to repay the loan amount in 6 yearly instalments after an initial moratorium period of one year. Our Company has the option to prepay the facility in part or in full within 30 days after each reset days without paying any prepayment premium. Furthermore, such premium is required to be made by furnishing an irrevocable notice within 15 business days after each reset date. Prepayment charges of 1% per annum shall be applicable in case prepayment is done on any other dates. Prepayment penalty will also be payable at the rate of 1% in case our Company prepays the loan amount by way of funds other than fresh equity or internal accruals.
20.	Yes Bank	March 31, 2017 April 7, 2017 April 12, 2017	400.00 70.00 30.00	323.08 59.23 25.38	March 31, 2024 April 7, 2024 April 12, 2024	Our Company is required to repay the loan amount in 26 quarterly instalments after an initial moratorium of 6 months. Our Company is not required to pay any prepayment penalty in case of pre-payment on pricing reset date.

The total unamortized processing fees paid to the lenders as per Ind AS amounts to ₹14.51 million.

Sr. No.	Lender	Security
1.	Andhra Bank	First pari passu charge on standard loan assets/ receivables of our Company, to the extent of 110% of the term loan out-standing during the currency of the term loan backed by the undertaking for replacement of assets where the receivables are non-performing assets.
2.	Axis Bank Limited	First pari passu charge by way of hypothecation on the entire standard receivables of our Company (both present and future) to the extent of minimum 1.11 times cover.

Sr. No.	Lender	Security
3.	Bajaj Finance Limited	First pari passu charge on the loan portfolio of our Company by way of hypothecation on the loan instalments receivables, with a minimum asset cover of 1.10x of the principal amount outstanding at any point of time during the currency of the loan.
4.	Canara Bank	Pari passu first charge on the entire receivables in respect of loans extended by our standard assets to the extent of 111.11% of the loan amount.
5.	DCB Bank	Floating first pari passu charge on the present and future standard business receivables of our Company with minimum asset cover of 1.10 x.
6.	Dena Bank	First pari passu charge by way of hypothecation of book debts/ receivables of our Company, present and future, equivalent to the value not less than 1.11 times of outstanding on account of the loan and all other monies due from our Company, from time to time.
7.	Federal Bank	Term loan 1- ₹250 million Pari passu charge on housing loan receivables of our Company with other lenders, with 10% margin. Term loan 2- ₹250 million First charge on housing loan receivables of our Company with other lenders in the multiple banking arrangement on pari passu basis. Term loan 3- ₹250 million First charge on housing loan receivables of our Company with other lenders in the multiple banking arrangement on pari passu basis.
8.	HDFC Bank	Pari passu charge on the receivables of our Company to the extent of minimum 1.10 times. Furthermore, any other security provided by our Company to other lenders.
9.	IDBI Bank	Floating first pari passu charge on all standard present and future receivables of retail, wholesale credit and current assets of our Company with asset cover of 1.15 times.
10.	Indian Bank	Pari passu first charge on existing and future housing and non-housing loan receivables of our Company with other existing and future lenders, sufficient to provide a security cover of 1.11 times in line with other banks on the outstanding facilities at all times.
11.	Karnataka Bank Limited	First pari passu charge on receivable of our Company both present and future (excluding capital market receivables, if any) with minimum security coverage of not less than 1.10 times.
12.	Kotak Mahindra Bank Limited	First and pari passu charge by way of hypothecation on our Company's present and future loan receivables with minimum asset cover of 1.1x. The receivables constitute only principal outstanding of the underlying contracts hypothecated to the Bank.
13.	Oriental Bank of Commerce	Pari passu charge on existing and future housing loan receivables of our Company with other existing and future lenders, with minimum cover of 1.10 times at all times.
14.	Punjab and Sind Bank	First pari passu charge on existing and future housing loan receivables of our Company with other existing and future lenders with asset cover of 1.10 times.
15.	Shinhan Bank	First pari passu charge on existing and future housing loan receivables with other existing and future lenders of our Company with asset cover of 1.10 times.
16.	Syndicate Bank	Pari passu charge on existing and future housing and non-housing loan receivables of our Company with other existing and future lenders with a minimum asset cover of 1.11 times of the balance outstanding.
17.	UCO Bank	First pari passu charge on existing and future housing and non-housing loan receivables of our Company with other existing and future lenders.
18.	Union Bank of India	Pari passu charge on existing and future housing and non- housing loan receivables of our Company with other existing and future lenders.
19.	United Bank of India	First pari passu charge on standard loan assets/ receivables of our Company to the extent of 110% of the term loan outstanding during the currency of term loan backed by the undertaking for replacement of assets where the receivables are non-performing assets.
20.	Yes Bank	Pari passu first charge on standard receivables of our Company with a minimum cover of 1.10x.

Line of Cash Credit and Working Capital Demand Loans

Set out below is the details of lines of Cash Credit (“CC”) and Working Capital Demand Loans (“WCDL”) availed by our Company as on December 31, 2018.

Sr. No.	Lender	Nature of Facility	Amount Sanctioned (in ₹million)	Amount outstanding as on December 31, 2018 (in ₹million)	Repayment
1.	Axis Bank	CC	100*	Nil	Repayable on demand
2.	Federal Bank	WCDL	100*	Nil	Repayable on demand
3.	HDFC Bank	CC	100*	Nil	Repayable on demand
4.	Kotak Mahindra Bank	CC	50*	Nil	Repayable on demand
5.	Standard Chartered Bank	WCDL	250*	Nil	Repayable on demand

*This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by our Company as on December 31, 2018.

Security

Sr. No.	Lender	Security
1.	Axis Bank Limited	First pari passu charge on the entire current assets of our Company, present and future with minimum cover of 1.11 times.
2.	Federal Bank	First pari passu charge on housing loan receivables of our Company with a minimum asset cover of 1.11 times.
3.	HDFC Bank	Pari passu charge on the receivables of our Company to the extent of minimum 1.10 times. Furthermore, any other security provided by our Company to other lenders.
4.	Kotak Mahindra Bank Limited	First and pari passu charge by way of hypothecation on our Company’s present and future loan receivables with minimum asset cover of 1.1x. The receivables constitute only principal outstanding of the underlying contracts hypothecated to the Bank.
5.	Standard Chartered Bank	First pari passu charge on specific receivables with a 1.1x asset cover on the outstanding principal.

Secured non-convertible debentures as on December 31, 2018

Our Company has not issued any secured non-convertible debentures as on December 31, 2018.

Details of unsecured borrowings

As on December 31, 2018, our Company’s unsecured borrowings in accordance with Indian GAAP amounts to ₹5,320.00 million. The details of the borrowings are set out below:

Inter-corporate deposits as on December 31, 2018

Sr. No.	Particulars	Amount outstanding as on December 31, 2018 (₹in million)
1	MFL	2,320.00
Total		2,320.00

Unsecured Term Loan as on December 31, 2018

Set forth below is a summary of our unsecured term loans availed by our Company as on December 31, 2018, together with a brief description of certain significant terms of such financing arrangements.

Sr. No.	Lender	Date of Disbursement	Amount Sanctioned	Amount outstanding as on December 31, 2018 (₹in million)	Maturity Date	Repayment Schedule and Pre-payment Penalty Fees, if any
1	MFL	June 6, 2018	2,500.00	250	June 6, 2021	Bullet repayment
2	MFL	June 15, 2018		250	June 14, 2021	Bullet repayment
3	MFL	June 27, 2018		600	June 26, 2021	Bullet repayment
4	MFL	October 31, 2018		1,000	October 30, 2021	Bullet repayment
5	MFL	November 13, 2018		250	November 12, 2021	Bullet repayment
6	MFL	December 28, 2018		150	December 27, 2021	Bullet repayment
			Total	2,500.00		

Commercial Papers outstanding as on December 31, 2018

Our Company has issued unsecured commercial papers of face value ₹500,000.00 each on a private placement basis, of which ₹500.00 million (gross of unamortised discount of ₹3.09) is outstanding as on December 31, 2018. The details of the commercial papers are as follows:

Sr. No.	Particulars	ISIN	Date of Disbursement	Amount Outstanding (In ₹million) *	Maturity Date	Repayment Terms
1.	Commercial Paper	INE652X14247	November 27, 2018	500.00	January 25, 2019	Bullet repayment at maturity.

**The value of the commercial papers has been disclosed at their face value, the discounted value of the above commercial papers, as on December 31, 2018 was ₹496.91 million.*

Corporate guarantee issued by our Company in favour of group companies, etc. as of December 31, 2018

Our Company has not issued any corporate guarantees in favour of group companies as on December 31, 2018.

Restrictive Covenants under our Financing Arrangements

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any mortgaged properties;
4. to amend our memorandum and articles of association or alter the capital structure of our Company; and
5. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Other confirmations

1. There has been no defaults and / or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the five years prior to the date of this Prospectus.

6. As on December 31, 2018, save and except as disclosed under this chapter titled “**Financial Indebtedness**”, there are no outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.
7. As on December 31, 2018 there are no other borrowings including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares.
8. Our Company has not raised any loan from directors and relatives of directors as on December 31, 2018.
9. List of top ten holders of Secured and Unsecured Non-Convertible Debentures: Not Applicable.
10. Except as specifically set out in this section, there are no other borrowings or financial facilities that the Company has availed as on December 31, 2019.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are either initiated by us or by customers and other parties.

These legal proceedings are primarily in the nature of (a) civil suits, actions and applications; (b) criminal complaints; and (c) proceedings initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (“SARFEASI Act”). We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.

As on the date of this Prospectus, there are no failures or defaults to meet statutory dues and institutional dues. Furthermore, as on the date of this Prospectus our Company has not issued any debentures, accepted deposits or issued any preference shares.

For the purpose of disclosures in this Prospectus, our Company has considered the following litigation as “material” litigation:

- *all pending proceedings whether civil, SARFEASI Act proceedings, arbitral, tax related litigations, or otherwise, of value exceeding 5% of the profit after tax of our Company computed on a standalone basis as on March 31, 2018, i.e. more than ₹13.90 million;*
- *all criminal proceedings whether complaints, first information reports (“FIR”), revision applications, bail applications or otherwise wherein our Company is a party; and*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

It is clarified that materiality policy for identification of material litigation involving our Promoter has been determined based on the materiality policy determined by our Promoter.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, directors, or our Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company, directors, and/or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Save as disclosed below, there are no:

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
2. *litigation involving our Company, Promoter, Directors, group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
3. *pending proceedings initiated against our Company for economic offences and default; and*
4. *inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies’ law, or reservations, qualifications or adverse remarks of the auditors of our Company in the last five years immediately preceding the year of issue of this Prospectus against our Company.*

All terms defined in a particular litigation are for that particular litigation only.

Litigation proceedings involving our Company

Litigation proceedings filed against our Company

(a) Civil Proceedings

There are various civil proceedings instituted against our Company from time to time, mostly arising in the ordinary course of its business. There are no civil proceedings pending against our Company which involve an amount exceeding ₹13.90 million or whose outcome could have a material adverse effect on the position, business, operations, prospects or reputation of our Company.

(b) Criminal Proceedings

As on the date of this Prospectus, there are no criminal proceedings initiated against our Company.

(c) Economic Offences

As on the date of this Prospectus, there are no pending proceedings initiated against our Company for economic offences.

Litigation proceedings filed by our Company

(a) Civil Proceedings

There are various civil proceedings instituted by our Company from time to time, mostly arising in the ordinary course of its business. There are no civil proceedings initiated by our Company which involve an amount exceeding ₹13.90 million or whose outcome could have a material adverse effect on the position, business, operations, prospects or reputation of our Company. However, our Company has initiated 39 proceedings under the SARFEASI Act aggregating to ₹54.90 million, in connection with customers defaulting on repayment of the housing loan facilities extended by our Company. The proceedings initiated under the SARFEASI Act are currently pending at various stages of adjudication.

(b) Criminal Proceedings

1. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Rakesh Pillay and Padma Anant Pillay, borrowers of our Company, under sections 420, 406, 468 and 471 of the Indian Penal Code, 1860 (“**IPC**”) for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
2. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Awadhut Sopan Jadhav and Bhimabai Sopan Jadhav, borrowers of our Company, under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan and for forging and fabricating the documents furnished to our Company at the time of availing the housing loan. The complaint is currently pending.
3. Our Company has filed a criminal complaint dated May 16, 2018 with the Police Station, Khadki against Shivkumar Krishnaprasad Yadav and Nishi Shivkumar Yadav, borrowers of our Company, under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
4. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Bhushan Laxman Katkar and Sarika Laxman Katkar, borrowers of our Company, under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
5. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Ganesh Shankar Rakashe and Rupali Ganesh Rakshe, borrowers of our Company under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
6. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Sachin Gajanan Ghodake and Jayshree Gajanan Ghodke, borrowers of our Company under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.

7. Our Company has filed a criminal complaint dated January 9, 2019 with the Police Station, Khadki against Romi Suresh Nehalani and Rekha Bhajanlal Lekhwani, borrowers of our Company under section 420 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
8. Our Company has filed a criminal complaint dated October 31, 2018 with the Police Station, Khadki against Rajiv Gaikwad and Usha Rajiv Gaikwad, borrowers of our Company under sections 420, 406, 468, 467 and 471 of IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
9. Our Company has filed a criminal complaint dated January 9, 2019 with the Police Station, Khadki against Rahul Shuvaji Kadam and Harshada Rahul Kadam, borrowers of our Company (“**Borrowers**”) and Gopal Ganesh Tamboli under section 420 of the IPC, for unlawfully terminating the Agreement for Sale Executed between the Borrowers and Gopal Ganesh Tamboli for acquiring the property, against which we have extended the housing loan. Upon the termination of the abovementioned Agreement for Sale, the Borrowers transferred the property to Gopal Ganesh Tamboli without obtaining the prior permission of our Company and thereby alienating the right of our Company over the property. The complaint is currently pending.
10. Our Company has filed an FIR bearing number 18/2019 dated January 15, 2019, with the Police Station, Kranti Chowk, against Fareena Begum Mujaffar Ali and Mujaffar Ali Nusarat and builder Sayad Muzamil Sayad Mansoor Ahamed under sections 420, 406 and 34 of IPC. Fareena Begum Mujaffar Ali had obtained housing loan from our Company to purchase property from Sayad Muzamil Sayad Mansoor Ahamed. In the complaint our Company has alleged that Fareena Begum Mujaffar and Sayad Muzamil Sayad Mansoor Ahamed have conspired against our Company by entering into a sale deed over a property that has already been sold by Sayad Muzamil Sayad Mansoor Ahmed to a third party. The complaint is currently pending.
11. Our Company has filed an FIR bearing number 18/2019 dated January 15, 2019, with the Police Station, Kranti Chowk, against Shaikh Athar Shaikh Ahmed, Farida Ahmed Shaikh, and builder Sayad Muzamil Sayad Mansoor Ahamed under sections 420, 406 and 34 of the IPC. The borrower has obtained a loan from our Company in connection with a property that he has purchased from Sayad Muzamil and Ashfaq Ahemad Mohammad Faruq Mohhamad. Builder Sayad Muzamil and plot owner Ashfaq Ahemad Mohammad faruq Mohammad, executed a sale deed in favor of Shaikh Mohammad Abdul Hamed Abdul Rashid on March 27, 2015 pursuant to sale deed No.339/2015 and the property is occupied by him. The builder Sayad Muzamil Sayad Manzoor Ahamed executed another sale deed in favor of our borrower Athar Ahemad Shaikh on March 24, 2017 pursuant to sale deed No. 657/2017. Employment verification of our borrower, Athar Ahmed Shaikh is found to be fake and forged. Our Company has alleged in the FIR that the builder Sayad Muzamil sold the same property to two persons on different dates. The complaint is currently pending.
12. Our Company has filed an FIR bearing number 19/2019 dated January 15, 2019 under sections 420,406 and 34 of the IPC, with the Police Station, Kranti Chowk, against Sayad Muzamil. Arif Khan has availed housing loan from our Company to purchase property from Sayad Muzamil. We have alleged in our complaint that Syad Muzamil has sold the same property that was sold to Arif Khan to another purchaser Moid Kamaran Shaikh Hameed, which has been mortgaged to Andhra Bank. The complaint is currently pending.
13. Our Company has filed an FIR bearing number 92/2019 dated February 20, 2019 with the Police Station, Solabatpura against. Bhavesh Anilbhai Vanani, a borrower of our Company under sections 406, 420, 120-B and 114 of the IPC, for defrauding our Company claiming that the loan availed has been used for constructing a property while the actual construction was never completed. The complaint is currently pending.
14. Our Company has filed an FIR bearing number 92/2019 dated February 20, 2019 with the Police Station, Solabatpura against Mital Nikunj Ranpariya, a borrower of our Company under sections 406, 420, 120-B and 114 of the IPC, for defrauding our Company claiming that the loan availed has been used for constructing a property while the actual construction was never completed. The complaint is currently pending.
15. Our Company has filed an FIR bearing number 44/2019 dated February 15, 2019 with the Police Station, Khadki against Nitin Kasar, borrower of our Company under sections 420, 415, 417, 463, 468 and 34 of the IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.

16. Our Company has filed a criminal complaint with the Police Station, Virar against Suraj Amitabh Mishra and Bharati Dayshankar Choubey, borrowers of our Company under sections 420, 406, 407, 467, 471 and 34 of the IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
17. Our Company has filed a criminal complaint dated February 27, 2019 with the Police Station, Naupada against Satish Raju, a borrower of our Company under sections 420, 406, 407, 467, 468, 471 and 34 of the IPC, for availing multiple loans from different lenders other than our Company, against the property for which we have extended the housing loan. The complaint is currently pending.
18. Our Company has filed a criminal complaint dated March 17, 2019 with the Police Station, Vidhayakpuri, Jaipur against Surinder Singh and Simran, borrowers of our Company under sections 420, 406, 407, 467, 471 and 34 of the IPC, for availing loans by submitting fraudulent documents. The complaint is currently pending under police investigation.
19. Our Company has filed a criminal complaint dated March 19, 2019 with the Police Station, Arnala, Palghar against Ravi Babulal Bohra and Babulal Bohra, borrowers of our Company under sections 420, 406, 407, 467, 471 and 34 of the IPC, for availing loans with mala fide intention to dupe the loan amount availed from our Company. The complaint is currently pending under police investigation.

N.I. Act Cases

Our Company has filed 67 criminal complaints under section 138 of the N.I. Act, in connection with dishonour of cheques, aggregating to ₹3.67 million, which are currently pending at various stages of adjudication.

Litigations involving our Promoter

(a) Income Tax Cases

1. By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has demanded a sum of ₹13.8 million as the deductions claimed by MFL were disallowed for the AY 2009-10. MFL has filed an application dated January 20, 2012 for rectification of the assessment order, under section 154 of the IT Act and also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. With regard to the application filed by MFL, the assessing officer, vide order dated July 2, 2012 has revised the demand to ₹13.3 million. MFL has already paid the entire demand of tax. Appeal filed with the CIT(A) was partly allowed by order dated November 12, 2013. The appeal filed by MFL before the Income Tax Appellate Tribunal, Kochi is allowed and the appeal filed by The Deputy Commissioner of Income tax, Circle1(2), Kochi was dismissed by order dated July 25, 2014. CIT, Kochi has filed an appeal before the High Court against the order passed by Income Tax Appellate Tribunal.
2. The Additional Commissioner of Income Tax, Range-1, Kochi has by an assessment order dated March 21, 2013 under Section 143(3) of the IT Act demanded payment of ₹36,384,640 for the A.Y. 2010-11 and has stated that MFL cannot be allowed to claim certain tax deductions, on account of undertaking generation and distribution of power, non-payment of tax on payments made to non-resident entities, expenses relating to its demerged radio business, bad debts and payments made into MFL's staff welfare scheme account. The appeal filed against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi has been partly allowed by order dated November 15, 2014. MFL has filed an appeal against the said order before the Income Tax Appellate Tribunal, Kochi. MFL has already paid an amount of ₹21.82 million towards the demand. The appeal filed by MFL was allowed and the appeal by the Revenue dismissed by common order dated September 26, 2016. ITA No.24/2017 filed by the Pr. Commissioner of IT, Kochi before the High Court of Kerala against the order of Income Tax Appellate Tribunal relating to staff welfare expenses of ₹2.62 crores.

Fresh assessment completed by the Deputy Commissioner of Income Tax, Central Circle-1, Kochi under section 143(3) read with section 147 of the IT Act by order dated November 30, 2017, served on December 1, 2017 with a demand of ₹14,20,19,060. Application filed by MFL for rectification of error in calculation of interest under section 234B of the IT Act allowed and also considering the demand paid till date, revised order under section 154 of the IT Act dated May 5, 2018 issued by DCIT with final revised

demand of ₹2,61,46,200. Appeal filed before the CIT(A)-4, Kochi against the original order is pending for disposal.

3. The Additional Commissioner of Income Tax, Range-1, Kochi has demanded payment of ₹4.55 million for the assessment year 2011-12 from MFL by an assessment order dated November 29, 2013 under Section 143(3) of the IT Act and has disallowed certain deductions under section 80IA of the IT Act, which MFL had claimed on account of bad debts written off. MFL has made payment of the entire amount demanded. The appeal filed by MFL before the Commissioner of Income Tax (Appeals) – II has been dismissed for statistical purposes. MFL has filed a miscellaneous petition before the Commissioner of Income Tax (Appeals) – II for rectification of mistake apparent on record and to reconsider the Appeal again. MFL has also preferred an Appeal before the Income Tax Appellate Tribunal, Kochi against the dismissal order. Appeal filed before the Income Tax Appellate Tribunal, Kochi against the dismissal order has been allowed by ITAT by order dated 08.01.2016 and restored the file to CIT(A), Kochi for fresh consideration. The matter is pending before the CIT(A), Kochi.

Fresh assessment for the AY 2011-12 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with revised demand of ₹18,10,39,770. MFL has filed rectification application before the A.O for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).

4. The Commissioner of Income Tax-I, Kochi has filed an appeal before the High Court of Kerala against the order of the Income Tax Appellate Tribunal, Kochi for the A.Y. 2004-05. The Income Tax Appellate Tribunal, Kochi in their order dated June 01, 2012 had dismissed the appeal filed by the Additional Commissioner of Income Tax, Circle-1(3) Kochi against a previous order of the Commissioner of Income Tax (Appeals)-II, Kochi dated February 16, 2007. This order of the Commissioner of Income Tax (Appeals)-II Kochi pertained to an assessment order issued as regards MFL for the assessment year 2004 – 2005 as regards certain additions and disallowances.
5. The Additional Commissioner of Income Tax, Kochi, has issued order under section 143(3) dated March 2, 2015 with demand of ₹2,92,30,000 for the AY 2012-13. MFL has paid an amount of ₹21,10,000 and the balance demand is ₹2,71,20,000. Rectification application filed with the A.O. and Appeal filed with the Commissioner of Income Tax (Appeals)-II, Kochi are pending for disposal.

Fresh assessment for the AY 2012-13 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with revised demand of ₹37,72,73,127. MFL has filed the rectification application before the A.O for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).

6. The Joint Commissioner of Income Tax, Kochi has issued an order under section 143(3) dated March 29, 2016 for the A.Y 2013-14 with demand of ₹34,579,720. MFL has paid the entire demand and filed an appeal with the Commissioner of Income Tax (Appeals), Kochi against the order.

Fresh assessment for the AY 2013-14 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with revised demand of ₹10,64,26,840. MFL has filed rectification application before the A.O for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).

7. Assessment for the AY 2014-15 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with demand of ₹85,27,34,070. MFL has filed rectification application before the A.O. for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).
8. Assessment for the AY 2015-16 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with demand of ₹14,29,25,790. MFL has filed rectification application before the A.O for

correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).

9. Assessment for the AY 2016-17 completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with demand of ₹26,16,45,448. MFL has filed rectification application before the A.O. for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).
10. Assessment for the AY 2017-18 completed under section 143(3) by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 1, 2019 with demand of ₹36,72,016. MFL has filed rectification application before the A.O. for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals).

(b) Indirect Tax Cases

1. The Directorate General of Central Excise Intelligence, Delhi Zonal Unit has issued a show cause notice bearing reference DZU/INV/ST/39/2006 dated September 28, 2007 against MFL directing MFL to show cause why an amount of ₹2.6 million as service tax and an amount of ₹0.1 million as educational cess, service tax amounting to ₹6.4 million and educational cess of ₹0.1 million under various provisions of the Finance Act, 1994 had not been paid by MFL. Further, MFL is directed to show cause why interest on ₹0.3 million should not be recovered and CENVAT credit amounting to ₹0.5 million should not be denied under the CENVAT Credit Rules, 2004. The notice states that MFL was not paying service tax on its money lending business and that MFL is not registered with the service tax department. The Commissioner of Central Excise, Customs and Service Tax, Kochi Commissionerate, passed an order dated January 20, 2009 confirming the recovery of tax and penalty imposed on MFL and further imposed a penalty of ₹100 for every day from the due date and a penalty of ₹200 for every day such failure continues or at the rate of 2% of such tax per month whichever is higher subject to maximum of ₹9.2 million and a further penalty of ₹1,000 under section 7 of the Finance Act, 1994, a penalty of ₹9.2 million under section 78 of the Finance Act and a penalty of ₹4.8 million on MFL under section 15 of the CENVAT Credit Rules, 2004 read with section 78 of the Finance Act, 1994. MFL has filed an appeal dated April 17, 2009, against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. MFL has also filed an application for the stay of the pre-deposit of demand order together with the appeal. The stay application has been allowed by order dated February 17, 2010, on pre-deposit of an amount of ₹2.5 million. The appeal is currently pending.
2. The Commissioner of Central Excise and Customs, Kochi Commissionerate has issued a show cause notice bearing reference V/ST/15/16/2008 ST Adj/517 dated April 1, 2008, against MFL directing MFL to show cause why an amount of ₹4.3 million as service tax and an amount of ₹0.1 million as educational cess, service tax amounting to ₹0.02 million and educational cess of ₹511, an amount of ₹0.7 million, as service tax and an amount of ₹0.1 million as educational cess in respect of various provisions of the Finance Act, 1994 had not been paid by MFL. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated May 12, 2009 and confirmed the recovery of tax and penalty imposed on MFL and further imposed a penalty of ₹1,000 under section 77 of the Finance Act, 1994, a penalty of ₹5.1 million under section 78 of the Finance Act, 1994. MFL has filed an appeal against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. MFL has filed an application for the stay of the pre-deposit of demand order together with the appeal and a stay has been granted on February 17, 2010 on pre-deposit of ₹1.8 million. The appeal is currently pending.
3. The Commissioner for Central Excise and Customs, Kochi has issued a show cause notice No. 122/2008/ST dated October 7, 2008 directing MFL to show cause why an amount of ₹7.8 million as service tax and penalties under sections 76, 77, and 78 of the Finance Act 1994, had not been paid by MFL. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated November 30, 2009, confirming the recovery of tax and penalty imposed on MFL and further imposed a penalty of ₹200 for every day of failure to pay service tax and educational cess or at the rate of 2% of such tax per month whichever is higher subject to a maximum of ₹7.8 million and a further penalty of ₹1,000 under section 7 of the Finance Act, 1994, a penalty of ₹7.8 million under section 78 of the Finance Act. MFL has filed an appeal and a petition seeking stay of the order of the Commissioner of Central Excise, Customs and Service Tax, as ST/482/10 before the Customs, Excise and Service Tax Appellate Tribunal on March 15, 2010.

The Customs, Excise and Service Tax Appellate Tribunal, by its order dated October 31, 2011, waived the pre-deposit of balance amounts of dues under the impugned order and granted a stay on the recovery thereof till the disposal of the appeal, on pre-deposit of ₹4 million. The appeal is currently pending.

4. By a letter dated September 9, 2010, the Superintendent of Central Excise and Service Tax, Kochi, forwarded copies of three audit enquiries raised by the Comptroller and Auditors General's audit party regarding three instances of alleged non-payment of service tax for the period from 2007-08 to 2009-10 and required MFL to pay service tax as per the audit enquiry. The amount liable to be paid as per the first audit enquiry was ₹1.8 million, the second audit enquiry was ₹0.9 million and as per the third audit enquiry was ₹7.4 million. MFL has replied to the letter dated September 09, 2010 on October 26, 2010. The Additional Commissioner of Central Excise, Kochi has issued a show cause notice No. 83/2012 (C No. V/ST/15/102/2012 ST Adj) directing MFL to show cause recovery of an amount of ₹2.2 million towards service tax, education cess and secondary education cess and interest and penalty applicable on the above, from MFL, on marketing expenses paid in foreign currency, as per the first audit enquiry. MFL has by letter dated July 17, 2013, responded to the show cause notice and has stated that the show cause notice be dropped for the following reasons: (i) MFL is not liable to pay service tax for amounts paid for marketing services provided by its group concern, Muthoot Marketing Services Private Limited, Dubai as such payments were made only in the form of reimbursements and not as any actual consideration; (ii) the entire exercise in respect of which the demand has been made is revenue neutral; (iii) major portion of the demand made is time barred; and (iv) MFL is not liable to pay any penalty as it has not contravened any provisions of the Finance Act, 1994. The Assistance Commissioner of Central Excise, Kochi, has issued a consolidated order No.70 to 72 dated February 18, 2016, received by MFL on March 30, 2016, disposing off the three show cause notice nos. 83/2012, 01/2013 and 132/2014. MFL has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.
5. The Commissioner of Central Excise and Customs, Kochi Commissionerate has issued a show cause notice bearing reference no. 194/2012/ST dated October 22, 2012, against MFL to show cause as to why: (i) an amount of ₹15.89 million as service tax and an amount of ₹0.48 million as educational cess, amounting to ₹16.37 million for period 2010-11 to 2011-12 had not been paid by MFL under various provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994; (ii) an amount of ₹1.70 million inclusive of education cess for the services received from foreign firms has not been paid under various provisions of the Finance Act, 1994; (iii) interest on delayed payment of service tax (including education cess) should not be demanded and recovered under section 75 of the Finance Act, 1994 and the relevant rules thereunder, (iv) penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994 for failure to comply with the provisions of the Finance Act, 1994 and the relevant rules thereunder. MFL has filed its reply to the show cause notice on February 19, 2013 stating that (i) MFL is not liable for payment of service tax for business auxiliary services as the same qualifies as export of service; (ii) the demand regarding payment of service tax for payments made to foreign firms have been included in a previous show cause notice and have been paid towards donations and not services; (iii) the demand for interest on delayed payment of service tax is time barred; and (iv) MFL is not liable for payment of penalty as it has not defaulted under the provisions of the Finance Act, 1994. The Commissioner of Central Excise and Customs, Kochi has issued a consolidated order no. 46 & 47 / 14-15 on December 31, 2014 disposing SCN 194/2012 and 177/2014 stating that the confirmed demand for SCN 194/2012 is ₹16,367,194 on Business auxiliary services for the years 2010-11 to 2011-12, and ₹1,353,575 on the services imported during the years 2009-10 to 2011-12 with interest under Section 75 of the Finance Act, 1994, the penalty is ₹17,720,769 under Section 78 of the Finance Act, 1994 and ₹10,000 under Section 77 of the Finance Act, 1994. An amount of ₹1,635,271 already paid by MFL before issuing SCN has been appropriated against the demand and interest. On writ petition filed by MFL against the above order, the High Court of Kerala by order dated March 4, 2015 quashed the impugned order and directed the Commissioner to pass fresh order following the decision taken by the Appellate Tribunal in the case of Paul Merchants Ltd vs. Commissioner of Central Excise, Chandigarh 2013(29) STR 257 (Tri. Del). The commissioner has passed fresh order No.04/15-16 dated May 11, 2015 by confirming the demand same as in the original order. On second writ petition, the High Court has directed MFL to file appeal before the Appellate Tribunal, without making pre-deposit of tax. MFL filed appeal before the CESTAT, Bangalore on July 31, 2015. The CESTAT in their interim order no. 22 to 36/2016, dated February 17, 2016 decided that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by MFL within four weeks from the date of the order. A writ petition was been filed by MFL before High Court of Kerala on March 15, 2016, which was subsequently disposed of by the order of the High Court of Kerala dated July 14, 2016 directing MFL to pay pre-deposit amount as per Section 35F of the Central Excise Act, 1944.

MFL has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016. The appeal is currently pending.

6. The Commissioner of Central Excise and Customs, Kochi has issued show cause notice bearing reference no. 199/2012/ST dated October 22, 2012 directing MFL to show cause why: (i) an amount of ₹1672.3 million as service tax (including education cess) had not been paid by MFL for the period from 2007-2008 to 2011-2012 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and (ii) penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against MFL. MFL has filed its reply to the show cause notice on February 19, 2013 stating that (i) services as collection agent are not taxable as the same cannot be viewed as a separate and independent service being rendered by MFL, the entire exercise is revenue neutral and the demand for service tax is time barred; and (ii) MFL is not liable for payment of penalties as it has not defaulted under the provisions of the Finance Act, 1994. The Commissioner of Central Excise, Customs and Service Tax, Cochin has issued an order on December 30, 2014 disposing SCN No.199/2012 with a demand of ₹1,531,458,734 as service tax, education cess and SHEC payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest under section 75 of the Finance Act, 1994, Penalty at the rate of ₹200 per day or 20% of tax for every month whichever is higher under section 76, ₹10,000 under section 77 and ₹153,14,58,734 under section 78 of the Finance Act, 1994. (Total liability including tax, interest and penalty under various sections if confirmed is estimated as ₹4,895,883,216). On writ petition, the High Court of Kerala by order WP(C) No.6173 of 2015 dated March 02, 2015 directed MFL to file appeal before the Appellate Tribunal, without pre-deposit of tax. Appeal filed with CESTAT, Bangalore on March 31, 2015. The Government also has filed writ appeal before the High Court against the order of the Single Judge, on writ appeal by Government, the High Court has held that the Appellate Tribunal can take up the appeals filed by MFL. The matter is pending before the Tribunal. The Tribunal in their interim order no. 22 to 36/2016, dated February 17, 2016 stated that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by MFL within four weeks from the date of the order. MFL filed a writ petition before the High Court of Kerala on March 21, 2016, which was subsequently disposed of by order dated July 14, 2016 directing MFL to pay pre-deposit as per Section 35F. MFL has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016 and accepted by the Tribunal. The appeal is currently pending.
7. The Assistant Commissioner of Central Excise has issued a show cause notice no. 1 of 2013-ST (C.No.V/ST/38/63/2013, ST Adj./790) dated March 30, 2013 asking MFL to show cause why (i) an amount of ₹1,63,018 being service tax for the period of 2011-12 should not be demanded from MFL; (ii) interest on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. MFL has filed its reply to the show cause notice on August 18, 2013 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Assistant Commissioner of Central Excise has issued a consolidated order No.70 to 72 dated February 18, 2016, received by MFL on March 30, 2016, disposing off three show cause notices nos. 83/2012, 01/2013 and 132/2014. MFL has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.
8. The Additional Commissioner of Central excise, Customs and Service tax, Cochin has issued a show cause notice no.233 /2013/ST (C No.V/ST/15/212/2013/ST Adj) dated October 25, 2013 asking MFL to show cause as to why (i) CENVAT credit totalling ₹1,075,156 should not be demanded from MFL; (ii) interest at the appropriate rate on the ineligible CENVAT credit availed should not be demanded from MFL, (iii) penalty should not be imposed under Rule 15 of CENVAT Credit Rules, 2004; (iv) penalty should not be imposed on MFL under Section 78 of Chapter V of the Finance Act, 1994. MFL has filed its reply to the show cause notice on July 17, 2014 explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. Order No.32/2015 dated April 31, 2015 by confirming the demand as per show cause notice. MFL had filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on August 06, 2015 challenging the order, which has been rejected by order No.COC-EXCUS-000-APP-401-16-17 dated December 30, 2016 received on January 25, 2017. MFL has filed an appeal before CESTAT, Bangalore on April 24, 2017. The matter is currently pending.
9. The Joint Commissioner of Central Excise, Customs & service tax, Kochi has issued show cause notice No.132/2014 dated May 12, 2014 asking MFL to show cause why (i) an amount of ₹677,476 being service tax on foreign payments made during the period of 2012-13 should not be demanded from MFL; (ii) interest

on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. MFL has filed its reply to the show cause notice by letter dated July 29, 2014 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Joint Commissioner of Central Excise, Customs and Service Tax, Kochi has issued a consolidated order No.70 to 72 dated February 18, 2016, received by MFL on March 30, 2016, disposing off three show cause notices nos. 83/2012, 01/2013 and 132/2014. MFL has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.

10. The Deputy Commissioner of Central Excise, Customs & service tax, Kochi has issued show cause notice No.50/2014 dated September 25, 2014 asking MFL to show cause why (i) an amount of ₹394,523 being service tax on foreign payments made during the period of 2013-14 should not be demanded from MFL; (ii) interest on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. MFL has filed its reply to the show cause notice by letter dated November 24, 2014 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Deputy Commissioner of Central Excise, Customs & Service tax, Kochi has issued an order dated January 20, 2015 by disposing SCN No.50/2014 with demand of ₹3,94,523, interest under Section 75 of the Finance Act, 1994, penalty of ₹1,000 under Section 77(2), and a penalty of ₹394,523 under Section 78 Chapter V of Finance Act, 1994. MFL had filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on March 23, 2015 challenging the order, which has been rejected by order No. COC-EXCUSS-000-414-16-17 dated December 30, 2016 received on February 16, 2017. MFL has filed an appeal before CESTAT, Bangalore on April 17, 2017. The matter is currently pending.
11. The Commissioner of Central Excise and Customs, Kochi has issued show cause notice bearing reference No. 177/2014/ST dated May 21, 2014 directing MFL to show cause why: (i) an amount of ₹8.30 million as service tax (including education cess) should not be demanded and recovered from MFL for the period 2012-2013 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and (ii) interest and penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against MFL. MFL has filed its reply to the show cause notice on July 17, 2014 explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Commissioner of Central Excise and Customs, Kochi has issued an consolidated order No.46 &47 /14-15 on December 31, 2014 disposing SCN 177/2014/ST and 194/2012/ST stating that the confirmed demand on SCN 177 /2014/ST is ₹8,306,129 on Business auxiliary services for the period 2013-14 and interest under Section 75 of the Finance Act, 1994, the penalty is ₹100 per day or 1% of the tax due whichever is higher under Section 76 of the Finance Act, 1994 and ₹10,000 under Section 77 of the Finance Act, 1994. The case is considered together with SCN 194 as mentioned above in point no.5.
12. The Commissioner of Central Excise, Kochi has issued SCN No.26/2015 dated March 02, 2015 to MFL relating to service tax on money transfer income for the period 2013-14. MFL has filed writ petition No.11833/2015 before the High Court of Kerala challenging the above notice and filed reply to the Commissioner informing the same. The matter is pending before the High Court. As required by the Commissioner, MFL has filed detailed reply also to the SCN vide letter dated October 05, 2015. The Commissioner of Central Excise has issued an order No.85/2015 dated February 18, 2016, received by MFL on March 17, 2016. MFL has filed a writ petition with the High Court of Kerala which was admitted on April 07, 2016. The matter is currently pending before the court.
13. The Commissioner of Central Excise, Kochi has issued SCN No.374/2015/ST dated October 20, 2015 allegedly stating that the postage, telegram & telephone expenses debited in P&L A/c of MFL as the amount recovered from customers and by directing MFL to show cause as to why total amount of Rs.10,58,38,896 including service tax and secondary & higher education cess should not be demanded and recovered from MFL under proviso to section 73(1) of chapter V of Finance Act 1994. MFL has filed reply to the show cause notice, vide letter dated November 08, 2015. Jurisdiction transferred to Calicut and consolidated Order issued by Commissioner, Calicut by dropping all proceedings under SCN No.374/2015 and SCN No.21/2017 vide OIO No.COC-EXCUSS-000-COM-19 & 20 -18 -19 Dated 04.07.2018 Received on 17.07.2018. Commissioner, Kochi has filed Appeal before CESTAT Bangalore against the order, copy received on December 3, 2018. The matter is currently pending.

14. The Commissioner of Central Excise and Customs, Kochi has issued SCN No.173/2016/ST dated April 11, 2016 directing MFL to show cause as to why total amount of ₹6,182,037 including service tax and secondary & higher education cess should not be demanded and recovered from MFL under proviso to section 73(1) of chapter V of Finance Act 1994. MFL has filed reply to the show cause notice, on May 14, 2016. MFL has received an order No.13/2017 dated January 27, 2017 received on February 28, 2017. MFL has filed an appeal before the Commissioner (Appeals), Kochi on April 27, 2017. The matter is currently pending.
15. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.19/2017/ST dated April 12, 2017 directing MFL to show cause as to why a total amount of ₹6,61,62,172 and interest on delayed payment of service tax, education cess and secondary & higher education cess should not be demanded and recovered from MFL under proviso to section 73(1) of chapter V of Finance Act 1994 relating to CENVAT credit on expenses for the period from 2006-07 to 2010-11. MFL was also asked to show cause as to why penalty should not be imposed under Rule 15(1) of the CENVAT Credit Rules, 2004 and under section 78 of the Finance Act, 1994. MFL has filed reply to the show cause notice, on June 23, 2017. Commissioner, Calicut has issued Order No.COC-EXCUS-000-COM-21-18-19 Dated 05.07.2018 by confirming the show cause notice. Writ petition filed by MFL before High Court of Kerala admitted and interim stay granted by paying Pre-deposit of 7.5% of the demand. The matter is currently pending.
16. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.21/2017/ST dated April 12, 2017 directing MFL to show cause as to why a total amount of ₹9,86,45,920 and interest on delayed payment of service tax and secondary & higher education cess should not be demanded and recovered from MFL under proviso to section 73(1) of chapter V of Finance Act 1994 relating to postage and telephone expenses incurred by MFL during the period 2014-15 to 2015-16. MFL was also asked to show cause as to why penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994. MFL has filed reply to the show cause notice, on May 30, 2017. Jurisdiction transferred to Calicut and consolidated Order issued by Commissioner, Calicut by dropping all proceedings under SCN No.374/2015 and SCN No.21/2017 vide OIO No.COC-EXCUSS-000-COM-19 & 20 -18 -19 Dated 04.07.2018 Received on 17.07.2018. Commissioner, Kochi has filed Appeal before CESTAT Bangalore against the order, copy received on December 3, 2018. The matter is currently pending.
17. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.40/2017/ST dated August 08, 2016 directing MFL to show cause as to why a total amount of ₹3,57,95,903 including service tax and secondary and higher education cess should not be demanded and recovered from MFL under proviso to section 73(1) of chapter V of Finance Act 1994, relating to money transfer income other than from Paul Merchants for the period 2012-13 to 2014-15 along with interest and penalties. MFL has filed a reply to the show cause notice, on October 04, 2017. The matter is currently pending.

(c) Civil Proceedings Filed against MFL

1. Sunil Kumar, Anil Kumar and Ajit Kumar, the petitioners have filed a petition (R.C.O.P. No. 5 of 2012), before the Kollan Rent Controller cum District Munsiff under section 11(3) of the Kerala Buildings (Lease and Rent Control) Act, 1965. MFL had entered into a lease agreement with the petitioners to rent the property at room No. 1144/47, Ward 24, Kollam by lease agreement dated January 14, 2005 for a period of 10 years. The petitioners have instituted this petition for evicting MFL from the leased premises. The matter was posted for hearing on December 18, 2013 and the court had transferred the matter to the mediation centre for settlement and it was posted on April 08, 2014 for hearing. Since the mediation did not result in a settlement, the matter was sent back to the court and an order has been passed against MFL to evict the premises. MFL has filed an appeal against the order along with an interim application to stay the order of the lower court in RCOP NO.5/2012 until the disposal of the appeal, which has been admitted by the court and issued notice to the opposite party. We have obtained stay order from high court against the judgement of rent control appellate court Kollam. RCA.17/2015 filed before High Court along with an Interim Application for interim stay. Interim Application is allowed, and interim stay stands extended until further orders.
2. Selvin Jayakumar, the owner of the branch located at Munnar, Kerala had filed RCOP seeking eviction of MFL from his premises, recovery of amounts towards damages and for use and occupation. MFL vacated

the premises. Subsequently, MFL filed a suit for recovery of the rent advance and the landlord, i.e. Selvin Jayakumar set ex-party. The matter is currently pending.

3. V. Karthik, the plaintiff has filed a suit (O.S. No. 10 of 2011) before the District Court, Trichy, against G. Vijayakumar, S. Ganeshan, and 59 others, including MFL. The suit relates to the schedule property in which MFL is a tenant. The plaintiff has alleged that he is entitled to half of the schedule property and has sought a decree of partition against G. Vijayakumar and S. Ganeshan and a mandatory injunction against the other defendants directing them to pay rent to the plaintiff in respect of his share of the schedule property. This matter is currently pending. We have filed IA to set aside ex parte order and the same is allowed and the case is listed for evidence. The matter is currently pending
4. S. Kalavathi, the plaintiff, has filed a suit (O.S No. 377 of 2012) dated October 17, 2012, before the Court of the Subordinate Judge, Dindigul against Balammal, Sujatha and 11 others, including MFL. The suit relates to the schedule property in which MFL is a tenant. The plaintiff has alleged that she is entitled to one fifth of the schedule property and has sought a decree directing Balammal and Sujatha to partition the property, failing which a commissioner should be appointed to partition the schedule property. The plaintiff has also sought a decree directing the other defendants to deposit the rent amounts payable by them, in the court. The matter is listed for evidence.
5. Kamaljeet Singh Kumar, the plaintiff has filed a suit (no. 100 of 2008) dated April 23, 2009, before the Additional District Judge, Delhi against MFL, seeking the arrears of rent, mesne profits and costs for alleged damage caused to the property by MFL amounting to ₹911,773. The plaintiff is the owner of property that was leased to MFL. The plaintiff claims that the lease was terminated as MFL stopped making rent payments, but MFL is still in possession of the property and substantial damage has been caused to the property by the plaintiff. MFL in its reply, has contended that it terminated the tenancy vide a communication to the plaintiff dated May 01, 2007 and called upon the plaintiff to take possession of the property. It has stated that the property has been lying vacant and locked since May 31, 2007 as the plaintiff is refusing to take possession of the same. It has also stated that the rent amounts till May 31, 2007 have been paid in full and denied that any damage has been caused by MFL to the property. This matter has been posted for hearing on November 15, 2017. The suit no 100 of 2008 is decreed against us. We have filed appeal before the High Court i.e. RFA 838/2018 & RFA 839/2018 and the matter has been posted for further proceeding.
6. S. Devendran, the applicant, has filed an application (I.D 34 of 2013) against MFL before the Labour Court at Kollam on April 4, 2013. The applicant had been working as a Branch Manager at the Nellimoodu branch of MFL. He was been dismissed from the service for allegedly receiving counterfeit notes in respect of a certain loan repayment, without conducting an enquiry and framing specific charges. The applicant has filed this application for a declaration to the effect that his dismissal from service was irregular and illegal and for being reinstated in service with back wages, continuity in service and all other benefits. This matter is posted for orders and MFL is currently awaiting a copy of the order. The matter is currently pending. The Case no. I.D 34 of 2013 dismissed by labour court. Employee has filed W.P (38245/2018) before High Court of Kerala.
7. The Director, Financial Intelligence Unit, Department of Revenue, Government of India has issued an order bearing No. 1/DIR/FIU-IND/2013 dated February 14, 2013 imposing a fine of ₹2,69,70,000 under section 13 of the Prevention of Money Laundering Act, 2002 for failing to furnish cash transaction reports for 2,697 cash transactions between the period of April 01, 2006 and November 30, 2010. MFL responded to the Director, Financial Intelligence Unit stating that they had no intention to defy the law and deliberately act in its breach. MFL also raised certain legal grounds of challenge which were not upheld by the Director, Financial Intelligence Unit while passing the final order. Pursuant to this, MFL appealed the said order before the Hon'ble Appellate Tribunal, Prevention of Money Laundering Act at New Delhi in FPA-PMLA-457/DLI/2013 and MP-PMLA-1007/DLI/2014. The Tribunal by way of an order dated July 09, 2015 directed MFL to pay an amount of ₹2,44,70,000 within four weeks. MFL has however obtained a stay order from the Delhi High Court through an order dated August 7, 2015 after agreeing to deposit ₹50,00,000. The matter is currently pending.
8. K.V.D. Umamaheswara Rao filed a petition under Order XXI, Rule 58 and Section 47 of CPC against MFL and Kancharla Venkata Murali Krishna, before the Court of the Hon'ble II Additional District Judge at Guntur in O.S. No. 90 of 2011, seeking the setting aside of attachment orders passed by the District Judge, Guntur on April 19, 2013 against certain schedule property. The matter is currently pending.

(d) Criminal proceedings involving MFL

1. Vipin Bhola, the complainant in the present matter, has filed a criminal complaint (CC No: 106 of 2012), under sections 406, 467, 468 and 471 of the IPC against MFL and certain employees before the Judicial Magistrate, Gurgaon. The complainant has alleged that he was an agent of MFL and that he has deposited gold ornaments with MFL. The complainant has also alleged that MFL has refused to redeem the ornaments pledged with it against part re-payment of the amount of loan taken by the complainant. This matter has been dismissed. However, the complainant has filed a revision petition and the same is pending for preliminary hearing.
2. The Assistant Registrar, Co-operative Society, the complainant, had filed an FIR against MFL under section 5 and 28 of Karnataka Money Lenders Act, 1961 and sections 4 and 15 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. MFL has filed a petition (Criminal Petition No. 3981 of 2012) before the High Court of Karnataka, Bangalore to quash the FIR. The court vide order dated July 24, 2012 has granted an interim stay till the disposal of the matter. The matter was last posted on November 2, 2016 where MFL's advocate submitted an application for extension of the stay order. The application was allowed by the court and the stay order was extended till the final hearing of the case. Case is pending before High Court of Karnataka for final disposal.
3. MFL had filed a petition under section 451 and 547 of Criminal Procedure Code, 1973 seeking the return of gold ornaments seized by the police. MFL filed a civil case OS 716/2010 which was decreed in its favour. MFL filed an execution petition bearing E.P. No. 98 of 2016 in civil suit No. 716 of 2010. The civil suit had been filed by MFL against N. Mohandas seeking payment of a sum of ₹30,22,677 together with interest at the rate of 30% from the date of the suit till the date of repayment. On September 11, 2015 the court directed the respondent to pay a sum of ₹30,22,677 along with interest at the rate of 18%. The execution petition was filed seeking to transmit the decree and judgment to the District Munsiff Court at Sriperumbudur. T.E.P. No. 62/2018 is filed and transferred to Kanchipuram court for execution.
4. The enquiry officer / CSR, K.V. Chakravarti, issued a notice dated December 16, 2014 stating that he had been appointed to enquire into certain fraudulent activities pertaining to jewels pledged for loans in the K746 OK Chettipalayam Primary Agricultural Co-operative Credit Society, which were allegedly removed and re-pledged at the branches of MFL for availing loans. MFL filed a writ petition before the Hon'ble High Court of Madras seeking directions to stay the operations initiated through the issue of the notice dated December 16, 2014. Pursuant to an order passed in CMP No. 3129 of 2014 dated December 22, 2014, MFL handed over the jewels pledged with them. The gold is thereby seized by the registrar of Cooperative Society. Subsequently MFL lodged a complaint with the Coimbatore police seeking appropriate action to be taken against the President and the Secretary of the said society for misusing their official position and removing the jewels seized from MFL. MFL also filed CMP No. 2348 of 2015 seeking interim custody of the jewels. MFL sought that the court pass an order directing the respondents to produce the quantity and the details of the persons and members to whom they had handed over the jewels seized from MFL. The respondents filed a counterstatement claiming that they should not be required to disclose any details as MFL was not the owner of the said jewels. Regardless, they claimed that MFL had already received information regarding the jewels and the borrowers. It was also claimed that MFL had violated the KYC requirements prescribed by the RBI and required to be followed in relation to issuance of loans. The matter has been posted to February 02, 2018 for orders. MFL filed civil suits along with IA for ABJ against eight customers including President and Secretary of Co-operative Society and attached their properties. All eight civil cases are posted for framing of issues. MFL also filed a petition under section 200 of Criminal Procedure Code, 1973 to instruct Police to take cognizance against the President and Secretary of the Co-operative Society under section 420 of the IPC on Vicarious Liability. The court rejected the petition on default. MFL has filed a petition again and the same is pending for admission. Both CMP 2448/2017 under section 451 of Criminal Procedure Code, 1973 for the interim custody of the seized gold and the petition under section 200 of Criminal Procedure Code, 1973 are dismissed. Order copies awaited.

(e) Civil Proceedings Filed by MFL

1. MFL has filed a writ petition (W.P. no. 18932 of 2012) against the State of Karnataka and certain others before the High Court of Karnataka seeking a writ of mandamus declaring that MFL is exempted from the provisions of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 and that MFL is

governed solely by regulations framed by the RBI. MFL has also sought a direction from the High Court of Karnataka directing the respondents to not interfere in MFL's activities. Furthermore, the High Court of Karnataka has granted an interim stay against the order passed by the Government of Karnataka to exempt the privileges given to MFL in the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The writ petition is currently pending.

2. MFL has filed a special leave petition before the Supreme Court of India (SLP (Civil) No. 14386 of 2010) against the judgment of the High Court of Kerala in W.P (C) No. 7526 of 2006 wherein it was held that NBFCs such as MFL must comply with the provisions of the Kerala Money Lenders Act, 1958. MFL has contended that it is regulated by the provisions of the Reserve Bank of India Act, 1934 and action on the part of the Government of Kerala to levy license fee under the Kerala Money Lenders Act, 1958 on MFL amounts to dual control by the State Government and the Central Government on the same activities. MFL has sought an interim order from the Supreme Court of India to stay the judgment and final order passed by the High Court of Kerala. The Supreme Court of India accordingly directed that status quo be maintained. The matter is still pending for final adjudication.
3. MFL has filed a civil suit (O. S. No. 78 of 2006), before the Sub Court, Ernakulam against Cardamom Marketing Corporation, a partnership firm and 11 other persons who are partners of Cardamom Marketing Corporation, the defendants in the case. MFL has alleged that the defendants availed a loan of ₹17.50 million in the month of September 2005 agreeing to repay the loan with 24.00% interest per annum within 21 days from the date of disbursement. However, the defendants did not repay the loan as agreed. On November 2, 2005 and November 26, 2005 MFL sent registered notices demanding the repayment of loan with the interest. The defendants had issued a cheque of 18.5 million towards repayment of the loan amount which when presented for encashment by MFL was dishonoured on December 13, 2005. MFL issued a notice dated January 11, 2006 to the defendants intimating about the dishonour of cheque and demanding payment and the defendants denied any transactions between MFL and the defendants. Therefore, MFL has filed the suit for recovery of an amount of ₹19.05 million along with interest on ₹17.5 million at 24% per annum from the defendants and further seeking costs of the proceedings. Cardamom Marketing Corporation have approached the High Court of Kerala by way of review petition O.P (c) No.735/2015 to set aside the directions given by the Sub Court, Ernakulam to produce the tile deed as evidence. The review petition filed by Cardamom Marketing Corporation is pending before the High Court of Kerala for hearing.
4. MFL filed civil suit O.S.6758/2013 on September 16, 2013 against Paranjyothi and Pradeep Kumar seeking that the court direct Pradeep Kumar to pay MFL a total sum of ₹54,44,256 in respect of certain loan accounts along with future interest at the rate of 33% per annum from the date of the suit till the date of realization and that the court pass an order of attachment, attaching the suit scheduled property and order to sell the same in public auction to realise the suit claim. The suit was decreed in favour of MFL on August 10, 2015. The property of Nagarathamma was attached against her liability. The execution petition bearing No. E P 1007/2015 has been filed and admitted by the court. MFL has also filed a petition in EP No. 1007/2015 to conduct sale of the attached property of Nagarathamma. The matter is currently pending.
5. MFL filed a civil suit bearing OS No. 07/2012 against a former employee of MFL alleging misappropriation of funds stored at a certain branch of MFL. MFL sought a decree against both the defendants for recovery of ₹1,130,178. In this case the defendant filed an IA to allow them to amend their written statement. The IA was allowed by the court and the case was posted to February 15, 2018 for framing additional issues. In Criminal Case CC 1122/2013 A1 (Vishwanathan Nair) was arrested and has obtained bail. A2 (Wife of A1) has already obtained bail. The matter is currently pending.
6. MFL filed a cheating case bearing Cr. No 570/2014 against Dhanavan, post which the respondent obtained bail from the jurisdictional High Court. MFL thereafter filed a civil suit at the Mananthavady Sub Court in OS 21/2014 to attach Dhanavan's property, including the bank account maintained by him with Federal bank, Nedumbasserry Branch. In OS 21/2014 the issues were framed, the balance court fee was paid. The suit no OS 21/2014 is listed for evidence. Police has filed a charge sheet in Cr. No 570/2014. The matter is currently pending.
7. MFL has filed a civil suit bearing OS No.163/2013 before the Sub Court, Madhurai against G. Sundaresan seeking the defendant to pay a sum of ₹25,30,542. The case was decreed ex-parte. The defendant however fraudulently transferred his property to his wife. MFL subsequently filed an execution petition bearing EP 42/2016 before Sub Court Ramanathapuram. The matter is currently pending.

8. MFL filed a plaint before the Senior Civil Judge at Mangalore in OS 87/2013 against Sathish Shetty, C. Seetharam and Reshmalatha, seeking a decree against the defendants jointly and severally, to pay a sum of ₹2,966,822 to MFL and if the defendants failed to pay this amount within the time frame stipulated by the court, a decree permitting MFL to auction certain gold ornaments pledged with it in a public auction. MFL also filed a plaint before the same court in OS 88/2013 against Chethana S. Shetty, C. Seetharam and Reshmalatha, directing the defendants therein to jointly and severally pay MFL a sum of ₹17,780 and a sum of ₹4,508,608 in respect of a SPL loan account bearing number 6649, 6686, 6807, 6825, 6860 and 6861. MFL also sought a decree permitting it to auction certain gold ornaments pledged with it in a public auction if the amounts were not paid to it within the time frame prescribed. Separately, a charge sheet bearing reference number CC 480/12 was filed against the defendants. The criminal matter was posted for evidence. while the civil cases have been posted for May 16, 2018 for orders. The property and the bond deposit of the defendant has been attached conditionally. Both OS 87/2013 & OS 88/2013 are partly decreed on 16/02/2018. MFL has filed appeals to modify the decrees before High Court of Karnataka. Criminal Case i.e. CC480/2012, is currently pending.
9. MFL filed a civil case bearing No. OS 12/12 against P.S. Ratna Deep, a former branch manager of MFL working at the Jangareddygudem branch. The suit for recovery was filed by MFL seeking recovery of a sum of ₹36,12,354, which was the amount allegedly misappropriated by the defendant. The case was dismissed by the court. MFL has filed an appeal before the High Court of Judicature at Hyderabad and this was admitted by the High Court as AS 1110/2016. The appeal has been posted for hearing. Separately, the police filed a charge sheet bearing reference number CC 545/2016 and the court has issued summons to the accused to be present before it. The trial is presently underway in this matter. The petition filed by MFL under section 451 of the Criminal Procedure Code, 1973 and the same is allowed and the interim custody of the gold is granted by the trial court. Both CC 545/2016 & CC566/2016 are re numbered as CC 680/16 and CC 681/16. The matter is currently pending.
10. MFL has filed a civil suit before the Hon'ble Sub Court, Mavelikara in OS No. 14/2014 against George Mathew and Laila George seeking recovery of an amount of ₹31,27,000 with 18% interest from George Mathew and his assets and a declaration that a sale deed executed by the defendant be cancelled. MFL has also filed a criminal case against the defendants and an FIR has been registered and the matter is presently under investigation. A charge sheet has not yet been filed in this matter. The court has issued an injunction order restraining the respondents from alienating the property in dispute and encumbering the property till April 11, 2014. The evidence stage has commenced in the civil case and the first witness of MFL was examined on June 09, 2017. The court has appointed an Advocate Commissioner to record further evidence. OS No. 14/2014 dismissed by the court on September 10, 2018. MFL has filed appeal before the High Court of Judicature, Kerala at Ernakulam to set aside the order passed by Sub Court, Mavelikara in OS. No. 14/2014 and the matter is currently pending before the High Court of Judicature, Kerala at Ernakulam.
11. MFL filed CC 872/11 under section 138 of the Negotiable Instruments Act, 1881. This was dismissed by the court due to the demise of the accused. Separately, OS 90/2011 filed by MFL was decreed in its favour. MFL therefore filed an execution petition bearing EP No. 98/2015 and the case was posted to February 19, 2018. Further, the police have filed a charge sheet in the criminal case bearing Cr No 108/2011 as CC 191/16 and the case has been transferred to the 3rd MM Court and it is posted for appearance of the accused. Certain accused in CC 191/2016 have filed a petition before the jurisdictional High Court to quash the charges levelled against them. MFL has filed a counter against this petition before the High Court. EP No. 98/2015 and the matter is currently pending.

Notices received by MFL

1. MFL received a show cause notice bearing number P. 148/2016 dated December 07, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 (Rupees twenty crores) along with a penalty of INR 1,000 should not be collected from MFL in relation to the stamp duty paid for the debenture trust deed dated May 11, 2016, executed between MFL and IDBI Trusteeship Services Limited. MFL has responded to this show cause notice by way of a letter dated January 16, 2017 stating that the document could not be construed to be a power with consideration but merely a debenture trust deed. MFL argued that the debenture trust deed would therefore attract article 40(b) of the Indian Stamps Act and not article 48(e). MFL requested that the show cause notice be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017, the sub-registrar, Virugambakkam directed MFL to pay the deficit stamp

duty of INR 200,000,000 (Rupees twenty crore) along with a penalty of INR 1,000 (Rupees one thousand). MFL has filed a revision application before the Chief Controlling Revenue Authority – Cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

2. MFL received a show cause notice bearing number P. 19/2016 dated July 06, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 (Rupees twenty crores) along with a penalty of INR 1,000 should not be collected from MFL in relation to the stamp duty paid for the debenture trust deed dated January 20, 2016, executed between MFL and IDBI Trusteeship Services Limited. MFL responded to the show cause by way of a letter dated August 10, 2016, stating that the presumption of the sub-registrar that, the power of attorney under the debenture trust deed extended beyond a power of attorney to execute, sign and do any deeds to a power of attorney to sell with consideration was unfounded. MFL therefore sought that the show cause notice be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017 the sub-registrar, Virugambakkam directed MFL to pay the deficit stamp duty of ₹200,000,000 (Rupees twenty crores) along with a penalty of ₹1,000 (Rupees one thousand). MFL has filed a revision application before the Chief Controlling Revenue Authority – Cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

(f) Statutory and Regulatory Proceedings

Except as set forth above, there are no statutory and regulatory proceedings currently involving MFL.

(g) Legal action against our Promoter during the past five years

There are no litigation or legal action pending or taken by any ministry or government department or statutory authority against MFL during the last five years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

Litigations involving our Directors

(a) Material tax proceedings involving our Directors

1. The Deputy Commissioner of Income Tax, Thiruvalla has issued two assessment orders both dated December 30, 2010 to George Thomas Muthoot under sections 143(3) and 147 of the IT Act for the assessment years 2006-07 and 2007-08 demanding ₹5.60 million and ₹5.20 million, respectively. An appeal dated January 7, 2011 has been filed by George Thomas Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the abovementioned orders. The Commissioner of Income Tax (Appeals) has allowed the appeal in favour of George Thomas Muthoot pursuant to its order dated February 5, 2014 by deleting the tax demands. The Deputy Commissioner of Income Tax, Thiruvalla has filed appeals before the ITAT, Kochi bench against the abovementioned orders. ITAT Kochi has set aside the case to Assessment Officer by its order dated February 12, 2015. Fresh assessment was completed for A.Y 2006-07 by its order dated February 19, 2016 with a demand of ₹6.02 million. An appeal filed with CIT(A), Kottayam by George Thomas Muthoot is currently pending.
2. The Assistant Commissioner of Income Tax, Non-Corporate Circle-1(1) Kochi has issued an assessment order dated November 2, 2016 to Eapen Alexander under section 143(3) of the IT Act for the assessment year 2014-15 by demanding a total tax liability of ₹1.12 million in respect of certain disallowances on interest payment and agricultural income. Eapen Alexander has preferred an appeal before CIT(A)-Kochi against the assessment order passed by the Assistant Commissioner of Income Tax, Non-Corporate Circle-1(1) Kochi.

(b) Criminal Cases against our Director

1. A first information report was filed on August 07, 2012 by Yarrabothula Srinivasa Reddy in Guntur, Andhra Pradesh against George Alexander Muthoot, branch manager, regional manager of MFL claiming that he was cheated and requesting for full investigation of the matter along with retrieval of gold jewellery deposited with MFL. The complainant claims that he had availed from MFL three loans secured against

gold jewellery deposited with MFL, to the tune of ₹0.21 million, at an agreed interest rate of 15%. The complainant claims that he had deposited gold ornaments weighing about 290.70 grams in 2007 while availing the loan. The complainant further claims that he received two demand notices on May 23, 2008 and July 31, 2008 from MFL for ₹0.30 million and ₹0.32 million, however when he approached the bank manager to settle the loan his request was allegedly denied. The complainant also claims that he later received three auction notices stating the amount due to him was ₹0.43 million which was more than the principal amount. The complainant requested MFL to not proceed with any such auction and to settle his account and claims that his requests were refused. The complainant alleges that in 2010 when he contacted the branch manager, he was informed that the amount due to MFL was only ₹0.29 million. A first information report bearing no. 355/2012 has been registered with the Station House Officer, Guntur, alleging violation of Section 420 of the Indian Penal Code, 1860 against George Alexander Muthoot, branch manager and regional manager of MFL. MFL has filed Criminal OP No. 8535/2012, before the High Court of Andhra Pradesh, seeking that the proceedings in crime no. 355/2012 be quashed. The High Court of Andhra Pradesh vide an order dated November 13, 2012, has issued notice to the complainant, by directing them to state the reason to quash the crime 355/2012 and has also granted an interim stay on all further proceedings in crime no. 355/2012 for six weeks. CrI (OP) 8535/2012 is still pending for adjudication.

Litigation Involving our Group Companies

There are no litigation proceedings involving any of our Group Companies which may have a material adverse effect on the position of our Company.

Inspections and Inquiries

There are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last five years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last five years immediately preceding the year of this Prospectus

Details of acts of material frauds committed against our Company in the last five years and up to six months ended September 30, 2018, if any, and the action taken by our Company in response

There have been no instances of material frauds committed against our Company in the last five years and up to six months ended September 30, 2018.

Reservations and Summaries

There are no reservations, qualifications, or adverse remarks of the statutory auditors against our Company in the last five Fiscals immediately preceding the year of issue of this Prospectus and up to six months ended September 30, 2018.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on December 21, 2018, the Directors approved the issue of NCDs to the public, up to an amount not exceeding ₹8,000 million. Further, the present borrowing is within the borrowing limits of ₹32,500 million under Section 180(1)(c) of the Companies Act duly approved by the shareholders at the EGM held on January 30, 2018.

Prohibition by SEBI

Our Company, persons in control of our Company, our Directors 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.

Categorisation as a Wilful Defaulter

Our Company, our Directors 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 nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

Declaration as a Fugitive Economic Offender

Neither our Directors nor our Promoter has been declared as a Fugitive Economic Offender.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS PROSPECTUS 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 THIS PROSPECTUS. THE LEAD MERCHANT BANKER EDELWEISS FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, EDELWEISS FINANCIAL SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 26, 2019, 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 SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS 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 PROSPECTUS 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 THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL**

BE GIVEN.

3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

WE CONFIRM THAT NO COMMENTS OR COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS DATED MARCH 14, 2019 FILED WITH BSE LIMITED, BSE LIMITED BEING THE DESIGNATED STOCK EXCHANGE TO THE ISSUE.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED MARCH 22, 2019, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

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

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

Disclaimer Clause of the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED 05.01.12.14. ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE 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 LIABILITIES BY THE COMPANY.

Disclaimer Clause of ICRA

All information contained in the Report has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA shall not be

liable for any losses incurred by users from any use of the Report or its contents. Also, ICRA may provide credit rating and other permissible services to the company at arms-length basis.

Disclaimer Clause of CRISIL

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

Disclaimer statement from the Issuer

The Issuer accepts no responsibility for statements made other than in this Prospectus issued by our Company in connection with the Issue of the NCDs and anyone placing reliance on any other source of information would be doing so at his / her own risk.

Track record of past public issues handled by the Lead 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 websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. Pursuant to its letter no. DCS/BM/PI-BOND/32/18-19 dated March 22, 2019, the Company received an 'in-principle' approval from BSE. For details in relation to BSE's disclaimer please see "***Other Regulatory and Statutory Disclosures – Disclaimer clause of BSE***" on page 158. 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 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 BSE are taken within six Working Days from the date of closure of the Issue.

Our Company is in the process of entering into a simplified listing agreement with BSE.

Consents

Consents in writing of: (a) our Directors; (b) our Company Secretary and Compliance Officer; (c) Lead Manager; (d) the Registrar to the Issue, (e) Statutory Auditors; (f) Legal Advisor to the Issue, (g) credit rating agency, (h) the Debenture Trustee, (i) Chief Financial Officer, (j) Bankers to the Company, (k) Public Issue Account Bank and Refund Banks, (l) Lead Brokers and (m) ICRA for the Industry report titled "***Indian Mortgage Finance Market Update for H1 FY 2019***", to act in their respective capacities, have been obtained and the same has been filed along

with a copy of this Prospectus with the RoC as required under Section 26 of the Companies Act.

The consent of the Statutory Auditors namely Rangamani and Co., Chartered Accountants for (a) inclusion of their name as the Statutory Auditors; (b) examination reports on Reformatted Financial Statements and the Special Purpose Interim Financial Statements in the form and context in which they appear in this Prospectus; (c) the Special Purpose Interim Financial Statements in the form and context in which it appears in this Prospectus; and (d) Reformatted Financial Statements in the form and context in which it appears in this Prospectus; and (d) statement of tax benefits dated March 8, 2019 in the form and context in which it appears in this Prospectus, have been obtained and have not been withdrawn.

Expert Opinion

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

The consent of the Statutory Auditors namely Rangamani and Co., Chartered Accountants for (a) inclusion of their name as the Statutory Auditors; (b) examination reports on Reformatted Financial Statements and the Special Purpose Interim Financial Statements in the form and context in which they appear in this Prospectus; (c) the Special Purpose Interim Financial Statements in the form and context in which it appears in this Prospectus; and (d) statement of tax benefits dated March 8, 2019 in the form and context in which it appears in this Prospectus, have been obtained and have not been withdrawn.

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 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 provisions of the Companies Act and the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue (i.e. ₹1,125.00 million). If our Company does not receive the minimum subscription of 75% of the Base Issue (i.e. ₹1,125.00 million), within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 days from the date of closure of the Issue wherein, the subscription amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 days from the date of closure of the Issue, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 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 including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of the Draft Prospectus and this Prospectus

The Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 6 of the SEBI Debt Regulations. The Draft Prospectus has been displayed on the website of the Stock Exchange.

Furthermore, this Prospectus has been filed with the RoC, under the Companies Act and the rules framed thereunder. In addition, this Prospectus shall be displayed on the website of the Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulations.

Debenture Redemption Reserve (“DRR”)

Section 71(4) of the Companies Act states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016 (“**Companies Share Capital Rules**”) further states that ‘the adequacy’ of DRR for HFCs registered with the NHB shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations.

Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, Rule 18(7)(e) of the Companies Share Capital Rules direct that the amounts credited to DRR cannot be utilised by a company issued debentures except for the redemption of such debentures. The Companies Share Capital Rules also mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. As per the Companies Share Capital Rules, the abovementioned amount deposited or invested, must not be utilised for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on 31st day of March of that year according to applicable law.

Issue Related Expenses

For details of Issue related expenses, please see “*Objects of the Issue*” on page 50.

Reservation

No portion of this Issue has been reserved.

Underwriting

The Issue has not been underwritten.

Public / Rights Issues

Our Company has not made any public issue of Equity Shares or debentures in the last five years.

Except as disclosed below, our Company has not made any rights issues:

1. Our Company undertook a rights issue of Equity Shares in Fiscal 2017, the particulars of which have been set forth below:

Date of opening	August 30, 2016
Scheduled closing date	September 14, 2016
Actual date of closing	September 5, 2016
Total issue size	25,000,000 Equity Shares
Date of allotment	September 5, 2016
Objects of the issue (as per the prospectus)	For the purpose of onward lending
Net utilization of issue proceeds	100%

2. Our Company undertook a rights issue of Equity Shares in Fiscal 2018, the particulars of which have been set forth below:

Date of opening	August 24, 2017
Scheduled closing date	September 23, 2017
Actual date of closing	August 28, 2017
Total issue size	22,727,272 Equity Shares

Date of allotment	August 28, 2017
Objects of the issue (as per the prospectus)	For the purpose of onward lending
Net utilization of issue proceeds	100%

3. Our Company undertook a rights issue of Equity Shares in Fiscal 2019, the particulars of which have been set forth below:

Date of opening	September 24, 2018
Scheduled closing date	October 23, 2018
Actual date of closing	September 25, 2018
Total issue size	7,142,857 Equity Shares
Date of allotment	September 25, 2018
Objects of the issue (as per the prospectus)	For the purpose of onward lending
Net utilization of issue proceeds	100%

4. Our Company undertook a rights issue of Equity Shares in Fiscal 2019, the particulars of which have been set forth below:

Date of opening	September 28, 2018
Scheduled closing date	October 27, 2018
Actual date of closing	September 28, 2018
Total issue size	14,285,714 Equity Shares
Date of allotment	September 28, 2018
Objects of the issue (as per the prospectus)	For the purpose of onward lending
Net utilization of issue proceeds	100%

Capital Issues by the Promoter

Except as mentioned below, MFL has not made any capital issues in the last three years immediately preceding the date of this Prospectus.

- On May 03, 2011, MFL issued and allotted 51,500,000 equity shares at a price of ₹175 per such equity share, amounting to an aggregate of ₹9,012.50 million pursuant to an initial public offer under the SEBI ICDR Regulations which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the equity shares to investors pursuant to the initial public offer was completed on May 04, 2011.
- On April 29, 2014, MFL issued and allotted 25,351,062 equity shares at a price of ₹165 per equity share, amounting to an aggregate of ₹4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the equity shares to investors pursuant to the institutional placement programme was completed on April 29, 2014.

Public/ Rights Issues by MFL

- On September 14, 2011, MFL issued and allotted 6.93 million secured, redeemable non-convertible debentures (“**PL- I NCDs**”) at a price of ₹1,000 per PL- I NCD, amounting to an aggregate of ₹6,932.81 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 23, 2011 and closed on September 05, 2011. The electronic credit of the PL-I NCDs to investors pursuant to this public offer was completed on September 16, 2011.
- On January 18, 2012, MFL issued and allotted 4.59 million secured, redeemable non-convertible debentures (“**PL- II NCDs**”) at a price of ₹1,000 per PL- II NCD, amounting to an aggregate of ₹4,593.20 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 22, 2011 and closed on January 07, 2012. The electronic credit of the PL-II NCDs to investors pursuant to this public offer was completed on January 19, 2012.
- On April 18, 2012, MFL issued and allotted 2.60 million secured, redeemable non-convertible debentures (“**PL- III NCDs**”) at a price of ₹1,000 per PL- III NCD, amounting to an aggregate of ₹2,597.52 million pursuant to a public

offer under the SEBI Debt Regulations which opened on March 02, 2012 and closed on April 09, 2012. The electronic credit of the PL-III NCDs to investors pursuant to this public offer was completed on April 19, 2012.

4. On November 01, 2012, MFL issued and allotted 2.75 million secured, redeemable non-convertible debentures (“**PL-IV NCDs**”) at a price of ₹1,000 per PL- IV NCD, amounting to an aggregate of ₹2,749.40 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 17, 2012 and closed on October 22, 2012. The electronic credit of the PL-IV NCDs to investors pursuant to this public offer was completed on November 02, 2012.
5. On September 25, 2013, MFL issued and allotted 2.79 million secured, redeemable non-convertible debentures and 0.21 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- V NCDs**”) at a price of ₹1,000 per PL- V NCD, amounting to an aggregate of ₹3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 02, 2013 and closed on September 16, 2013. The electronic credit of the PL-V NCDs to investors pursuant to this public offer was completed on September 26, 2013.
6. On December 04, 2013, MFL issued and allotted 2.77 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VI NCDs**”) at a price of ₹1,000 per PL- VI NCD, amounting to an aggregate of ₹3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 18, 2013 and closed on November 25, 2013. The electronic credit of the PL-VI NCDs to investors pursuant to this public offer was completed on December 05, 2013.
7. On February 04, 2014, MFL issued and allotted 4.56 million secured, redeemable non-convertible debentures and 0.44 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VII NCDs**”) at a price of ₹1,000 per PL- VII NCD, amounting to an aggregate of ₹5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 27, 2013 and closed on January 27, 2014. The electronic credit of the PL-VII NCDs to investors pursuant to this public offer was completed on February 05, 2014.
8. On April 02, 2014, MFL issued and allotted 1.79 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VIII NCDs**”) at a price of ₹1,000 per PL- VIII NCD, amounting to an aggregate of ₹1,979.28 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 10, 2014 and closed on March 21, 2014. The electronic credit of the PL-VIII NCDs to investors pursuant to this public offer was completed on April 03, 2014.
9. On July 04, 2014, MFL issued and allotted 4.29 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-IX NCDs**”) at a price of ₹1,000 per PL-IX NCD, amounting to an aggregate of ₹4,661.94 million pursuant to a public offer under the SEBI Debt Regulations which opened on May 26, 2014 and closed on June 26, 2014. The electronic credit of the PL-IX NCDs to investors pursuant to this public offer was completed on July 07, 2014.
10. On September 26, 2014, MFL issued and allotted 3.67 million secured, redeemable non-convertible debentures and 0.30 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-X NCDs**”) at a price of ₹1,000 per PL-X NCD, amounting to an aggregate of ₹3,977.82 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 18, 2014 and closed on September 18, 2014. The electronic credit of the PL-X NCDs to investors pursuant to this public offer was completed on September 30, 2014.
11. On December 29, 2014, MFL issued and allotted 3.61 million secured, redeemable non-convertible debentures and 0.39 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XI NCDs**”) at a price of ₹1,000 per PL-XI NCD, amounting to an aggregate of ₹4,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 19, 2014 and closed on December 18, 2014. The electronic credit of the PL-XI NCDs to investors pursuant to this public offer was completed on December 31, 2014.
12. On April 23, 2015, MFL issued and allotted 2.71 million secured, redeemable non-convertible debentures and 0.29 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XII NCDs**”) at a price of ₹1,000 per PL-XII NCD, amounting to an aggregate of ₹3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 25, 2015 and closed on April 15, 2015. The electronic credit of the PL-XII NCDs to investors pursuant to this public offer was completed on April 27, 2015.

13. On October 14, 2015, MFL issued and allotted 4.64 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XIII NCDs**”) at a price of ₹1,000 per PL-XIII NCD, amounting to an aggregate of ₹5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 07, 2015 and closed on October 05, 2015. The electronic credit of the PL-XIII NCDs to investors pursuant to this public offer was completed on October 15, 2015.
14. On January 20, 2016, MFL issued and allotted 4.15 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XIV NCDs**”) at a price of ₹1,000 per PL-XIV NCD, amounting to an aggregate of ₹4385.24 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 07, 2015 and closed on January 11, 2016. The electronic credit of the PL-XIV NCDs to investors pursuant to this public offer was completed on January 22, 2016.
15. On May 12, 2016, MFL issued and allotted 4.76 million secured, redeemable non-convertible debentures and 0.24 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XV NCDs**”) at a price of ₹1,000 per PL-XV NCD, amounting to an aggregate of ₹5000 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 04, 2016 and closed on May 03, 2016. The electronic credit of the PL-XV NCDs to investors pursuant to this public offer was completed on May 13, 2016.
16. On January 30, 2017, MFL issued and allotted 13 million secured, redeemable non-convertible debentures and 0.31 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XVI NCDs**”) at a price of ₹1,000 per PL-XVI NCD, amounting to an aggregate of ₹13,317.76 million pursuant to a public offer under the SEBI Debt Regulations which opened on January 17, 2017 and closed on January 18, 2017. The electronic credit of the PL-XVI NCDs to investors pursuant to this public offer was completed on January 31, 2017.
17. On April 24, 2017, MFL issued 19.50 million secured, redeemable non-convertible debentures and 0.50 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt and allotted 19.50 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XVII NCDs**”) at a price of ₹1,000 per PL-XVII NCD, amounting to an aggregate of ₹19,687.17 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 11, 2017 and closed on April 12, 2017. The electronic credit of the PL-XVII NCDs to investors pursuant to this public offer was completed on April 25, 2017.
18. On April 19, 2018, MFL issued and allotted 30 million secured, redeemable non-convertible debentures (“**PL-XVIII NCDs**”) at a price of ₹1,000 per PL-XVIII NCD, amounting to an aggregate of ₹30,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 09, 2018 and closed on April 10, 2018. The electronic credit of the PL-XVIII NCDs to investors pursuant to this public offer was completed on April 20, 2018.
19. On March 20, 2019, MFL issued and allotted 70.94 million secured, redeemable non-convertible debentures (“**PL-XIX NCDs**”) at a price of ₹1,000 per PL-XIX NCD, amounting to an aggregate of ₹7,094.568 million pursuant to a public offer under the SEBI Debt Regulations which opened on February 14, 2019 and closed on March 14, 2019. The electronic credit of the PL-XIX NCDs to investors pursuant to this public offer was completed on March 20, 2019.

Furthermore, our Group Companies have not undertaken any public issuance of debentures, as on the date of this Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, Maharashtra, India.

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

As on December 31, 2018 our Company has not issued any debentures and redeemable preference shares. For further

details, please refer to the chapter titled “*Financial Indebtedness*” and “*Capital Structure*” on page 132 and 45, respectively.

Dividend

The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital expenditure, working capital and financial requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscals 2018, 2017, 2016, 2015 and 2014, and for the six-month period ended September 30, 2018:

Particulars	Six-month period ended September 31, 2018*	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Face value per Equity Share (In ₹)	10	10	10	10	10	10
Interim dividend on Equity Shares	NIL	NIL	NIL	NIL	NIL	NIL
Final dividend on Equity Shares	NIL	NIL	NIL	NIL	NIL	NIL
Total dividend on Equity Shares	NIL	NIL	NIL	NIL	NIL	NIL
Rate (In %)	NIL	NIL	NIL	NIL	NIL	NIL
Dividend Distribution Tax	NIL	NIL	NIL	NIL	NIL	NIL

*Our Company has not declared any dividend including interim dividend during the period extending from October 1, 2018 until the date of this Prospectus.

Revaluation of assets

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

Mechanism for redressal of investor grievances

The Registrar Agreement dated March 12, 2019 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 seven years from the last date of despatch 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 in a timely manner.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and the Compliance Officer to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the details of Members of the Syndicate 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 Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

The Registrar shall endeavour to redress complaints of the investors within three days of receipt of the complaint during the currency of this agreement 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 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 shall also be provided to our Company as and when required by our Company. In case of non-routine complaints and complaints where external agencies are involved, the Registrar shall seek to redress these complaints as expeditiously as possible.

The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
 LBS Marg, Vikhroli (West)
 Mumbai – 400 083
 Maharashtra, India
 Fax: +91 22 4918 6195
 Email: mhfil.ncd@linkintime.co.in
 Investor Grievance mail: mhfil.ncd@linkintime.co.in
 Contract person: Shanti Gopalkrishnan
 Website: www.linkintime.co.in
 SEBI Registration Number: INR000004058

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

Jinu Mathen

Putherikkal Building
 2nd Floor, Market Road
 Kochi - 682 035
 Kerala, India
Tel: +91 484 669 0518
Email: ncd@muthoothomefin.com

Change in Auditors of our Company during the last five years

There have been no changes in the Statutory Auditors of our Company in the last five Fiscals preceding the date of this Prospectus.

The Statutory Auditors of our Company were first appointed on January 3, 2013.

Details regarding lending out of Issue proceeds and loans advanced by the Company**A. Lending Policy**

For details of the Lending Policy, please see “*Our Business*” on page 77.

B. Loans given by the Company

Total loans given by the Company as on September 30, 2018 is ₹17,509.86 million.

C. Types of loans

1. This being the Company’s maiden public issue of NCDs, the Company has not provided any loans / advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous issues.
2. Types of loan given by the Company as on March 31, 2018 are as follows:

S. No.	Type of loans	Amount (₹in million)	Percentage (in %)
1	Secured	14,647.81	100%
2	Unsecured	-	-
	Total assets under management (AUM)	14,647.81	100%

3. Sectoral Exposure

S. No.	Segment-wise Break-up of AUM	Percentage of AUM
1	Retail	
a	Mortgages (home loans and loans against property)	13,798.37

S. No.	Segment-wise Break-up of AUM	Percentage of AUM
b	Gold loans	NIL
c	Vehicle finance	NIL
d	MFI	NIL
e	M&SME	NIL
f	Capital market funding (loan against shares, margin funding)	NIL
g	Others	849.44
2	Wholesale	
a	Infrastructure	NIL
b	Real estate(including builder loans)	NIL
c	Promoter funding	NIL
d	Any other sector (as applicable)	NIL
e	Others	NIL
	Total	14,647.81

4. Denomination of loans outstanding by ticket size* as on March 31, 2018

S. No.	Ticket size**	Percentage of AUM
1.	Up to ₹0.2 million	0.10%
2.	₹0.2-0.5 million	3.42%
3.	₹0.5-0.7 million	11.56%
4.	₹0.7-1 million	24.81%
5.	₹1-1.5 million	31.06%
6.	₹1.5-2.0 million	16.59%
7.	>₹2.0 million	12.47%
	Total	100.00%

* The ticket size is calculated on the borrower level rather than on a loan account level.

5. Denomination of loans outstanding by LTV* as on March 31, 2018

S. No	LTV	Percentage of AUM
1.	Up to 60%	33.04%
2.	60-70%	13.00%
3.	70-80%	28.41%
4.	80-85%	13.48%
5.	85-90%	11.24%
6.	>90%	0.83%
	Total	100.00%

* LTV at the time of origination.

6. Geographical classification of borrowers as on March 31, 2018

Sr. No.	Top five states	Percentage of AUM
1.	Maharashtra	47.42%
2.	Gujarat	29.90%
3.	Rajasthan	14.23%
4.	Madhya Pradesh	4.01%
5.	Andhra Pradesh	0.36%
	Total	95.92%

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2018

	Amount
Total Advances to twenty largest borrowers (₹in million)*	69.64
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	0.48%

*Includes loans and advances and interest accrued thereon.

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018

	Amount
Total Exposures to twenty largest borrowers/Customers (₹in million)*	69.64
Percentage of Exposures to twenty largest borrowers/Customers to Total Exposure on borrowers/Customers (in %)	0.48%

*Includes loans and advances and interest accrued thereon, investment in mutual funds and off-balance sheet exposure.

F. Details of loans overdue and classified as non – performing in accordance with the NHB guidelines

Movement of gross NPAs*	Amount (₹in million)
(a) Opening balance	NIL
(b) Additions during the year	62.12
(c) Reductions during the year	NIL
(d) closing balance	62.12

Movement of provisions for Net NPAs	Amount (₹in million)
(a) Opening balance	NIL
(c) Provisions made during the year	52.80
(d) Write-off / write -back of excess provisions	NIL
(e) closing balance	52.80

G. Segment-wise gross NPA on loan book as on March 31, 2018

Sr. No.	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Retail	
a	Mortgages (home loans and loans against property)	0.42%
b	Gold loans	NIL
c	Vehicle finance	NIL
d	MFI	NIL
e	M&SME	NIL
f	Capital market funding (loan against shares, margin funding)	NIL
g	Others	NIL
2	Wholesale	
a	Infrastructure	NIL
b	Real estate(including builder loans)	NIL
c	Promoter funding	NIL
d	Any other sector (as applicable)	NIL
e	Others	NIL
	Total	0.42%

H. Promoter Shareholding

Please see, "*Capital Structure*" beginning on page 45 for details with respect to Promoter shareholding in our Company as of this Prospectus.

I. Residual maturity profile of assets and liabilities as on March 31, 2018

(₹in million)

	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances*	69.77	263.91	531.55	580.83	640.08	740.06	810.29	11,002.01	14,638.49
Investments	850.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Borrowings	24.68	761.73	560.01	251.54	467.94	5,315.88	2,356.12	1,377.54	11,115.44

Foreign currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

* *Net off NPA provisions*

Material Agreements

Other than as stated in “*History and Other Corporate Matters*”, our Company has not entered into any material agreements other than in the ordinary course of its business.

Auditor’s Remarks

There are no reservations or qualifications or adverse remarks in the financial statements of our company in the last five financial years immediately preceding this Prospectus.

SECTION VII- ISSUE RELATED INFORMATION

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 the chapter titled “*Terms of the Issue*” on page 175.

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

Issuer	Muthoot Homefin (India) Limited
Type of instrument/ Name of the security/ Seniority	Secured, Redeemable, Non-Convertible Debentures
Nature of the instrument	Secured, Redeemable, Non-Convertible Debentures
Seniority	The claims of the Debenture Holders holding NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The NCDs would constitute secured obligations of our Company and shall have first ranking <i>pari passu</i> with the existing secured creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company
Mode of the issue	Public issue
Lead Manager	Edelweiss Financial Services Limited
Debenture Trustee	Milestone Trusteeship Services Private Limited
Depositories	NSDL and CDSL
Registrar	Link Intime India Private Limited
Base Issue Size	₹1,500 million
Option to retain Oversubscription Amount	₹1,500 million
Issue Size	₹3,000 million
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹1,000 each, for an amount up to ₹1,500 million with an option to retain over-subscription up to ₹1,500 million for issuance of additional NCDs aggregating up to ₹3,000 million. The issue is being made pursuant to the provisions of SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified
Eligible investors	Please refer to the chapter titled “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 191
Objects of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 50
Details of utilization of the proceeds	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 50
Interest rate for each category of investors	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Security	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive and/or <i>pari passu</i> charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 110% asset cover for the NCDs (along with the interest due thereon)
Step up/ Step down interest rates	Not applicable
Interest type	Fixed
Interest reset process	Not applicable
Issuance mode of the instrument	Demat* only
Frequency of interest payment	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Interest payment date	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Day count basis	Actual
Interest on application money	As all Applications are being made under ASBA where Application Amount is blocked in the ASBA Account, no interest shall be payable on Application Amount in this Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds in case of failure of the Issue or non-receipt of listing and trading approval, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal

	amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Redemption Date	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Redemption Amount	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Redemption premium/ discount	Please see the chapter titled “ <i>Terms of the Issue</i> ” on page 175 of this Prospectus
Face value	₹1,000 per NCD
Issue Price	₹1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	Not applicable
Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time	Not applicable
Call notification time	Not applicable
Minimum Application size and in multiples of NCD thereafter	₹10,000 (10 NCDs) and in multiple of ₹1,000 (1 NCD) thereafter
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated “CRISIL AA/Stable” by CRISIL for an amount of up to ₹3,000.00 million pursuant to their letter dated March 1, 2019 and revalidated by their letter dated March 20, 2019. The rating of AA/Stable indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by CRISIL and should be evaluated independently of any other ratings. Please refer to Annexure A of this Prospectus for rating letters and rationale for the above ratings.
Listing	The NCDs are proposed to be listed on BSE. BSE shall be the Designated Stock Exchange to the Issue. The NCDs shall be listed within six Working Days from the date of Issue Closure.
Modes of payment	Please refer to the chapter titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 204
Issuance and Trading mode of the instrument	In dematerialised form only
Settlement mode of instrument	In dematerialised form only
Issue opening date	Monday April 8, 2019
Issue closing date**	Tuesday May 7, 2019 <i>**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 Finance 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 a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.</i>
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by BSE, as the case may be. In case the Record Date falls on a day when BSE is having a trading holiday, the immediate subsequent trading will be deemed as the Record Date.
Issue documents	The Draft Prospectus and this Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed, and other security documents, if applicable, and various other documents/agreements/

	undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Public Issue Account Agreement, Lead Brokers Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. For further details, please refer to “ Material Contracts and Documents for Inspection ” on page 255
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement
Events of default / cross default	Please refer to the chapter titled “ Terms of the Issue – Events of Default ” on page 176
Deemed date of Allotment	The date on which the Board of Directors or the Finance Committee of the Board of Directors of the Company approve the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors or the Finance Committee of the Board of Directors of the Company to the 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 shall be available to the Debenture holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled “ Terms of the Issue – Trustees for the NCD Holders ” on page 176
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Kochi, India, respectively
Working day convention	<p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai and or Kochi.</p>

**In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. 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 rematerialize the NCDs. However, any trading in NCDs shall be compulsorily in dematerialized form only.*

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

SPECIFIC TERMS FOR EACH SERIES OF NCDs

We are offering NCDs which shall have a fixed rate of interest. The NCDs will be issued at a face value of ₹1000 per NCD. Interest on the NCDs shall be payable in the manner, as set out hereinafter. The terms of the NCDs offered pursuant to this Prospectus are as follows:

Series	I	II	III	IV	V	VI	VII	VIII	IX	X
Frequency of Interest Payment	Monthl y*	Monthl y*	Monthl y*	Annual ly**	Annual ly**	Annual ly**	NA	NA	NA	NA
Who Can Apply	All Categories of Investors(Categories I,II,III & IV)									
Minimum Application	₹10,000(10 NCDs)									
Face Value Issue Price (₹ /NCD)	₹1,000									
In Multiples of (₹)	₹1000 (1 NCD)									
Tenor from Deemed Date of Allotment	24 months	38 months	60 months	24 months	38 months	60 months	24 months	38 months	60 months	90 months

Coupon rate (% per annum)	9.25%	9.50%	9.75%	9.50%	9.75%	10.00%	NA	NA	NA	NA
Effective Yield (per annum)****	9.25%	9.50%	9.75%	9.50%	9.75%	10.00%	9.25%	9.50%	9.75%	9.67%
Mode of Interest Payment	Through various options available									
Amount (₹/ NCD) on Maturity***	₹ 1,000.0 0	₹ 1,000.0 0	₹ 1,000.0 0	₹ 1,000.0 0	₹ 1,000.0 0	₹ 1,000.0 0	₹ 1,193.5 6	₹ 1,333.7 2	₹ 1,592.2 9	₹ 2,000.0 0
Maturity Date (from Deemed Date of Allotment)	24 months	38 months	60 months	24 months	38 months	60 months	24 months	38 months	60 months	90 months
Nature of indebtedness	Secured redeemable non-convertible									

* With respect to Options where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

** With respect to Options where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Options will be made at the time of redemption of the NCDs.

*** Subject to applicable tax deducted at source, if any

**** Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

***** On Options I, II and III, monthly interest payment is not assumed to be reinvested for the purpose of calculation of Effective Yield (per annum).

Our Company would allot the Option IV NCDs, as specified in this Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCDs.

Terms of payment

The entire face value per NCDs is payable on application. The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the Terms of the Issue.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

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 dematerialized 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.

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 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.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, please refer to the chapter titled “*Issue Procedure*” on page 190.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on December 21, 2018, the Directors approved the issue of NCDs to the public, up to an amount not exceeding ₹8,000 million. Further, the present borrowing is within the borrowing limits of ₹32,500 million under Section 180(1)(c) of the Companies Act duly approved by the shareholders at the EGM held on January 30, 2018.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, GoI, BSE, RBI, NHB or other statutory and 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 would constitute secured obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under this Issue shall rank *pari passu* in reference to the lenders who have extended financial assistance to our Company.

Debenture Redemption Reserve

Section 71 of the Companies Act, read with Rule 18 of Companies (Share Capital and Debenture) Rules, 2014, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of our Company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued through the public issue in accordance with the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through this Issue. In addition, as per Rule 18 (7) (e) of Companies (Share Capital and Debenture) Rules, 2014, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next financial year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Debenture Trust Deed

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

Under the terms of the Debenture Trust Deed, our Company will covenant with Debenture Trustee that it will pay the NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rates specified in this Prospectus and Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the Security or replace with another assets of the same or higher value. However, in case of Debenture Trust Deed, our Company reserves the right to create *pari passu* charge on the movable and / or immovable property without seeking NOC from each NCDs Holders and the Debenture Trustee is empowered to issue NOC to create *pari passu* charge on the movable and / or immovable property for future issuances.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

We have appointed Milestone Trusteeship Services Private Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the SEBI Debt Regulations and Section 71 (5) of the Companies Act and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

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

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 and the rules prescribed thereunder and the SEBI Listing 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, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the 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. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD holders. In terms of Section 136 (1) of the Companies Act, 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 the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the NHB, 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 Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the NHB, 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 dematerialized Form. In terms of Section 88(3) of the Companies Act, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialized 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 of the NCDs issued pursuant to this Issue) ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act 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.
7. Subject to compliance with RBI and/or NHB requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days' prior notice for such roll over and in accordance with the SEBI Debt 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 this Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

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, 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, 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.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. For all NCDs held in the dematerialized 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 dematerialized form.

Register of NCD Holders

No transfer of title of any NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, the Companies Act and such other applicable laws shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, Maharashtra, India.

Application in the Issue

NCDs being issued through this 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 4(2)(d) of the SEBI Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request in writing of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs on stock exchange/s shall be compulsorily in dematerialized form only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "**Issue Procedure**" beginning on page 190 of this Prospectus.

Transfer/ Transmission of NCD(s)

For NCDs held in physical form upon rematerialization

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act applicable as on the date of this Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act applicable as on the date of this Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form, a common form of transfer shall be used for the same. 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 Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at 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 or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, can not be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCDs held in physical form pursuant to rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the physical NCD certificate (issued in pursuant to rematerialisation) and no person will be liable for so treating the NCD Holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act applicable as on the date of this Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization 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 rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization. Please refer to the paragraph below titled “Restriction on transfer of NCDs” for rematerialized NCDs.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition., with effect from April 1, 2019.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in a leading national daily newspaper.

ISSUE PROGRAMME*

ISSUE OPENS ON

Monday April 8, 2019

**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 Finance 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 a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

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. (IST) 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 BSE are liable for any failure in uploading the Applications due to failure in any software/hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

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.

Interest and Payment of Interest

For the sake of avoidance of doubt, with respect to Option I, Option II, Option III for NCDs where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

On Option IV, Option V, Option VI, the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCD and the last interest payment under annual Options will be made at the time of redemption of the NCDs. The last interest payment for NCDs subscribed under Option I, Option II, Option III, Option IV, Option V and Option VI will be made at the time of redemption of the NCD.

On Option VII, Option VIII Option IX and Option X, NCDs shall be redeemed at the end of 24 months, 38 months, 60 months and 90 months from the Deemed Date of Allotment.

Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on the second or fourth Saturday on any month, Sunday or a public holiday in Kochi or Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Interest for each of the interest periods shall be calculated, on the face value of principal outstanding on the NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from deemed date of allotment/anniversary date of allotment till one day prior to next anniversary date/redemption date includes February 29th, interest shall be computed on 366 days a-year basis.

Interest

In case of Option I NCDs, interest would be paid on a monthly basis at 9.25% per annum to all categories of investors. Option I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

In case of Option II NCDs, interest would be paid on a monthly basis at 9.50% per annum to all categories of investors. Option II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 38 months from the Deemed Date of Allotment.

In case of Option III NCDs, interest would be paid on a monthly basis at 9.75% per annum to all categories of investors. Option III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

In case of Option IV NCDs, interest would be paid on an annual basis at 9.50% per annum to all categories of investors. Option IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

In case of Option V NCDs, interest would be paid on an annual basis at 9.75% per annum to all categories of investors. Option V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 38 months from the Deemed Date of Allotment.

In case of Option VI NCDs, interest would be paid on an annual basis at 10.00% per annum to all categories of investors. Option VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Option VII NCDs shall be redeemed at ₹1,193.56 for all categories of investors at the end of 24 months from the Deemed Date of Allotment.

Option VIII NCDs shall be redeemed at ₹1,333.72 for all categories of investors at the end of 38 months from the Deemed Date of Allotment.

Option IX NCDs shall be redeemed at ₹1,592.29 for all categories of investors at the end of 60 months from the Deemed Date of Allotment.

Option X NCDs shall be redeemed at ₹2,000.00 for all categories of investors at the end of 90 months from the Deemed Date of Allotment.

If the date of interest payment falls on the second or fourth Saturday of any month, Sunday or a public holiday in Kochi or Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this 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 subject to such Transferee holding the NCDs on the Record Date.

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

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 NCD Holders. The terms of this facility (including towns where this facility would be

available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/ Refund*” at page 184.

Payment of Interest will be made to those NCD Holders whose names appear in the register of NCD Holders (or to first holder in case of joint-holders) as on Record Date.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form. 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 (in case of resident Individuals and HUFs), 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 to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, 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 from 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.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this 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 Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016. For further details see Annexure C of this Prospectus.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the

Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed. For further details see Annexure C of this Prospectus.

Maturity and Redemption

Options	Maturity period/Redemption (as applicable)
I	24 months from the Deemed Date of Allotment
II	38 months from the Deemed Date of Allotment
III	60 months from the Deemed Date of Allotment
IV	24 months from the Deemed Date of Allotment
V	38 months from the Deemed Date of Allotment
VI	60 months from the Deemed Date of Allotment
VII	24 months from the Deemed Date of Allotment
VIII	38 months from the Deemed Date of Allotment
IX	60 months from the Deemed Date of Allotment
X	90 months from the Deemed Date of Allotment

Put/ Call Option

Not applicable

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereof. The minimum application size for each application for NCDs would be ₹10,000 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.

Terms of Payment

The entire issue price per NCD will be 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 this Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

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 interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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.

For NCDs held in physical form due to rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

**In the event, the interest / pay out 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 ₹1,837.50, then the amount shall be rounded off to ₹1,838.*

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 Bank. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

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.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the investors are advised to submit their bank account details with our Company / Registrar at least 7 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 RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company. Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

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.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form pursuant to rematerialisation:

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 NCD 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 certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) 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 Holder(s) may be requested to surrender the NCD certificate(s) 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 NCD 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.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

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, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

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, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by 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 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.

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 which is reproduced below:

“Any person who-

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹1 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹1 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹2 million or with both.

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 “**General Information - Issue Programme**” on page 44 of this 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 for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the provisions of the Companies Act and the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue (i.e. ₹1,125.00 million). If our Company does not receive the minimum subscription of 75% of the Base Issue (i.e. ₹1,125.00 million), within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 days from the date of closure of the Issue wherein, the subscription 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 15 days from the date of closure of the Issue, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 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 including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of this Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Guarantee/Letter of Comfort

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

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Utilisation of Issue Proceeds

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act.
- (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) We shall utilise the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act; and (ii) receipt of listing and trading approval from Stock Exchange.
- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (f) Details of all 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.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of NCDs or the Debenture Trustee.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants should note that they may submit their Applications to the Designated Intermediaries. 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 Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 (“Debt Application Circular”) issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”). 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, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by stock exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. 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 Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE 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 PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

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

Please note that for the purposes of this section, the term “Working Day” shall mean with reference to Issue Period where working days shall mean all days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

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

PROCEDURE FOR APPLICATION

How to Apply?

Availability of the Draft Prospectus, this Prospectus, Abridged Prospectus, and Application Form.

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

Copies of the Abridged Prospectus containing the salient features of the Draft Prospectus, this Prospectus together with Application Forms may be obtained from our Registered Office, the Lead Manager, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally, the Draft Prospectus, this Prospectus, the Abridged Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Manager.
- (ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. Electronic Application Forms may be available for download on the websites of the Stock Exchange 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 Exchange. 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 Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of BSE at their request.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I Investor	Category II Investor	Category III Investor	Category IV Investor
Institutional Investors	Non-Institutional Investors	High Net-worth Individuals (“HNIs”)	Retail Individual Investors
<ul style="list-style-type: none"> ▪ Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; ▪ Provident funds, pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; ▪ Mutual Funds registered with SEBI; ▪ Venture Capital Funds or Alternative Investment Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; 	<ul style="list-style-type: none"> ▪ Companies within the meaning of section 2(20) of the Companies Act; ▪ 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 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 	<ul style="list-style-type: none"> High Net-worth individuals which include 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 the Issue. 	<ul style="list-style-type: none"> Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1 million across all series of NCDs in Issue

Category I Investor	Category II Investor	Category III Investor	Category IV Investor
Institutional Investors	Non-Institutional Investors	High Net-worth Individuals (“HNIs”)	Retail Individual Investors
<ul style="list-style-type: none"> ▪ 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; and ▪ 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"> ▪ Liability Partnership Act, 2008 (No. 6 of 2009); ▪ Association of Persons; and ▪ Any other incorporated and/ or unincorporated body of persons. 		

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any Application 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 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) OCBs; 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 OCBs (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.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please see “**Rejection of Applications**” on page 207 of this Prospectus for information on rejection of Applications.

Modes of Making Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized 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 Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. 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 Exchange.

All Applicants shall mandatorily apply in this Issue through the ASBA process only. Applicants intending to subscribe in this Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

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 be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead 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.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all Series of NCDs.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10% of net assets value to 5% of net assets value and single issuer limit is reduced to 10% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20% of net assets value extendable to 25% of net assets value after trustee approval.

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 authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per the last audited financial statements can apply in this 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.**

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 Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI 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; and (iv) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereto.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDAI Investment Regulations.

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 therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by public financial institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/Rules under which they are incorporated; (ii) 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 authorized 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 authorized 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.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by 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 authorizing investment and containing operating instructions; and (iv) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

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

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 this 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, the 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 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 Centers, 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. 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.

Submission of Applications

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such 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 Application and shall not upload such 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 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.
- (b) In case of Application being made in the electronic mode, the Applicant shall submit the 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 Application.
- (c) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at

that Bidding Centre where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

- (d) Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the stock exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Centre, named by such SCSB to accept such Applications from the Designated Intermediaries (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, 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 Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form 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 Application Form. 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 this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the stock exchanges) at the respective Collection Centres; 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. Physical 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 electronic version of the Draft Prospectus and this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application 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 Locations can accept Application Forms from the Designated Intermediaries, 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 "*Issue Structure*" on page 170 of this Prospectus.
- (c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.
- (d) Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized 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 Debt Application Circular issued by SEBI, 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.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Payment instructions

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 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 Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Filing of the Prospectus with RoC

A copy of the Prospectus has been filed with the RoC in accordance with section 26 and section 31 of the Companies Act.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. The advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

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 the Draft Prospectus, the Prospectus, the Abridged 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 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 or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid 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.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- Applicants 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 Designated Intermediaries, 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. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account; and
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized 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 dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of BSE do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. 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 demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

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 Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this 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 this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

D. Joint Applications

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.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size as specified in the Prospectus and in multiples of 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 ₹1 million shall be deemed such individual Applicant to be an 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 this 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.

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 the Draft Prospectus, this Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID 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. 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 Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB 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 Exchanges, ensure that you have first withdrawn your

original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;

12. Ensure that signatures other than in the languages specified in the 8th 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 Designated Intermediaries, 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 refer to "**Issue Structure**" on page 170 of the Prospectus.
16. 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;
17. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulates the time between closure of the Issue and listing at 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 Designated Intermediaries 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 submit 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 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 the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centres;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. 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; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “Rejection of Applications” on page 207 of this Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, 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 Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account.

For 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 Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries or to the Designated Branches of the SCSBs. An 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 this 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 six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

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 Exchange.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	<ul style="list-style-type: none"> ▪ If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or ▪ If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (i) The Designated Intermediaries 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 Syndicate, 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 Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Designated Intermediaries 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 Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application

- (ii) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries 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 this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries 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 Designated Intermediaries 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 see “*General Information – Issue Programme*” on page 44.

- (iii) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs 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
 - Location
 - Application amount
- (iv) With respect to Applications submitted to the Designated Intermediaries, 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
 - Bank account number
 - Location
 - Application amount
- (v) 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 Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries 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.**
- (vi) Applications can be rejected on the technical grounds listed on page 207 or if all required information is not provided or the Application Form is incomplete in any respect.
- (vii) The permission given by the Stock Exchange to use its 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 Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (viii) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application

data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries 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 any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant's ASBA Account maintained with an SCSB;
- (iii) Applications not being signed by the sole/joint Applicant(s);
- (iv) Investor Category in the Application Form not being ticked;
- (v) 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;
- (vi) Applications where a registered address in India is not provided for the Applicant;
- (vii) 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);
- (viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (ix) 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;
- (x) DP ID and Client ID not mentioned in the Application Form;
- (xi) GIR number furnished instead of PAN;
- (xii) Applications by OCBs;
- (xiii) Applications for an amount below the minimum application size;
- (xiv) Submission of more than five Application per ASBA Account;
- (xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- (xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- (xvii) Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- (xviii) 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);
- (xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (xx) Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
- (xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant

- (xxii) 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;
- (xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- (xxiv) Applications not having details of the ASBA Account to be blocked;
- (xxv) 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;
- (xxvi) 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;
- (xxvii) 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;
- (xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- (xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (xxxi) Applications by any person outside India;
- (xxxii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (xxxiii) Applications not uploaded on the online platform of the Stock Exchanges;
- (xxxiv) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- (xxxv) 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, the Draft Prospectus, and the Prospectus;
- (xxxvi) 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;
- (xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (xxxviii) Applications providing an inoperative demat account number;
- (xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (xl) Category not ticked;
- (xli) Forms not uploaded on the electronic software of the Stock Exchanges; and/or
- (xlii) In case of cancellation of one or more orders 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 Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the specified cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that specified city for the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see “*Information for Applicants*” below.

Mode of making refunds

The mode of refund payments may be undertaken in the following modes:

(i) 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 Bank.

(ii) 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.

(iii) RTGS

Applicants having a bank account with a participating bank and whose interest payment / 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 / 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 / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

(iv) NEFT

Payment of interest / 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 / redemption will be made to the applicants through this method.

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within five Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within five Working Days from the Issue Closing Date.

Further,

- (a) Allotment of NCDs in the Issue shall be made within a time period of 4 (four) Working Days from the Issue Closing Date;

- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within five Working Days from the Issue Closing Date, for the delay beyond five Working Days; and
- (d) Our Company will provide adequate funds to the Registrar for this purpose.

Green Shoe Option

Our Company shall have the option to retain oversubscription up to ₹1,500 million.

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

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 valid Applications for the purpose of drawing the basis of allocation.

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

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment of NCDs:

- A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, (**“Institutional Portion”**);
- B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, (**“Non-Institutional Portion”**).
- C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, (**“High Net Worth Individual Investors Portion”**).

- D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to the Issue Limit i.e. aggregating up to ₹3,000 million. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “Issue Limit”.

Allocation Ratio:

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	30%	50%

(a) *Allotments in the first instance:*

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Issue Limit on first come first served basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Issue Limit on first come first served basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- (iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 30% of Issue Limit on first come first served basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and
- (iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 50% Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the chapter titled “*Issue Procedure – Basis of Allotment*” at page 210 of this Prospectus.

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

- (a) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.
- (b) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.

- (c) Minimum Allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.
- (d) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).
- (e) *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 Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
 - (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (f) *Applicant applying for more than one Series/Options 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 the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the ten Series and in case such Applicant cannot be allotted all the ten 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 24 months followed by Allotment of NCDs with tenor of 38 months and so on.
- (g) *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 six Working Days of the Issue Closing Date.

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. 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 the Option IV NCDs to all valid applications, wherein the applicants have selected only NCDs, but have not indicated their choice of the relevant options of the NCDs.

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

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to finalisation of Basis of Allotment for the Issue.

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 which is 75% of the Base Issue Size, i.e. ₹1,125 million before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications

received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size, i.e. ₹1,125 million before the Issue Closing Date.

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

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 six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within six Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the demographic details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within six Working Days of the Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. 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

Applicants can withdraw their Applications till the Issue Closure Date by submitting a request for the same to the Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediaries, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdrawal 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.

Early Closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Closing Date of the Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing

Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 days from the Issue Closing Date of Prospectus provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 percent per annum for the delayed period.

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 Members of the Syndicate/ 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 Members of the Syndicate, Trading Members of the BSE 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 dematerialized form. In this context:

- (i) Tripartite agreement dated June 15, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated February 19, 2019 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 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 BSE having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialized 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.

Please see “*Instructions for filling up the Application Form - Applicant’s Beneficiary Account and Bank Account Details*” on page 201 of this 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 EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB 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 Designated Intermediaries or Designated Branch, as the case may be, where the Application was submitted, and 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 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, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act.
- (b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) Undertaking by our Company for execution of the Debenture Trust Deed;

- (f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in the Draft Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange;
- (g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;
- (h) Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants in accordance with applicable law, failing which interest shall be due to be paid to the applicants for the delayed period, if applicable in accordance with applicable law;
- (i) Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested;
- (j) Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) 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 six Working Days of this Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) 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 this 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 this Issue as contained in this Prospectus;
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

1. Subject as hereinafter provided, the Regulations contained in Table “A” in the First Schedule to the Companies Act, 1956 shall apply to this Company. All references herein contained to any specified Regulations of Table “A”, shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table “A”, the provisions herein contained shall prevail.
2. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;
 - (a) “**Annual General Meeting**” means the annual general meeting of the Company convened and conducted in accordance with the Act.
 - (b) “**Articles of Association**” or “**Articles**” means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.
 - (c) “**Auditors**” means and includes those persons appointed as such for the time being by the Company.
 - (d) “**Beneficial Owner**” means a person whose name is recorded as such with a depository.
 - (e) “**Board**” or “**Board of Directors**” means the Directors of the Company collectively referred to in the Act.
 - (f) “**Bye-Laws**” means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
 - (g) “**Capital**” means the share capital, for the time being raised or authorised to be raised for the purposes of the Company.
 - (h) The term “**Control**” in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term “controlling” and “controlled” shall be construed accordingly.
 - (i) “**Corporation**” includes a company, whether incorporated in India or abroad or any other form of organization established/incorporated as a separate legal entity under any charter of Government, whether State or Centre or with a combination of both.
 - (j) “**Debenture holders**” means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.
 - (k) “**Debenture**” includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.
 - (l) “**Depositories Act**” means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.
 - (m) “**Depository**” means a Company formed and registered under the Act and which has been granted a Certificate of Registration as a Depository under the Securities and Exchange Board of India Act, 1992.
 - (n) “**Directors**” means the Directors, for the time being of the Company and includes Alternate Directors.
 - (o) “**Dividend**” includes interim dividend unless otherwise stated.

- (p) “**Executor**” or “**Administrator**” means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.
- (q) “**Extraordinary General Meeting**” means an extraordinary general meeting of the Company convened and conducted in accordance with the Act.
- (r) “**Financial Year**” shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.
- (s) “**Managing Director**” shall have the meaning assigned thereto in the Act.
- (t) “**Member**” means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.
- (u) “**Month**” means the English Calendar month.
- (v)
- (w) “**Office**” means the Registered Office, for the time being of the Company.
- (x) “**Officer**” shall have the meaning assigned thereto by the Act.
- (y) “**Ordinary Resolution**” shall have the meaning assigned thereto by the Act.
- (z) “**Paid up**” includes “**credited as paid up**”.
- (aa) “**Participant**” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.
- (aa) “**Person**” shall include any Association, Corporation, Company as well as individuals.
- (bb) “**Proxy**” includes Attorney duly constituted under a Power Attorney.
- (cc) “**Record**” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.
- (dd) “**Register**” means the Register of Members to be kept pursuant to the said Act.
- (ee) “**Registered Owner**” means a depository whose name is entered as such in the records of the Company.
- (ff) “**Registrar**” means the Registrar of Companies, Kerala and Lakshadweep at Ernakulam.
- (gg) “**Seal**” means Common seal, for the time being of the Company.
- (hh) “**Secretary**” means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.
- (ii) “**Section**” means Section of the Companies Act, 1956.
- (jj) “**Security**” means such security as may be specified by the Securities and Exchange Board of India from time to time.
- (kk) “**Share Warrant**” means share warrant issued pursuant to Section 114 of the Act.

- (ll) “**Shares**” means the Equity shares of the Company unless otherwise mentioned.
- (mm) “**Special Resolution**” shall have the meaning assigned thereto by Section 189 of the Companies, Act 1956.
- (nn) “**Subordinated Debt Instruments**” or “**Subordinated Debts**” means an instrument, which is fully paid up, is unsecured, is subordinated to the claims of other creditors, is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Company.
- (oo) “**The Act**” means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.
- (pp) “**The Company**” or “**This Company**” means Muthoot Homefin (India) Limited.
- (qq) “**these Presents**” or “**Regulations**” means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.
- (rr) “**Transfer**” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.
- (ss) “**Writing**” and “**Written**” means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.
- (tt) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.
- (uu) Words imparting persons include Corporations.
- (vv) Words imparting the singular number include the plural and vice versa.

CAPITAL

3. Authorised Share Capital

The authorised share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association, as amended from time to time.

4. Shares at the Disposal of the Directors

Subject to the provisions of Section 81 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 of 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 or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. Consideration for Allotment

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

6. Restriction on Allotment

- (a) The Directors shall in making the allotments duly observe the provision of the Act;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
- (c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company

7. Increase of Capital

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on 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 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

8. Reduction of Capital

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

9. Sub-division and Consolidation of Shares

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

- (a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others
- (b) Subject as aforesaid, cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. New capital part of the existing capital

Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

11. Power to issue Shares with differential voting rights

The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

12. Power to issue preference shares

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

13. Further Issue of Shares

- (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:
- (i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.
 - (ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.
 - (iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.
- (b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.
- (i) If a special resolution to that effect is passed by the Company in General Meeting, or
 - (ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
- (c) Nothing in sub-clause (iii) of Article (13)(a) hereof shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company

caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

14. Rights to convert loans into capital

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

15. Allotment on application to be acceptance of shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

16. Returns on allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

17. Money due on shares to be a debt to the Company

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 allottee in the Register of Members as the name of 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.

18. Members or heirs to pay unpaid amounts:

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

19. (a) Every Member entitled to certificate for his shares

- (i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the

shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

- (ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.
- (iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. The shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

(c) *Director to sign Share Certificates*

A Director may 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 rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.

(d) *Issue of new certificate in place of defaced, lost or destroyed Certificates*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debenture certificates of the Company.

(e) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, 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 sub-divided/replaced on consolidation of shares.

- (f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate 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 and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.
- (g) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

20. Rules to issue share certificates

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

21. Responsibilities to maintain records

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

22. Rights of Joint Holders

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

23. Limitation of Time For Issue Of Certificates

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. 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 and approve provided that in respect of a 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 of shares to one or several joint holders shall be a sufficient delivery vis-à-vis all such holders.

UNDERWRITING & BROKERAGE

24. Commission for placing shares, debentures, etc

- (a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any

shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

25. Company's lien on shares /debentures

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

26. Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have served on such member or his representative and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

27. Application of sale proceeds

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

28. Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by instalments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

29. Notice for call

Fourteen days' notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

30. Call when made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and

thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorising such call was passed at the meeting of the Board.

31. Liability of joint holders for a call

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

32. Board to extend time to pay call

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

33. Calls to carry Interest

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

34. Dues deemed to be calls

Any sum, which, as per the terms of issue of a share, becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non-payment all the relevant provisions of these Articles 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.

35. Proof of dues in respect of share

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuant to these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

36. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

37. Payment in anticipation of call may carry interest

- (a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company

may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

- (b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

38. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company

FORFEITURE OF SHARES

39. Board to have right to forfeit shares

If any member fails to pay any call or instalment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

40. Notice for forfeiture of shares

- (a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or instalment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid) and expenses as aforesaid, are to be paid.
- (b) The notice shall also state that in the event of the non-payment at or before the time the call was made or instalment is payable the shares will be liable to be forfeited.

41. Effect of forfeiture

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

42. Notice of forfeiture

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

43. Forfeited share to be the property of the Company

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re- allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

44. Member to be liable even after forfeiture

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

45. Claims against the Company to extinguish on forfeiture

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

46. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

47. Effecting sale of shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

48. Certificate of forfeited shares to be void

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

49. Board entitled to cancel forfeiture

The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

50. Surrender of shares

The directors may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering on such terms as the directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

51. Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of shares.

52. Endorsement of Transfer

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorise any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

53. Instrument of Transfer

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

54. Execution of transfer instrument

Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect same class of shares and should be in the form prescribed under the Act.

55. Closing Register of transfers and of Members

The Board shall be empowered, on giving not less than seven days' notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the transfer books, the register of members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

56. Directors may refuse to register transfer

Subject to the provisions of Section 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may, at their own absolute and uncontrolled discretion and by giving reason, refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company, whether fully paid or not. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

57. Transfer of partly paid shares

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

58. Survivor of joint holders recognised

In case of the death of any one or more persons named in the Register of Members as the joint- holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

59. Title to shares of deceased members

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate or Letter 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 may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member

60. Transfers not permitted

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

61. Transmission of shares

Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, 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 as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Rights on Transmission

A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

62. Instrument of transfer to be stamped

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 every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

63. Share Certificates to be surrendered

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

64. No fee on Transfer or Transmission

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

65. Company not liable to notice of equitable rights

The Company shall incur no liability or responsibility whatever 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 rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, 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.

66. Dematerialisation Of Securities

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust, equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and

debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of shares held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(n) *Depository to furnish information*

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 laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30

(thirty) days of the receipt of intimation from a Depository and on fulfilment 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.

(p) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

67. Nomination Facility

- (a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.
- (b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (c) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.
- (d) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either
 - (i) registered himself as holder of the shares or debentures as the case may be, or
 - (ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.
- (e) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by a Death Certificate of the deceased share holder or debenture holder as the case may be.
- (f) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.
- (g) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.
- (h) Provided that the Board may, at any time, give notice requiring any such person to elect either

to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

- (i) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

68. Buy Back Of Shares

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification(s), re-promulgation (s) or re-enactment(s) thereof.

69. Copies of memorandum and articles to be sent to members

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

70. Rights to issue share warrants:

- (a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.
- (b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person 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 person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

71. Rights of warrant holders:

- (a) The bearer of the 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 to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognised as the depositor of the share warrant. The Company shall, on two days written notice, return the deposited share warrant to the depositor.

- 72.** (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, 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.

- (b) 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 shares included in the warrant, and he shall be a member of the Company.

73. Board to make rules

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

74. Rights to convert shares into stock & vice-versa

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

75. Rights of stock holders

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

GENERAL MEETINGS

76. Annual General Meetings

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act. Extraordinary General Meetings

- a) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.
- b) The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

77. Notice for General Meetings

All General Meetings shall be convened by giving not less than twenty- one days' notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

78. Shorter Notice admissible

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

79. Special and Ordinary Business

- (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of

dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the Auditors.

- (b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

80. Quorum for General Meeting

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting. **Time for quorum and adjournment**

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

81. Chairman of General Meeting

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

82. Election of Chairman

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall elect one among themselves to be the Chairman.

83. Adjournment of Meeting

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

84. Voting at Meeting

At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

85. Decision by poll:

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

86. Casting vote of Chairman

In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

87. Poll to be immediate

- (a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.
- (b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded.
- (c) The demand for a poll may be withdrawn at any time before the declaration of the result by the person or persons who made the demand.

88. Passing resolutions by Postal Ballot

- (a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time.

VOTE OF MEMBERS

89. Voting rights of Members

- (a) On a show of hands every member holding equity shares and present in person shall have one vote.
- (b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.
- (c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

90. Voting by joint-holders

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

91. No right to vote unless calls are paid

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

92. Proxy

On a poll, votes may be given either personally or by proxy.

93. Instrument of proxy

- a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a Corporation either under its common seal or under

the hand of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

- b) The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- c) The form of proxy shall be a two-way proxy as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.

94. Validity of proxy

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 the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

95. Corporate Members

Any Corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual member of the Company.

DIRECTOR

96. First Directors

The First Directors of the Company as on the date of incorporation of the Company were:

- (a) Mr. M. G. George Muthoot
- (b) Mr. George Thomas Muthoot
- (c) Mr. George Jacob Muthoot
- (d) Mr. George Alexander Muthoot

97. Number of Directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

98. Share qualification not necessary

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

99. Director's power to fill-up casual vacancy

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have held office if it has not been vacated as aforesaid

100. Additional Directors

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together

shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

101. Alternate Directors

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

102. Remuneration of Directors

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

103. Remuneration for extra services

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

104. Continuing Director may act

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

105. Vacation of office of Director

The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

106. Equal power to Director:

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTORS

107. One-third of Directors to retire every year

Subject to the provisions of Article 138 of the Articles, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

108. Retiring Directors eligible for re-election

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

109. Which Director to retire

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

110. Retiring Director to remain in office till successors appointed

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy or not to appoint the retiring director, 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 public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them who have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

111. Increase or reduction in the number of Directors

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

112. Power to remove Director by ordinary resolution

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

113. Right of persons other than retiring Directors to stand for Directorship

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director, not less than 14 days before the meeting has left at the registered office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors.

114. Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

115. Directors not liable for retirement

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

116. Director for subsidiary Company

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

117. Meetings of the Board

- (a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.
- (b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of meeting of the Board shall be given in writing or by other electronic mode at least 7 days prior to the meeting to every Director for the time being in India, and at his usual address in India to every other Director.

118. Quorum

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

119. Questions how decided

- (a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- (b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

120. Right of continuing Directors when there is no quorum

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

121. Election of Chairman of Board

- (a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one

among themselves to the Chairman of the Meeting.

122. Delegation of Powers

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee or the Directors or to the Managing Director as it thinks fit.

123. Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

124. Election of Chairman of Committee

- (a) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a member thereof, the committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one among themselves to be the Chairman of the Meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.

125. Questions how determined

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

126. Validity of acts done by Board or a Committee

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

127. Resolution by Circulation

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

128. Assignment of Securities

Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued. Terms of Issue of Debentures

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall or shall not be convertible into shares of any denomination and with or without any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

129. Debenture Directors

Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a “Debenture Director” and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

130. Nominee Directors

- (a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or Controlled by the Central Government or State Government or any Non-Banking Financial Company Controlled by the Reserve Bank of India or Banks or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole- time or non whole-time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).
- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.
- (c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.
- (e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

131. Register of Charges

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

132. Subsequent assigns of uncalled capital

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

133. Charge in favour of Director for Indemnity

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

134. Powers to be exercised by Board only at a Meeting of the Board of Directors

- (a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at a meeting of the Board:
- (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
 - (ii) Power to issue debentures;
 - (iii) Power to borrow money otherwise than on debentures;
 - (iv) Power to invest the funds of the Company;
 - (v) Power to make loans.
- (b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.
- (c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.
- (d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.
- (e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

- 135.** (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.
- (b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.
- (c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

136. Powers and duties of Managing Director or Whole-Time Director

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

137. Remuneration of Managing Directors/Whole Time Directors

Subject to the provisions of the Act and subject to such sanction of Central Government/Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

138. Reimbursement of expenses

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

139. Business to be carried on by Managing Directors/ Whole time Directors

- (a) The Managing Directors\Whole Time Directors shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.
- (b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and they shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.
- (c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

BORROWING POWERS

140. Power to borrow

- (a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, 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 and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.
- (c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.
- (d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

141. Issue of Subordinated Debt Instruments

Subject to the compliance of the regulatory requirements of the Reserve Bank of India or such other regulatory authority, the Board may, at its meeting resolve to issue Subordinated Debt Instruments of such amount and upto such limit and on such terms and conditions as the Reserve Bank of India may notify from time to time.

COMMON SEAL

142. Custody of Common Seal

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

143. Seal how affixed

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the secretary or such other person as the Board may appoint for the purpose except for the purpose of executing the share certificate. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director or the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

DIVIDENDS

144. Right to dividend

- (a) The profits of the Company, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

145. Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

146. Declaration of Dividends

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

147. Interim Dividends

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

148. Dividends to be paid out of profits

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

149. Dividend warrant

Any dividend payment in cash in respect of a share may be paid by cheque or warrant or demand draft sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

150. Reserve Funds

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends 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 Board may, from time to time think fit.
- (b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

151. Deduction of arrears

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

152. Adjustment of dividends against calls

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, 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 call.

153. Receipt of joint holder

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

154. Notice of dividends

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

155. Dividends not to bear interest

No dividends shall bear interest against the Company.

156. Transfer of shares not to pass right to dividends

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

157. Unpaid or Unclaimed Dividend

- (a) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within 7 days from the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act. A claim to any money so transferred to the account may be preferred to the Central Government by the shareholders to whom the money is due.
- (c) No unclaimed or unpaid dividend shall be forfeited by the Board.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed dividend.

CAPITALISATION OF PROFITS

158. Capitalisation of Profits

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
 - (i) That it is desirable to capitalise 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
 - (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - (i) Paying up any amounts for the time being unpaid on shares held by such members respectively

- (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
- (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).
- (c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- (d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

159. Power of Directors for declaration of bonus issue

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and
- (b) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also
 - (ii) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on their existing shares.
- (d) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

160. Books of Account to be kept

- (a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.
- (b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.
- (c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

161. Where Books of accounts to be kept

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

162. Inspection by Members

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

163. Boards Report to be attached to Balance Sheet

- (a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.
- (b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.
- (d) The Board shall also give the fullest information and explanation in its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.
- (e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (c) of this Article are complied with.

AUDIT

164. Accounts to be audited

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

- (a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.
- (b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.
- (c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual

General Meeting unless special notice of a resolution of 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 Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

- (f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

165. Audit of Branch Offices

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

166. Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

SERVICE OF DOCUMENTS AND NOTICE

167. Service of document on the Company

A document may be served on the Company or an officer by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the Registered Office.

168. How Document is to be served on members

- (a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him. All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.
- (b) Where a document is sent by post:
 - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
 - (ii) Unless the contrary is provided, such service shall be deemed to have been effected
 - (A) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and
 - (B) In any other case, at the time at which the letter would be delivered in

ordinary course of post.

169. Members to notify address in India

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

170. Service on members having no registered address

If a member has no registered address in India, and has not supplied to the Company an address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

171. Service on persons acquiring shares on death or insolvency of members

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any 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 serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred. Persons entitled to notice of General Meetings

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the members of the Company as provided by these presents
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a member.
- (iii) To the Auditors for the time being of the Company; in the manner authorised by as in the case of any member or members of the Company.

172. Notice by advertisement

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

173. Members bound by document given to previous holders

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such share.

174. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

175. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

176. Application of assets

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company. Division of assets of the Company in specie among members

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

177. Director's and others' right to indemnity

- (a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.
- (b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.

178. Not responsible for acts of others

- (a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, 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 insufficiency or deficiency of title to any property acquired by order of the Director for or 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, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own wilful act or default.
- (b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECURITY CLAUSE

179. Security

No member shall be entitled to inspect the Company's works at its branch offices, regional offices or such other offices of the Company, without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

180. Duties of Officers to observe secrecy

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) 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 Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam North, Kochi - 682 018, Kerala, India between 10 am to 5 pm on any Working Day from the date of the filing of this Prospectus with the Stock Exchange until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated March 13, 2019 between our Company and the Lead Manager.
2. Registrar Agreement dated March 13, 2019 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated March 12, 2019 executed between our Company and the Debenture Trustee.
4. Public Issue Account Agreement dated March 20, 2019 executed among our Company, Lead Manager, the Registrar, the Public Issue Account Bank and the Refund Bank.
5. Lead Broker Agreement dated March 22, 2019 executed among our Company, Lead Manager and Lead Brokers to the Issue.
6. Tripartite agreement dated February 19, 2019 among our Company, the Registrar and NSDL.
7. Tripartite agreement dated June 15, 2018 among our Company, the Registrar and CDSL.
8. The agreed form of the Debenture Trust Deed to be executed between the Debenture Trustee and our Company.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated August 26, 2011, issued by Registrar of Companies, Kerala, at Kochi.
3. Certificate of Registration dated May 19, 2014 bearing registration no. 05.0112.14 issued by the NHB.
4. Copy of shareholders' resolution approved at the EGM dated January 30, 2018, under section 180 (1) (c) of the Companies Act on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated December 21, 2018, approving the issue of NCDs.
6. Copy of the resolution passed by the Finance Committee of the Board on March 26, 2019, approving this Prospectus.
7. Credit rating letter dated March 1, 2019, revalidation letter dated March 20, 2019 thereto and credit rating rationale dated February 28, 2019, from CRISIL.
8. Consents of (a) our Directors; (b) our Company Secretary and Compliance Officer; (c) Lead Manager; (d) the Registrar to the Issue, (e) Statutory Auditors; (f) Legal Advisor to the Issue, (g) the Debenture Trustee (h) Chief Financial Officer (i) Bankers to the Company, (j) ICRA for the Industry report titled "**Indian Mortgage Finance Market Update for H1 FY 2019**", (k) CRISIL for credit rating letter and rationale letter, (l) Lead Brokers to the Issue, and (m) Public Issue Account Bank and Refund Bank to include their names in this Prospectus, in their respective capacities and the NOCs received from Lenders to our Company.
9. The consent of the Statutory Auditors namely Rangamani and Co., Chartered Accountants for (a) inclusion of their name as the Statutory Auditors; (b) examination reports on Reformatted Financial Statements and the Special Purpose Interim Financial Statements in the form and context in which they appear in this Prospectus; (c) the Special Purpose Interim Financial Statements in the form and context in which it appears in this Prospectus; (d) the Reformatted Financial Statements in the form and context in which it appears in this Prospectus; and (e) statement of tax benefits dated March 8, 2019.

10. The examination report along with the financials dated March 6, 2019 in relation to the Reformatted Financial Statements and the Special Purpose Interim Financial Statements included therein.
11. Statement of tax benefits dated March 8, 2019 issued by our Statutory Auditors.
12. Annual Report of our Company for the last five Fiscals.
13. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/32/18-19 dated March 22, 2019.
14. Due Diligence Certificate dated March 26, 2019 filed by the Lead Manager with SEBI on March 26, 2019.


Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION


We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of the Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the National Housing Bank and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Prospectus.

We further certify that all the disclosures and statements in this Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

Signed by the Directors of our Company



George Alexander Muthoot



Anna Alexander



Mathai George George Muthoot



George Thomas Muthoot



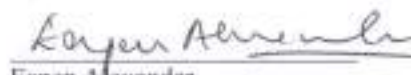
Kuttickattu Rajappan Bijimon



Alexander George



Kariath George John



Eapen Alexander



Jose Evarian



V.C. James

Date: MARCH 26, 2019
Place: KOCHI

ANNEXURE A

**CREDIT RATING LETTER, REVALIDATED CREDIT RATING LETTER AND RATING RATIONALE
FROM CRISIL**

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CONFIDENTIAL

 MUHOIL/218079/NCD/03190014
 March 01, 2019

 Mr. Ramratthinam S
 Chief Executive Officer
 Muthoot Homefin India Limited
 1201, A Wing Lotus Corporate Park,
 Goregaon East,
 Mumbai - 400063

Dear Mr. Ramratthinam S,

Re: CRISIL Rating on the Rs. 300 Crore Non Convertible Debentures@ of Muthoot Homefin India Limited

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

CRISIL has, after due consideration, assigned its "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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

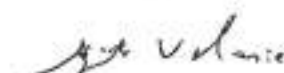
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

 As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

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

With warm regards,

Yours sincerely,



 Ajit Velonic
 Director - CRISIL Ratings



 Nivedita Shibu
 Associate Director - CRISIL Ratings


@Public issue of retail secured redeemable non-convertible debenture

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are ~~CRISIL's liability~~ when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site: www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-0900. CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800

www.crisil.com

**Details of the Rs.300 Crore Non-Convertible Debentures of
Muthoot Homefin India Limited**

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

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

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are ~~CRISIL's~~ **CRISIL's** ~~subject to~~ **subject to** change when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-0888, House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800

CONFIDENTIAL

 MUHOIL/218079/NCD/031900014/1
 March 20, 2019

Mr. Ramratthinam S
 Chief Executive Officer
Muthoot Homefin India Limited
 1201, A Wing Lotus Corporate Park,
 Goregaon East,
 Mumbai - 400063

Dear Mr. Ramratthinam S,

Re: CRISIL Rating on the Rs. 300 Crore Non Convertible Debentures@ of Muthoot Homefin India Limited

 All ratings assigned by CRISIL are kept under continuous surveillance and review.
 Please refer to our rating letter dated March 01, 2019 bearing Ref. no.: MUHOIL/218079/NCD/031900014

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

Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
Non-convertible Debentures	300	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

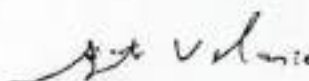
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

 As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crsil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crsil.com

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

With warm regards,

Yours sincerely,


 Ajit Velonie
 Director - CRISIL Ratings


 Nivedita Shibu
 Associate Director - CRISIL Ratings

@Public Issue of retail secured redeemable non-convertible debenture

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Rating Rationale

February 28, 2019 | Mumbai

Muthoot Homefin India Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Total Bank Loan Facilities Rated	Rs.1500 Crore
Long Term Rating	CRISIL AA/Stable (Reaffirmed)

Rs.300 Crore Non Convertible Debentures@	CRISIL AA/Stable (Assigned)
--	-----------------------------

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

@Public issue of retail secured redeemable non-convertible debenture

Detailed Rationale

CRISIL has assigned its 'CRISIL AA/Stable' on the non-convertible debentures of Muthoot Homefin India Limited (Muthoot Homefin). The rating on long-term bank facilities has been reaffirmed at 'CRISIL AA/Stable'.

Muthoot Homefin is a 100% subsidiary and is the housing finance arm of the group. Portfolio grew significantly to Rs 1,775 crore as on September 30, 2018, from Rs 441 crore as on March 31, 2017. The loan book is expected to maintain its pace of growth and contribute around 7% to the group's assets under management by March 2020 as compared to 5% as of now. Furthermore, profitability rose substantially in fiscal 2018, with return on assets improving to 2.7% from 1.1% the previous fiscal.

The rating continues to factor in the managerial and financial support Muthoot Homefin receives from its parent. The rating also continue to reflect the adequate capitalisation of Muthoot Homefin, as the networth of Rs 387 crore as on September 30, 2018, should suffice to support the planned scale of business. Nevertheless, despite improvement in scale, Muthoot Homefin remains a relatively small player in the inherently risky affordable housing space. Track record of operations have also been limited so far.

Analytical Approach

For arriving at the ratings, CRISIL has assessed the standalone financial and business risk profiles of Muthoot Homefin. The company's strategic importance to, and strong support from, its parent, Muthoot Finance has also been factored.

Key Rating Drivers & Detailed Description

Strengths:

* Expectation of continued support from the company's parent, Muthoot Finance

The parent, Muthoot Finance is expected to continue to support Muthoot Homefin, given its strategic importance to the group, as it helps diversify the financial product suite of the parent. Also, its business is scalable, and expected to grow materially over the medium term. Muthoot Finance has infused capital in the company, and will infuse additional capital, if required. Furthermore, Mr M G George Muthoot, chairman of the Muthoot group, and three more directors of Muthoot Finance are on the board of Muthoot Homefin. Additionally, there is strong moral obligation for Muthoot Finance to support Muthoot Homefin given there is shared name and brand between the two.

* Adequate capital position

Capitalisation is adequate for the expected scale of business, with networth of around Rs 387 crore and gearing of 3.7 times as on September 30, 2018. Networth has more than doubled from Rs 88.17 crore as on March 31, 2017, primarily due to capital infusion of around Rs 100 crore in during fiscal 2018 and Rs 150 crore in first half of fiscal 2019. The company is expected to receive timely capital support for its future growth in operations. CRISIL believes Muthoot Homefin will remain adequately capitalised with gearing also remaining at comfortable level over the medium term.

Weaknesses:

* Limited track record of operations

The scale of operations, though growing, continues to be small, marked by limited track record and assets under management of Rs 1,775 crore as on September 30, 2018. Operations commenced in January 2016, and the bulk of growth was witnessed in the latter half of fiscal 2017. The company which had operations in Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and Kerala in fiscal 2017 is now present in 12 states, and is in the process of establishing systems and processes to achieve the targeted growth in scale. In terms of asset quality, gross non-performing assets (NPAs) remained low at around 0.78% as on September 30, 2018, primarily due to low seasoning in the portfolio. Therefore, Muthoot Homefin's ability to manage growth while maintaining asset quality is yet to be tested.

* Inherent risks in the affordable housing segment

The company operates in the affordable housing finance segment, and caters to self-employed customers, engaged in small business activities; these include provision store owners, vegetable and food-stuff vendors, small business establishments, auto rickshaw drivers, contractors, and labourers. These borrowers have relatively weak credit risk profiles because of the

volatile nature of their income and employment in unorganised segments, and have limited or no access to formal housing finance in the absence of proper documentation evidencing income and an established credit history. Hence, they are more susceptible to economic downturns. The company plans to diversify its geographic presence, for which it is crucial that it understands the local culture and issues. Furthermore, the low-cost housing finance segment has a short track record of only 4-5 years. Hence, the segment's performance across economic cycles is yet to be demonstrated.

Liquidity

Muthoot Homefin's liquidity profile remains comfortable. The company had scheduled debt repayments of Rs 144 crore till June 2019 as on January 31, 2019. Against this, the company has sanctioned but unutilised bank facilities of Rs 110 crore and cash and bank balances of Rs 3.8 crore. Additionally, Muthoot Homefin also has access to line of credit of Rs 800 crore from its parent Muthoot Finance Ltd, out of which Rs 361 crore is yet to be utilised. The company had average disbursements of Rs 45 crore since November 2018 and average collections from loans of Rs 35 crore on monthly basis.

Outlook: Stable

CRISIL believes Muthoot Homefin will continue to receive strong financial and managerial support from its parent, and maintain adequate capitalisation over the medium term. The outlook may be revised to 'Positive' if there is a similar revision in the outlook on the rating of the parent. The outlook may be revised to 'Negative' if a significant decline in asset quality or earnings constrains capitalisation, or if there is a similar revision in the outlook on the rating of the parent.

About the Company

Muthoot Homefin, a wholly owned subsidiary of Muthoot Finance, was incorporated on August 26, 2011, and registered under the National Housing Bank. It operates in the affordable housing segment and is building its network in Tier II and III cities. The corporate office is in Mumbai. Outstanding portfolio was Rs 1,775 crore as on September 30, 2018, through a network of 73 branches and 132 sales offices across 12 states. Within home loan portfolio, the company had average ticket size of Rs 9.85 lakhs and average yield of 12.3%.

Key Financial Indicators

Particulars	Unit	Sep 18	2018	2017
Total assets	Rs Crore	1,775	1580	450
Total income	Rs Crore	106	126	24
Profit after tax	Rs Crore	21	28	3
Gross NPA	%	0.8	0.5	0.1
Adjusted Gearing	%	3.7	6.2	4.0
Return on assets	%	2.5	2.7	1.1

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs cr)	Rating assigned with outlook
NA	Non-Convertible Debenture* @	NA	NA	NA	300	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	450	CRISIL AA/Stable
NA	Working Capital Demand Loan	NA	NA	NA	35	CRISIL AA/Stable
NA	Cash Credit	NA	NA	NA	25	CRISIL AA/Stable
NA	Term Loan	27-Mar-18	NA	27-Mar-25	25	CRISIL AA/Stable
NA	Term Loan	20-Nov-17	NA	20-Nov-21	40	CRISIL AA/Stable
NA	Term Loan	24-Nov-17	NA	24-Nov-22	40	CRISIL AA/Stable
NA	Term Loan	27-Mar-17	NA	27-Mar-22	25	CRISIL AA/Stable
NA	Term Loan	29-Dec-17	NA	29-Dec-24	50	CRISIL AA/Stable
NA	Term Loan	28-Mar-18	NA	28-Mar-25	25	CRISIL AA/Stable
NA	Term Loan	6-Aug-16	NA	6-Aug-21	25	CRISIL AA/Stable
NA	Term Loan	16-Mar-17	NA	16-Mar-24	25	CRISIL AA/Stable
NA	Term Loan	29-Sep-17	NA	29-Sep-24	25	CRISIL AA/Stable
NA	Term Loan	3-Nov-16	NA	3-Nov-20	25	CRISIL AA/Stable
NA	Term Loan	30-Jun-17	NA	30-Jun-22	25	CRISIL AA/Stable
NA	Term Loan	3-Jan-17	NA	3-Jan-24	50	CRISIL AA/Stable
NA	Term Loan	29-Sep-17	NA	29-Sep-24	50	CRISIL AA/Stable
NA	Term Loan^	NA	NA	NA	50	CRISIL AA/Stable
NA	Term Loan	29-Jun-17	NA	29-Jun-24	25	CRISIL AA/Stable
NA	Term Loan	31-Aug-18	NA	31-Jul-21	25	CRISIL AA/Stable
NA	Term Loan	28-Sep-17	NA	28-Sep-21	25	CRISIL AA/Stable
NA	Term Loan	30-Jun-17	NA	30-Jun-24	60	CRISIL AA/Stable
NA	Term Loan	28-Dec-17	NA	28-Dec-24	50	CRISIL AA/Stable
NA	Term Loan	16-Mar-18	NA	16-Mar-21	25	CRISIL AA/Stable
NA	Term Loan	19-Jan-17	NA	19-Jan-24	25	CRISIL AA/Stable

NA	Term Loan	9-Mar-18	NA	9-Mar-25	25	CRISIL AA/Stable
NA	Term Loan	22-Jun-18	NA	22-Jun-25	100	CRISIL AA/Stable
NA	Term Loan	30-Jun-17	NA	30-Jun-24	50	CRISIL AA/Stable
NA	Term Loan	17-Dec-18	NA	17-Dec-25	50	CRISIL AA/Stable
NA	Term Loan	31-Mar-17	NA	31-Mar-24	40	CRISIL AA/Stable
NA	Term Loan	7-Apr-17	NA	7-Apr-24	7	CRISIL AA/Stable
NA	Term Loan	12-Apr-17	NA	12-Apr-24	3	CRISIL AA/Stable

^details awaited

*Yet to be issued

@Public issue of retail secured redeemable non-convertible debenture

Annexure - Rating History for last 3 Years

Instrument	Current			2019 (History)		2018		2017		2016		Start of 2016
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	0.00 28-02-19	CRISIL AA/Stable		--		--		--		--	--
Fund-based Bank Facilities	LT/ST	1500.00	CRISIL AA/Stable	07-01-19	CRISIL AA/Stable	19-09-18	CRISIL AA/Stable	07-11-17	CRISIL AA/Stable		--	--
						28-06-18	CRISIL AA-/Stable					
						15-01-18	CRISIL AA-/Stable					

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	25	CRISIL AA/Stable	Cash Credit	25	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility	450	CRISIL AA/Stable	Proposed Long Term Bank Loan Facility	450	CRISIL AA/Stable
Term Loan	990	CRISIL AA/Stable	Term Loan	990	CRISIL AA/Stable
Working Capital Demand Loan	35	CRISIL AA/Stable	Working Capital Demand Loan	35	CRISIL AA/Stable
Total	1500	--	Total	1500	--

Links to related criteria

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

[Rating Criteria for Finance Companies](#)

For further information contact:

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ANNEXURE B

CONSENT LETTER FROM DEBENTURE TRUSTEE

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Consent letter from the Debenture Trustee to the Issue

Date: 8th March, 2019

To
The Board of Directors
MuthootHomefin (India) Limited
Muthoot Chambers, Kurian Towers
Banerji Road, Kochi – 682 018
Kerala, India

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures (“NCDs”) by MuthootHomefin (India) Limited (“Company”) (the “Issue”)

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and to our name being inserted as the Debenture Trustee to the Issue in the draft prospectus to be filed with the BSE Limited and / or the National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) and the Securities and Exchange Board of India (“SEBI”) and the prospectus to be filed with the Registrar of Companies, Kerala and Lakshadweep, located at Kochi (“RoC”), the Stock Exchanges and SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The following details with respect to us may be disclosed:

Name:	Milestone Trusteeship Services Private Limited
Address:	CoWrksWorli, PS56, 3rd Floor, Birla Centurion, Century Mills Compound, PandurangBudhkar Marg, Worli, Mumbai – 400 030
Tel:	022-62886119/6120
Email:	compliance@milestonetrustee.in
Website:	www.milestonetrustee.in
Contact Person:	Mr. JagdishKondur
Investor Grievance e-mail:	investorgrievances@milestonetrustee.in
SEBI Registration No:	IND000000544

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.



We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate as **Annexure A**. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

Sincerely,

For Milestone Trusteeship Services Private Limited.



Authorised Signatory

Name: Mr. Jagdish Kondur

Designation: Senior Manager

Encl.: Annexure A – Certificate of registration with SEBI

ANNEXURE C

CASH FLOWS OF THE COMPANY IN ACCORDANCE WITH THE SEBI CIRCULARS BEARING NUMBERS CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013 AND CIR/IMD/DF-1/122/2016 DATED NOVEMBER 11, 2016

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ANNEXURE C

CASH FLOW FOR VARIOUS OPTIONS

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. The illustration of cash flow is based on the Issue Closing Date as mentioned in this Prospectus and post issue timelines which are subject to change.

Option I

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2021
Coupon Rate for all Category of investors	9.25%
Frequency of the interest payment with specified dates	First interest on July 01, 2019 and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No. of days in Coupon Period	Amount (In Rs.)
1 st coupon	Monday, July 01, 2019	Monday, July 01, 2019	49	12.00
2 nd coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
3 rd coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
4 th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
5 th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
6 th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
7 th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
8 th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	8.00
9 th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	7.00
10 th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
11 th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
12 th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00
13 th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
14 th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
15 th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
16 th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
17 th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
18 th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
19 th coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
20 th coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
21 st coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
22 nd coupon	Thursday, April 01, 2021	Thursday, April 01, 2021	31	8.00
23 rd coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	8.00
24 th coupon	Thursday, May 13, 2021	Thursday, May 13, 2021	12	3.00

Principal/ Maturity value	Thursday, May 13, 2021	Thursday, May 13, 2021	1,000.00
Total			1,189.00

Option II

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	July 13, 2022
Coupon Rate for all Category of investors	9.50%
Frequency of the interest payment with specified dates	First interest on July 01, 2019 and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No. of days in Coupon Period	Amount (In Rs.)
1 st coupon	Monday, July 01, 2019	Monday, July 01, 2019	49	13.00
2 nd coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
3 rd coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
4 th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
5 th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
6 th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
7 th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
8 th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	8.00
9 th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	8.00
10 th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
11 th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
12 th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00
13 th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
14 th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
15 th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
16 th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
17 th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
18 th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
19 th coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
20 th coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
21 st coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
22 nd coupon	Thursday, April 01, 2021	Thursday, April 01, 2021	31	8.00
23 rd coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	8.00
24 th coupon	Tuesday, June 01, 2021	Tuesday, June 01, 2021	31	8.00
25 th coupon	Thursday, July 01, 2021	Thursday, July 01, 2021	30	8.00
26 th coupon	Sunday, August 01, 2021	Monday, August 02, 2021	31	8.00
27 th coupon	Wednesday, September 01, 2021	Wednesday, September 01, 2021	31	8.00
28 th coupon	Friday, October 01, 2021	Friday, October 01, 2021	30	8.00
29 th coupon	Monday, November 01, 2021	Monday, November 01, 2021	31	8.00
30 th coupon	Wednesday, December 01, 2021	Wednesday, December 01, 2021	30	8.00

31 st coupon	Saturday, January 01, 2022	Saturday, January 01, 2022	31	8.00
32 nd coupon	Tuesday, February 01, 2022	Tuesday, February 01, 2022	31	8.00
33 rd coupon	Tuesday, March 01, 2022	Tuesday, March 01, 2022	28	7.00
34 th coupon	Friday, April 01, 2022	Friday, April 01, 2022	31	8.00
35 th coupon	Sunday, May 01, 2022	Monday, May 02, 2022	30	8.00
36 th coupon	Wednesday, June 01, 2022	Wednesday, June 01, 2022	31	8.00
37 th coupon	Friday, July 01, 2022	Friday, July 01, 2022	30	8.00
38 th coupon	Wednesday, July 13, 2022	Wednesday, July 13, 2022	12	3.00
Principal/ Maturity value	Wednesday, July 13, 2022	Wednesday, July 13, 2022		1000.00
Total				1,302.00

Option III

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2024
Coupon Rate for all Category of investors	9.75%
Frequency of the interest payment with specified dates	First interest on July 01, 2019 and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (In Rs.)
1 st coupon	Monday, July 01, 2019	Monday, July 01, 2019	49	13.00
2 nd coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
3 rd coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
4 th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
5 th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
6 th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
7 th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
8 th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	8.00
9 th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	8.00
10 th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
11 th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
12 th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00
13 th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
14 th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
15 th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
16 th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
17 th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
18 th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
19 th coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
20 th coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
21 st coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
22 nd coupon	Thursday, April 01, 2021	Thursday, April 01, 2021	31	8.00
23 rd coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	8.00

24 th coupon	Tuesday, June 01, 2021	Tuesday, June 01, 2021	31	8.00
25 th coupon	Thursday, July 01, 2021	Thursday, July 01, 2021	30	8.00
26 th coupon	Sunday, August 01, 2021	Monday, August 02, 2021	31	8.00
27 th coupon	Wednesday, September 01, 2021	Wednesday, September 01, 2021	31	8.00
28 th coupon	Friday, October 01, 2021	Friday, October 01, 2021	30	8.00
29 th coupon	Monday, November 01, 2021	Monday, November 01, 2021	31	8.00
30 th coupon	Wednesday, December 01, 2021	Wednesday, December 01, 2021	30	8.00
31 st coupon	Saturday, January 01, 2022	Saturday, January 01, 2022	31	8.00
32 nd coupon	Tuesday, February 01, 2022	Tuesday, February 01, 2022	31	8.00
33 rd coupon	Tuesday, March 01, 2022	Tuesday, March 01, 2022	28	7.00
34 th coupon	Friday, April 01, 2022	Friday, April 01, 2022	31	8.00
35 th coupon	Sunday, May 01, 2022	Monday, May 02, 2022	30	8.00
36 th coupon	Wednesday, June 01, 2022	Wednesday, June 01, 2022	31	8.00
37 th coupon	Friday, July 01, 2022	Friday, July 01, 2022	30	8.00
38 th coupon	Monday, August 01, 2022	Monday, August 01, 2022	31	8.00
39 th coupon	Thursday, September 01, 2022	Thursday, September 01, 2022	31	8.00
40 th coupon	Saturday, October 01, 2022	Saturday, October 01, 2022	30	8.00
41 st coupon	Tuesday, November 01, 2022	Tuesday, November 01, 2022	31	8.00
42 nd coupon	Thursday, December 01, 2022	Thursday, December 01, 2022	30	8.00
43 rd coupon	Sunday, January 01, 2023	Monday, January 02, 2023	31	8.00
44 th coupon	Wednesday, February 01, 2023	Wednesday, February 01, 2023	31	8.00
45 th coupon	Wednesday, March 01, 2023	Wednesday, March 01, 2023	28	7.00
46 th coupon	Saturday, April 01, 2023	Saturday, April 01, 2023	31	8.00
47 th coupon	Monday, May 01, 2023	Tuesday, May 02, 2023	30	8.00
48 th coupon	Thursday, June 01, 2023	Thursday, June 01, 2023	31	8.00
49 th coupon	Saturday, July 01, 2023	Saturday, July 01, 2023	30	8.00
50 th coupon	Tuesday, August 01, 2023	Tuesday, August 01, 2023	31	8.00
51 st coupon	Friday, September 01, 2023	Friday, September 01, 2023	31	8.00
52 nd coupon	Sunday, October 01, 2023	Tuesday, October 03, 2023	30	8.00
53 rd coupon	Wednesday, November 01, 2023	Wednesday, November 01, 2023	31	8.00
54 th coupon	Friday, December 01, 2023	Friday, December 01, 2023	30	8.00
55 th coupon	Monday, January 01, 2024	Monday, January 01, 2024	31	8.00
56 th coupon	Thursday, February 01, 2024	Thursday, February 01, 2024	31	8.00
57 th coupon	Friday, March 01, 2024	Friday, March 01, 2024	29	8.00
58 th coupon	Monday, April 01, 2024	Monday, April 01, 2024	31	8.00
59 th coupon	Wednesday, May 01, 2024	Thursday, May 02, 2024	30	8.00
60 th coupon	Monday, May 13, 2024	Monday, May 13, 2024	12	3.00
Principal/ Maturity value	Monday, May 13, 2024	Monday, May 13, 2024		1000.00
Total				1,477.00

Option IV

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2021
Coupon Rate for all Category of investors	9.50%
Frequency of the interest payment with specified dates	First interest on May 13, 2020 and subsequently on the May 13 th every year
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in Coupon period	Amount (In Rs.)
1 st Coupon	Wednesday, May 13, 2020	Wednesday, May 13, 2020	366	95.00
2 nd Coupon	Thursday, May 13, 2021	Thursday, May 13, 2021	365	95.00
Principal /Maturity Value	Thursday, May 13, 2021	Thursday, May 13, 2021		1000.00
Total				1,190.00

Option V

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	July 13, 2022
Coupon Rate for all Category of investors	9.75%
Frequency of the interest payment with specified dates	First interest on May 13, 2020 and subsequently on the May 13 th every year
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Coupon 1	Wednesday, May 13, 2020	Wednesday, May 13, 2020	366	98.00
Coupon 2	Thursday, May 13, 2021	Thursday, May 13, 2021	365	98.00
Coupon 3	Friday, May 13, 2022	Friday, May 13, 2022	365	98.00
Coupon 4	Wednesday, July 13, 2022	Wednesday, July 13, 2022	61	16.00
Principal / Maturity Value	Wednesday, July 13, 2022	Wednesday, July 13, 2022		1000.00
Total				1,310.00

Option VI

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2024
Coupon Rate for all Category of investors	10.00%
Frequency of the interest payment with specified dates	First interest on May 13, 2020 and subsequently on the May 13 th every year
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Coupon 1	Wednesday, May 13, 2020	Wednesday, May 13, 2020	366	100.00
Coupon 2	Thursday, May 13, 2021	Thursday, May 13, 2021	365	100.00
Coupon 3	Friday, May 13, 2022	Friday, May 13, 2022	365	100.00
Coupon 4	Saturday, May 13, 2023	Saturday, May 13, 2023	365	100.00
Coupon 5	Monday, May 13, 2024	Monday, May 13, 2024	366	100.00
Prinicipal / Maturity Value	Monday, May 13, 2024	Monday, May 13, 2024		1000.00
Total				1,500.00

Option VII

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2021
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Prinicipal / Maturity Value	Thursday, May 13, 2021	Thursday, May 13, 2021	731	1,194.00
Total				1,194.00

Option VIII

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	July 13, 2022
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Prinicipal / Maturity Value	Wednesday, July 13, 2022	Wednesday, July 13, 2022	1157	1,334.00
Total				1,334.00

Option IX

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	May 13, 2024
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Principal / Maturity Value	Monday, May 13, 2024	Monday, May 13, 2024	1827	1,592.00
Total				1,592.00

Option X

Company	Muthoot Homefin (India) Limited
Face value (per security)	₹ 1,000.00
Issue Opening Date/ Date of Allotment (tentative)*	April 08, 2019 / May 13, 2019
Redemption Date	November 13, 2026
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines and subject to further change

Cash Flow	Due Date	Date of payment	No of days in coupon period	Amount (In Rs.)
Principal / Maturity Value	Friday, November 13, 2026	Friday, November 13, 2026	2741	2,000.00
Total				2,000.00

Assumptions:

1. The Deemed Date of Allotment is assumed to be May 13, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the Financial Year 2020 and 2024, being leap years, have been calculated for 366 days.
3. In the event, the interest / pay-out 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 ` 2,515.07 /-, then the amount shall be rounded off to Rs. 2,515.00. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA "Handbook on market practices".