GHAR BANEGA, TOH DESH BANEGA.

Aadhar Housing Finance Limited

Our Company was originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to the certificate of incorporation dated November 26, 1990, issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**") and commenced operations pursuant to the certificate for commencement of business dated November 27, 1990, issued by the RoC. Subsequently, the name of our Company was changed to 'DHFL Vysya Housing Finance Limited' and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC. Further, erstwhile Aadhar Housing Finance Limited ("**Erstwhile Aadhar**") was incorporated as 'Aadhar Housing Finance Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai and commenced its operations in February 2011. Erstwhile Aadhar was later merged into our Company pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017 ("**Scheme of Amalgamation**"). Pursuant to the Scheme of Amalgamation, the name of our Company was changed to 'Aadhar Housing Finance Limited' and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 148.

Registered Office: 2nd floor, No. 3, JVT Towers, 8th 'A', Main Road, S.R. Nagar, Bengaluru 560 027, Karnataka, India;
Corporate Office: 201, 2nd Floor, Raheja Point-1, Near SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai 400 055, Maharashtra, India;
Telephone: +91 22 3950 9900; **Contact Person**: Sreekanth V.N., Company Secretary and Compliance Officer
E-mail: complianceofficer@aadharhousing.com; **Website**: www.aadharhousing.com
Corporate Identity Number: U66010KA1990PLC011409

PROMOTER OF OUR COMPANY: BCP TOPCO VII PTE. LTD.

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AADHAR HOUSING FINANCE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 73,000 MILLION COMPRISING A FRESH ISSUANCE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 15,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 58,000 MILLION BY BCP TOPCO VII PTE. LTD. ("PROMOTER SELLING SHAREHOLDER", AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFERED SHARES") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF AN ENGLISH NATIONAL DAILY NEWSPAPER, [●], [●] EDITIONS OF A HINDI NATIONAL DAILY NEWSPAPER, [●] AND [●] EDITIONS OF THE KANNADA DAILY NEWSPAPER, [●] (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of RIBs) which will be blocked by the SCSBs, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 346.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined and justified by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 85) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 25.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only statements expressly made by it in this Draft Red Herring Prospectus solely in relation to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or in relation to our business in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 375.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460/70 E-mail: aadhar.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Shekher Asnani/ Rishi Tiwari SEBI Registration No.: INM000011179	**Citigroup Global Markets India Private Limited** 1202, First International Financial Center Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: aadhar.ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Abhijay Thacker SEBI Registration No.: INM000010718	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: aadharhfipo@nomura.com Investor Grievance E-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact Person: Vishal Kanjani / Sandeep Baid SEBI Registration No.: INM000011419	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: aadhar.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Gaurav Mittal/Aditya Deshpande SEBI Registration No.: INM000003531	**KFin Technologies Private Limited** (*formerly known as Karvy Fintech Private Limited*) Selenium Tower-B, Plot 31& 32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: ahfl.ipo@kfintech.com Investor Grievance E-mail: einward.ris@kfintech.com Website: https://www.kfintech.com/ Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]

* *Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, and the Depositories Act and the rules and regulations made thereunder.

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis of Offer Price", "Selected Statistical Information", "History and Certain Corporate Matters", "Our Group Companies", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Main Provisions of Articles of Association" and "Offer Procedure" beginning on pages 88, 92, 140, 85, 176, 148, 173, 191, 313, 362, and 346, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "Aadhar"	Aadhar Housing Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 2nd floor, No. 3, JVT Towers, 8th 'A', Main Road, S.R. Nagar, Bengaluru 560 027, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiary

Company Related Terms

Term	Description
Amended Majority SPA	Amendment agreement dated June 10, 2019 to the Majority SPA, entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter.
Articles of Association/AoA/ Articles	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Board, as described in "*Our Management - Committees of the Board*" on page 160
BCP Asia	BCP Asia (SG) Holdings Co. Pte. Ltd.
BCP Topco	BCP Topco VII Pte. Ltd.
Blackstone	The Blackstone Group Inc.
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Chairman	The Non-Executive Chairman of our Company, namely, Om Prakash Bhatt
Chief Financial Officer/ CFO	Chief financial officer of our Company, namely, Rajesh Viswanathan
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Company Secretary and Compliance officer of our Company, namely, Sreekanth V.N.
Corporate Office	Corporate office of our Company located at 201, 2nd Floor, Raheja Point-1, Near SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai 400 055, Maharashtra, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 160
DHFL	Dewan Housing Finance Corporation Limited
Director(s)	Director(s) on the Board of our Company
Equity Shares	Unless otherwise stated, equity shares of our Company bearing face value of ₹ 10 each
Erstwhile Aadhar/Transferor	Erstwhile Aadhar Housing Finance Limited

Term	Description
ESAR 2018	Aadhar Housing Finance Limited - Equity Stock Appreciation Right Plan 2018
ESOP 2020	Employee Stock Option Plan 2020 of the Company
Executive Director(s)	Executive director(s) of our Company
IFC	International Finance Corporation
Independent Director(s)	Independent director(s) on our Board and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 154
IPO Committee	The IPO committee of our Board
Joint Statutory Auditors/ Statutory Auditors	The joint statutory auditors of our Company, being Deloitte Haskins & Sells LLP, Chartered Accountants and Chaturvedi SK & Fellows, Chartered Accountants
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management - Key Managerial Personnel*" beginning on page 168
Majority SPA	Share purchase agreement dated February 2, 2019 entered into by and among our Company, Wadhawan Global Capital Limited, Dewan Housing Finance Corporation Limited, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter
Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of our Company, namely, Deo Shankar Tripathi
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee/NRC Committee	Nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 160
Non-Executive (Nominee) Directors/ Non-Executive Directors (Nominee)	Non-Executive (Nominee) Directors of our Company, namely, Amit Dixit, Neeraj Mohan and Mukesh Mehta
Promoter	Promoter of our Company, being, BCP Topco VII Pte. Ltd.
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" beginning on page 171
Registered Office	Registered office of our Company located at 2nd floor, No. 3, JVT Towers, 8th "A", Main Road, S.R. Nagar, Bengaluru 560 027, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Karnataka at Bangalore
Restated Consolidated Financial Information	Restated consolidated financial information of our Company as at and for the six months ended September 30, 2020 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, comprising the restated consolidated statement of assets and liabilities as at September 30, 2020, and March 31, 2020, March 31, 2019 and March 31, 2018, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flow and the restated consolidated statement of changes in equity for the six months ended September 30, 2020, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the summary statement of significant accounting policies, and other explanatory information thereon, prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, as approved by the Board of Directors of our Company at their meeting held on January 16, 2021, for the purpose of inclusion in this Draft Red Herring Prospectus
Scheme of Amalgamation	The scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017, pursuant to which Erstwhile Aadhar was merged into our Company
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Singapore VII Holding	Singapore VII Holding Co. Pte. Ltd
SPAs	Collectively, the Majority SPA, the Amended Majority SPA, the share sale agreement dated March 19, 2019 entered into by and among our Company, our Promoter and IFC, share purchase agreements dated June 12, 2019 and February 24, 2020, respectively, entered into

Term	Description
	by and among our Company, our Promoter, and certain shareholders of our Company, and share purchase agreement dated July 3, 2019, entered into by and among our Company, our Promoter, and Ramco Industries Limited
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 160
Subsidiary/ASSPL	The wholly owned subsidiary of our Company, namely, Aadhar Sales and Services Private Limited
WGCL	Wadhawan Global Capital Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion or up to [●] Equity Shares which may be allocated by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidder with an SCSB for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of RIBs linked with UPI
ASBA Bidders	All Bidders except Anchor Investors

Term	Description
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see "*Offer Procedure*" beginning on page 346
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●]. Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●]
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days
Bidder/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, I-Sec, Citibank, Nomura and SBICAP
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Citibank	Citigroup Global Markets India Private Limited

Term	Description
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015
Confirmation of Allocation Note or CAN	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
CRISIL	CRISIL Limited
CRISIL Report	Report titled "Industry Report on Affordable Housing Finance, December 2020", prepared by CRISIL ("**CRISIL Report**")
Cut-off Price	The Offer Price finalised by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers which shall be any price within the Price Band. Only RIBs and Eligible Employees under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at 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
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated January 24, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company and our Subsidiary (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our

Term	Description
	Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹ [●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The escrow and sponsor bank agreement to be entered into between our Company, the Promoter Selling Shareholder, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being, [●]
First Bidder/Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 15,000 million by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as included in "*Offer Procedure*" beginning on page 346
I-Sec	ICICI Securities Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	[●] % of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
Net Offer	The Offer less than Employee Reservation Portion
Net Proceeds	Proceeds from the Fresh Issue less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" beginning on page 81
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders/ NIIs	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Resident Indians/ NRI(s)	A non-resident Indian as defined under the FEMA Rules
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ 73,000 million, comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and the Employee Reservation Portion.
Offer Agreement	The offer agreement dated January 24, 2021 entered into between our Company, the Promoter Selling Shareholder and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 58,000 million by the Promoter Selling Shareholder
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" beginning on page 81
Offered Shares	Up to [●] Equity Shares aggregating to ₹ 58,000 million offered by the Promoter Selling Shareholder in the Offer for Sale
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers and will be advertised in [●] editions of English national daily newspaper, [●],[●] editions of Hindi national daily newspaper, [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter/ Promoter Selling Shareholder	BCP Topco VII Pte. Ltd.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto

Term	Description
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Bank(s)	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
QIBs/ QIB Bidders/ Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/Offer Opening Date shall be at least three Working Days after the registration of the Red Herring Prospectus with the RoC and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened and in this case being, [●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated January 24, 2021 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Retail Individual Bidder(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	Resident Indian individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ [●] in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than [●] % of the Net Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SBICAP	SBI Capital Markets Limited
SEBI SCORES	Securities Exchange Board of India Complaints Redressal System
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at

Term	Description
	https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Promoter Selling Shareholder and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank	[●], being a Banker to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement to be entered into between our Company, the Promoter Selling Shareholder, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
Syndicate or members of the Syndicate	The Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into between our Company, the Promoter Selling Shareholder and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS for directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
Affordable HFC/AHFC	Companies having high share of housing loans with ticket size (at the time of disbursement) less than ₹ 1.5 million in their portfolio as listed out in "*Industry Overview*" beginning on page 92
ALM	Asset Liability Management
AUM	Assets under Management
CLSS	Credit-Linked Subsidy Schemes
CRAR	Capital Adequacy Ratio/Capital to Risk Assets Ratio
DPD	Days past due
EWC	Economically Weaker Section
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GNPA	Gross Non-Performing Assets
HFC	Housing Finance Company
ITC	Input Tax Credit
LAP	Loan against property
LIG	Lower income group
LTV	Loan-to-value
LTRO	Long term repo operation
MBS	Mortgage backed securities
MIG	Middle-income group
NIMs	Net interest margins
NNPA	Net Non-Performing Assets
NSSO	National Sample Survey Organisation
PMAY	Pradhan Mantri Awas Yojana
PMAY-U	Pradhan Mantri Awas Yojana – Urban
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
TLTRO	Targeted long term repo operation

Conventional and General Terms or Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS or Accounting Standards	Accounting standards issued by the ICAI
Bn or bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations

Term	Description
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
Companies Act	Companies Act, 2013, as applicable, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
CRM	Customer relationship management
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP or Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)
DTD	Debenture Trust Deeds
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation and exceptional items
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
EGM	Extraordinary general meeting
EPF	Employees' provident fund
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESAR	Employee stock appreciation rights
Fair Practices Code	Master Circular - Fair Practices Code issued by the NHB dated July 1, 2019
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules

Term	Description
Gazette	Official Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
Gross Retail NPA	Represents closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period
GST	Goods and services tax
HFC	Housing finance company, in terms of the NHB Directions
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Indian Penal Code	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MCA Portal	The official portal of the Ministry of Corporate Affairs located at www.mca.gov.in
Mn or mn	Million
MoHUPA	Ministry of Housing and Urban Poverty Alleviation
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NCD	Non-convertible debenture
NCLT Bengaluru	National Company Law Tribunal, Bengaluru Bench at Bengaluru
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
Net Retail NPA	Represents closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period.
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2019
NHB NCD Directions	Master Circular- Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 dated July 1, 2019
NOF	Net owned funds

Term	Description
NPA	Non-performing assets, and in relation to the NHB Directions, shall have the meaning ascribed to it in the NHB Directions
NPCI	National Payments Corporation of India
NR	Non-Resident
NRE	Non- Residential External
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO	Non- Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% 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 FEMA. OCBs are not allowed to invest in the Offer
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RBI Master Circular	Master Circular – Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs (DNBR (PD) CC.No.061/03.10.119/2015-16) dated July 1, 2015 (as amended up to August 4, 2015)
RBI Master Directions	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17) dated September 1, 2016 (updated on February 17, 2020)
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on equity
RoNW	Average Return on Net Worth
RTGS	Real Time Gross Settlement
SARFAESI Act/SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
TCS	Tata Consultancy Services Limited
TDS	Tax deductible at source
Trademarks Act	Trade Marks Act, 1999
U.S. Securities Act	U.S. Securities Act of 1933
U.S., USA or United States	United States of America
USD or US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
VPN	Virtual private network
Rule 144A	Rule 144A under the U.S. Securities Act

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" beginning on page 191.

Restated consolidated financial information of our Company as at and for the six months ended September 30, 2020 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, comprising the restated consolidated statement of assets and liabilities as at September 30, 2020, and March 31, 2020, March 31, 2019 and March 31, 2018, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flow and the restated consolidated statement of changes in equity for the six months ended September 30, 2020, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the summary statement of significant accounting policies, and other explanatory information thereon, prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, as approved by the Board of Directors of our Company at their meeting held on January 16, 2021, for the purpose of inclusion in this Draft Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS, Indian GAAP and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition*" on page 47.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures (other than per share and percentage figures) derived from our Restated Consolidated Financial Information in decimals have been rounded off to the one decimal place. All per share and percentage figures have been rounded off to one/two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

(Amount in ₹, unless otherwise specified)

Currency	As on September 30, 2020*	As on March 31, 2020*	As on March 29, 2019*	As on March 28, 2018*
1 US$	73.80	75.39	69.17	65.04

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

* *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "Industry Report on Affordable Housing Finance, December 2020", prepared by CRISIL ("**CRISIL Report**") and publicly available information as well as other industry publications and sources. The CRISIL Report has been prepared at the request of our Company.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Draft Red Herring Prospectus is reliable, however, it has not been independently verified by our Company, the Promoter Selling Shareholder or the Book Running Lead Managers or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Accordingly, investment decision should not be based solely on such information.

Disclaimer of CRISIL

"*CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report ("**Report**") based on the Information obtained by CRISIL from sources which it considers reliable ("**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Aadhar Housing Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

For details of risks in relation to CRISIL Report, see "*Risk Factors – Statistical and industry data in this document is derived from the CRISIL Report commissioned by us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable*" on page 40.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 85 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, the Promoter Selling Shareholder nor the Book Running Lead Managers have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 25.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States in reliance on an exemption from the registration requirements of Section 5 of the U.S. Securities Act only to persons who are: (i) qualified institutional buyers ("**U.S. QIBs**") as defined in Rule 144A under the U.S. Securities Act (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**"); and (ii) qualified purchasers ("**QPs**") as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**"); (persons who are both a QIB and a QP are referred to as "**Entitled QPs**"). The Equity Shares are being offered and sold outside the United States to non-U.S. Persons (or to persons who are both U.S. Persons (as defined in Regulation S) and Entitled QPs) in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

Each purchaser is hereby notified that sellers of Equity Shares maybe relying on an exemption from the provisions of Section 5 of the U.S. Securities Act.

Until the expiry of 40 days after the date of commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are Entitled QPs.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area and the United Kingdom (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and EC (and amendments thereto,) and includes, in relation to the UK, the Prospectus Regulation as it forms part of the UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer in a Relevant State of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Promoter Selling Shareholder or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company, the Promoter Selling Shareholder and the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this DRHP that are not statements of historical fact are 'forward – looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange 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 the industries in which we operate.

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

- Challenges posed and effects of the COVID-19 pandemic on our business, impacting, among others, our ability to originate loans, our customers' ability to service loans availed from us, our liquidity and our employees;
- Increase in customer delinquencies and the RBI mandated moratorium;
- Any inability to sustain our business growth;
- Vulnerability to the volatility in interest rates and exposure to interest rate and maturity mismatches between our assets and liabilities; and
- Any increase in the levels of NPAs in our AUM.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 92, 121, and 286, 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter Selling Shareholder, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, the Promoter Selling Shareholder shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by it.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" beginning on pages 25, 51, 67, 81, 92, 121, 346, 313 and 362, respectively.

Primary Business of our Company

We are the largest Affordable HFC in India in terms of AUM, as of March 31, 2020. We are approximately 1.5 times larger than the second largest peer set company based on AUM as on March 31, 2020 (*Source: CRISIL*). Compared to our peers, we have the largest customer base as on March 31, 2020 and have the highest disbursement for financial year ended March 31, 2020 (*Source: CRISIL*). Further as at March 31, 2020, we have the most geographically diversified AUM as well as the highest efficiency in terms of operating expenditure ratios (*Source: CRISIL*). We are an entirely retail-focused affordable housing finance company, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans.

Industry in which our Company operates

India's mortgage market is divided into two segments by ticket size of the housing loan at the time of disbursement - loans with ticket size of more than ₹ 1.5 million, and loans with ticket size of ₹ 1.5 million and below. The former can be called normal mortgage market, which is prominent in the metro/urban areas, and the latter which generally includes houses in the outskirts of these areas and semi-urban and rural areas can be defined as affordable housing market. The overall size of the affordable housing finance market was around ₹ 4 trillion as of March 2020 (*Source: CRISIL*).

Our Promoter

Our Promoter is BCP Topco VII Pte. Ltd. For details, see "*Our Promoter and Promoter Group*" beginning on page 171.

Offer Size

Offer*	Up to [●] Equity Shares aggregating up to ₹ 73,000 million
of which	
Fresh Issue*	Up to [●] Equity Shares aggregating up to ₹ 15,000 million
Offer for Sale#	Up to [●] Equity Shares aggregating up to ₹ 58,000 million by the Promoter Selling Shareholder
Employee Reservation Portion^	Up to [●] Equity Shares
Net Offer	Up to [●] Equity Shares aggregating to ₹ [●] million

* *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on December 22, 2020, and a special resolution passed by our shareholders at their meeting held on January 16, 2021.*

The Promoter Selling Shareholder has confirmed and authorized participation in the Offer for Sale by a consent letter dated January 21, 2021 and a resolution of its board of directors at their meeting held on January 21, 2021. For further details, see "Other Regulatory and Statutory Disclosures" on page 321.

^ *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ [●]), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 342.*

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards the following objects:

Particulars	Amount (in ₹ million)
Augmenting our capital base	15,000
Total	15,000

For details, see "*Objects of the Offer*" beginning on page 81.

Aggregate Pre-Offer Shareholding of our Promoter (also the Promoter Selling Shareholder) and the Promoter Group

Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
BCP Topco	389,683,420	98.72

None of the members of our Promoter Group hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Summary of Restated Consolidated Financial Information

The following details of our Equity Share capital, total equity, net asset value per Equity Share and total borrowings as at September 30, 2020 and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and total revenue from operations, profit after tax and earnings per Equity Share (basic and diluted) for six months ended September 30, 2020 and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 are derived from the Restated Consolidated Financial Information:

(in ₹ million)

Particulars	As at and for the six months ended September 30, 2020	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019	As at and for the Financial Year ended March 31, 2018
Equity Share capital	394.8	394.6	251.5	251.5
Total equity	25,066.7	23,473.3	8,589.3	7,177.8
Total income	7,483.5	13,884.6	12,656.3	8,151.2
Restated profit after tax for the period/year	1,563.7	1,893.8	1,618.8	1,142.1
Basic and diluted earnings per Equity Share (₹ / Equity Share)				
- Basic (in ₹)	3.96*	5.86	6.44	5.32
- Diluted (in ₹)	3.85*	5.83	6.39	5.32
Net asset value per Equity Share (basic) (in ₹) (1)	63.50	59.48	34.15	28.54
Net asset value per Equity Share (diluted) (in ₹) (1)	61.66	57.74	33.91	28.54
Total borrowings (as per balance sheet) (2)	96,379.0	96,433.4	81,949.7	63,178.6

* *Not annualised*

(1) *Net asset value per Equity Share = Net worth excluding revaluation reserve as at the end of the period/ year / Number of Equity Shares outstanding at the end of the period/ year*

(2) *Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and deposits as of the last day of the relevant year or period.*

(3) *Net worth is the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.*

Note: Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our Shareholders approved a bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder as on the record date, i.e., January 16, 2021. Consequently, all numbers per Equity Share have been restated for all the periods presented. For details, see "Capital Structure – Equity Share capital history of our Company" on page 67.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Statements

The Restated Consolidated Financial Information does not contain any qualifications by the Joint Statutory Auditors.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company and Directors as on the date of this Draft Red Herring Prospectus, is provided below:

Types of proceedings	Number of cases	Amount (in ₹ million)*
Litigation against our Company		
Criminal proceedings	11	-
Material civil litigation above the materiality threshold of ₹ 18.93 million	3	-
Direct tax proceedings	2	2.1
Litigation by our Company		
Criminal proceedings**	3,846	4,218.6
Material civil litigation above the materiality threshold of ₹ 18.93 million	3	-

Types of proceedings	Number of cases	Amount (in ₹ million)*
Litigation against our Directors		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Material civil litigation	1	-

* *To the extent quantifiable.*

** *Includes 3,745 proceedings filed under section 138 of the Negotiable Instruments Act, 1881 involving an aggregate amount of ₹ 2,981.3 million.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 313.

Risk Factors

For details in relation to certain risks applicable to us, see "*Risk Factors*" beginning on page 25.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at September 30, 2020 are set forth in the table below:

Particulars	Contingent liabilities as at September 30, 2020 (in ₹ million)
Income tax matters of earlier years	2.1
Total	2.1

For details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Contingent Liabilities*" on page 239.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 entered into by our Company with related parties as at and for the six months ended September 30, 2020 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 are as follows:

(₹ in Million)

Name	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income:					
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	Not Applicable	7.1	64.5	25.4
DHFL General Insurance Limited	Intermediary Services	Not Applicable	11.4	96.5	28.3
Dewan Housing Finance Corporation Limited	Other Income	Not Applicable	-	0.1	0.1
Dewan Housing Finance Corporation Limited	Sale of Fixed Asset	Not Applicable	-	0.8	-
Avanse Financial Services Limited	Other Income	Not Applicable	0.6	-	-
Expenditure:					
Dewan Housing Finance Corporation Limited	IT support services	Not Applicable	2.0	20.0	9.0
Dewan Housing Finance Corporation Limited	Rent	Not Applicable	2.7	16.3	15.2
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	Not Applicable	-	-	0.6
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	Not Applicable	-	4.8	0.6
Dewan Housing Finance Corporation Limited	Service fee on assignment	Not Applicable	0.6	2.0	0.1
DHFL General Insurance Limited	Insurance Premium	Not Applicable	1.5	33.5	-
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	8.4	27.1	43.0	19.8

Name	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Shri. R Nambirajan	Remuneration	Not Applicable	Not Applicable	Not Applicable	3.9
Dividend Payment:					
Wadhawan Global Capital Limited	Dividend Payment	Not Applicable	-	123.2	65.1
Dewan Housing Finance Corporation Limited	Dividend Payment	Not Applicable	-	16.1	7.3
Others:					
Dewan Housing Finance Corporation Limited	Purchase of Investment	Not Applicable	-	3,952.7	-
Dewan Housing Finance Corporation Limited	Sale of Investment	Not Applicable	-	1,674.0	-
Dewan Housing Finance Corporation Limited	Purchase of portfolio	Not Applicable	-	3,789.4	-
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	Not Applicable	-	-	500.0
International Finance Corporation	Proceeds received on allotment of Equity Shares	Not Applicable	-	-	650.0
BCP Topco VII Pte. Ltd. (w.e.f June 10, 2019)	Proceeds received on allotment of Equity Shares	-	13,000.0	Not Applicable	Not Applicable

Amount shown above are till the date related party relationship was not terminated.

Compensation of key management personnel of the Company

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Short–term employee benefits	8.0	26.4	42.3	22.9
Post–employment pension (defined contribution)	0.4	0.7	0.7	0.8
Termination benefits	-	-	-	-
Sitting fee and commission	6.6	5.6	8.2	4.7
Total	**15.0**	**32.7**	**51.2**	**28.4**

Balances with Related Parties

(₹ in Million)

Name	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Dewan Housing Finance Corporation Limited	Receivable	Not Applicable	Not Applicable	92.6	2.0
Dewan Housing Finance Corporation Limited	Payable	Not Applicable	Not Applicable	21.4	10.5
Dewan Housing Finance Corporation Limited	Security Deposit	Not Applicable	Not Applicable	1.6	1.6
DHFL Pramerica Life Insurance Company Limited	Receivable	Not Applicable	Not Applicable	11.3	7.1
DHFL Pramerica Life Insurance Company Limited	Advance	Not Applicable	Not Applicable	2.2	2.2
DHFL General Insurance Limited	Receivable	Not Applicable	Not Applicable	21.5	16.8
DHFL General Insurance Limited	Advance	Not Applicable	Not Applicable	4.0	2.0
DHFL Pramerica Life Insurance Company Limited	Secured Non-convertible debentures (Liabilities)	Not Applicable	Not Applicable	200.0	-

Name	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	(Excluding Accrued Interest)				
Directors Commission	Payable	6.0	7.5	6.0	1.5
Deo Shankar Tripathi	Fixed Deposit (including accrued interest)	4.9	4.7	4.3	-
Deo Shankar Tripathi	Debt securities	1.3	1.3	1.0	-

On Consolidation, the following transactions and balances with Aadhar Sales and Services Private Limited – Subsidiary Company have been eliminated:

Transactions

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Business sourcing expenses paid to subsidiary company	104.5	195.9	291.3	91.3
Recovery of expense from subsidiary company	-	-	0.1	2.9
Rent income from subsidiary company	0.1	0.2	0.2	0.2
Investment in subsidiary company	-	-	-	0.1

Balances

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investment in subsidiary company	0.1	0.1	0.1	0.1
Deposit receivable from subsidiary company	4.0	19.0	25.0	6.5
Receivable from subsidiary company	-	-	0.0*	0.2

* *Less than ₹ 50,000.*

For details of the related party transactions as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Related Party Transactions*" on page 266.

Issuances of Equity Shares made in the last one year for consideration other than cash

Except as disclosed below, our Company has not issued any Equity Shares through bonus issue or for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to resolutions of our Board and Shareholders each dated January 16, 2021, our Company issued 355,279,473 Equity Shares through a bonus issue in the ratio of 9:1, i.e., nine Equity Shares for every one Equity Share held by the Shareholders.

For details, see "*Capital Structure – Equity Share capital history of our Company*" on page 67.

Financing Arrangements

There have been no financing arrangements whereby the Promoter, members of our Promoter Group, our Directors, directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by the Promoter (also the Promoter Selling Shareholder) in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by the Promoter (also the Promoter Selling Shareholder) in the one year preceding the date of this Draft Red Herring Prospectus is:

Shareholders	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
BCP Topco	356,234,401	14.07

* *As certified by M/s Lahoti Navneet & Co., Chartered Accountants, by way of their certificate dated January 23, 2021.*

Average Cost of Acquisition for Promoter (also the Promoter Selling Shareholder)

The average cost of acquisition per Equity Share acquired by the Promoter (also the Promoter Selling Shareholder), as on the date of this Draft Red Herring Prospectus is:

Shareholders	Number of Equity Shares acquired	Average cost of Acquisition per Equity Share (in ₹)*
BCP Topco	389,683,420	80.54

* *As certified by M/s Lahoti Navneet & Co., Chartered Accountants, by way of their certificate dated January 23, 2021.*

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

Split or Consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of the Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Business", "Selected Financial Information", "Selected Statistical Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the Financial Statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the equity shares.

The risks and uncertainties described below are not the only risks that we and the industry in which we currently operate face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cashflows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cashflows could suffer, the trading price of, and the value of your investment in, our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of the Company and the terms of this Offer, including the merits and risks involved.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 18.

References to "our business" or "Company's business" in this section refers to the business of the Company and its subsidiaries.

Certain non-GAAP financial measures such as net interest income, operating expenses and net interest margin and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks/companies and are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable to similarly titled measures presented by other banks / companies. For a reconciliation of the non-GAAP measures presented in this section, see "Selected Statistical Information – Non-GAAP Reconciliations" on page 188 and relevant reconciliations in the respective sections of this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from our Restated Consolidated Financial Information.

The industry-related information contained in this section is derived from the CRISIL Report. We commissioned such reports for the purposes of confirming our understanding of the industry in connection with the Offer. Neither our Company, nor any other person connected with the Offer, including the BRLMs, have independently verified the information in such reports or other publicly available information cited in this Draft Red Herring Prospectus.

INTERNAL RISK FACTORS

RISKS RELATING TO COVID-19

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

   The COVID-19 pandemic has had, and continues to have, a significant impact on the Indian economy and the communities in which we operate. For the first and second quarters of Fiscal 2021, India's GDP contracted by 23.9% and 7.5%, respectively, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19 according to the Department of Economic Affairs of India. The CRISIL Report forecasts that India's GDP growth will contract by 7.7% in Fiscal Year 2021, on account of COVID-19. Further, the CRISIL Report also notes that the COVID-19 pandemic exacerbated an already slowing economy, with Fiscal Year 2020 showing slower growth in GDP due to a weak financial sector and subdued private investment. The CRISIL Report expects the pandemic-triggered economic downturn to result in lower banking credit growth, which will be affected due to a decrease in industrial demand and private consumption. For further details, see "*Industry Overview*" on page 92.

We believe that the COVID-19 outbreak will present at least the following challenges to India's financial services industry this year: (1) uncertainties over the duration and the severity of the COVID-19 pandemic; (2) a downturn in the global economy and impact to India's economy; (3) weakening purchasing power because of weak economic growth; and (4) worsening asset quality due to weak economic condition.

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

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

Further, a number of our offices and employees have been working from home/ different locations utilizing remote working technologies. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. In particular, we face heightened cyber-security risks with a large proportion of our employees working from home. The requirement to work from home has required changes to be made to certain operating procedures, which are relatively new. Any unforeseen weaknesses in these processes exposes us to operational risk. Additionally, if any of our employees or customers are suspected to have been infected or identified as a possible source of COVID-19, we may be required to quarantine the employees as well as any others that had come into contact with them and may also be required to disinfect the affected branches or other offices and therefore suffer a temporary suspension of business operations.

Further, our Statutory Auditors have included emphasis of matters in their audit reports on our financial statements for Fiscal Year 2020 as well as in their audit report for our financial statements for the six-months ending September 30, 2020, noting our business and financial results will depend on future developments, which are highly uncertain and the actual credit loss could be different from that estimated as of the date of our financial statements For further details in relation to the managements explanation of this matter and emphasis of matter see "*Restated Consolidated Financial Information*" on page 191.

While we have been able to continue to grow our business (with our AUM growing from Rs. 114,316.6 million as of March 31, 2020 to Rs. 121,586.9 million as of September 30, 2020), there is no assurance that COVID-19 will not have a material adverse effect on our business. For a discussion of the significant areas where we have seen an impact of COVID-19 on our business and our approach on these areas going forward, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – General Economic Conditions in India and the impact of the COVID-19 outbreak*" on page 288.

2. Increase in customer delinquencies and the RBI mandated moratorium may impact our business operations and revenues significantly.

The COVID-19 pandemic may affect us in a number of ways, and we expect the potential magnitude and duration of increasing customer delinquencies and a fallout of the RBI mandated moratorium may be severe:

- Our customers (in particular, our retail customers) may default on loan and other payments or other commitments. Our delinquency ratios may substantially increase, and our asset quality may deteriorate;
- Pursuant to RBI's directions, we granted moratorium on payment of requested instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period"**) to all eligible borrowers who requested for moratorium or failed to pay instalments. The RBI also clarified that for all standard accounts as

on February 29, 2020 moratorium period will be excluded from days past-due ("**DPD**") calculation for the purpose of asset classification under the IRAC norms. As of March 31, 2020, we had impairment loss allowance amounting to ₹ 1,270.9 million for loans on a consolidated basis which also includes provision for increased risk of deterioration of our loan portfolio on account of macroeconomic factors caused by the COVID-19 pandemic. The impairment loss provision has been determined by the management based on estimates using information available as of the reporting date and, given the unique nature and scale of the economic impact of this pandemic, the expected credit loss including management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. Further, as a result of this pandemic, the credit performance and repayment behavior of our customers' needs to be monitored closely and, in the event that the impact of the pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets;

- Further, the RBI has also allowed a one-time restructuring of loans impacted by COVID-19 to help lenders and customers reschedule repayment of instalments based on customers' present income and restoration of income in subsequent months. The restructuring will limit the potential increase in NPAs out of restructured loan accounts till a revised repayment schedule is agreed with such customers. These restructured accounts might become NPAs if customers fail to make payments as per the restructured schedule. We are extending the facility of restructuring of loans to customers at their request;

- The Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. Based on this interim order, we have not classified eligible accounts as NPA as at September 30, 2020. However, such accounts have been classified as Stage 3 assets and provisions have been recognised accordingly in our financial statements. Any further orders of the Supreme Court in this matter may also impact our financial condition and results of operations; and

- There is no assurance that the payments due on such loans will be made or these loans will not be classified as NPAs in the future. We may be required to recognize higher loan loss provisions in future periods, on account of the uncertainty in the external environment due to COVID-19, which may adversely impact our asset quality and profitability in future periods.

3. Our liquidity may be affected by the COVID-19 pandemic which may impact our ability to continue to operate and grow our business.

There is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 outbreak. We fund substantially all of the loans through borrowings under our various funding facilities. Given the broad impact of COVID-19 on the financial markets, our ability to borrow money to fund our current and future customer demand is uncertain. Our liquidity could also be affected as our lenders reassess their exposure to HFCs or Affordable Housing Finance Companies ("**AHFCs**") and either curtail access to lending facilities or impose higher costs to access such facilities. Our liquidity may be further constrained as there may be less demand by investors to acquire our loans in the secondary market. Even if such demand exists, we face a higher risk as a result of the COVID-19 pandemic stemming from our customers inability to repay the underlying loans. Further, if as a consequence of COVID-19, certain banks or HFCs or AHFCs are unable to meet their market commitments, this can impact investor confidence in AHFCs generally and result in a loss to investors in the AHFC. A liquidity shortage for the industry as a whole may also adversely impact our short to medium term cash flows.

RISKS RELATING TO OUR BUSINESS

4. We may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.

We experienced growth in our business in the past. Our total income grew from ₹ 8,151.2 million for the financial year 2018 to ₹ 13,884.6 million for financial year 2020 and was ₹ 7,483.5 million for the six months ended September 30, 2020, while our profit after tax grew from ₹ 1,142.1 million for the financial year 2018 to ₹ 1,893.8 million for financial year 2020 and was ₹ 1,563.7 million for the six months ended September 30, 2020. Our Gross AUM has grown from ₹ 79,659.2 million as of March 31, 2018 to ₹ 121,586.9 million from as of September 30, 2020. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Growth in our business exposes us to a wide range of increased risks within India, including business risks, operational risks, fraud risks, regulatory and legal risks and the possibility that the quality of our AUM may decline. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of customer service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth. Our results of operations depend on a number of internal and external factors, including the increase in demand for affordable housing loans in India, competition, the RBI's monetary and regulatory policies, NHB / RBI regulations, inflation, our ability to expand geographically and diversify our product offerings and also, significantly, on our net interest income. Further, it cannot be assured that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Our business depends significantly on our marketing initiatives. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage our brand value. There can also be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Furthermore, any adverse publicity about, or loss of reputation by us could negatively impact our results of operations.

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

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

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

Our operations are particularly vulnerable to volatility and mismatches in interest rates. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability. If interest rates rise, some or all of our lenders may increase the interest rates at which we borrow resulting in an increase in our effective cost of funds. We may or may not be able to pass on the increased interest rates to our borrowers simultaneously with the increase in our borrowing rates, or at all, thereby affecting our net interest income and we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Additionally, an increase in interest rates may result in some of our borrowers prepaying their loans by arranging funds from other less expensive sources, thereby impacting our growth and profitability.

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

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

6. Any increase in the levels of non-performing assets ("NPAs") in our AUM, for any reason whatsoever, would adversely affect our business, results of operations, cash flows and financial condition.

All our customers are retail borrowers. As of September 30, 2020, 54.55% of our Gross AUM were from formal salaried customers, 10.28% from informal salaried customers, 17.88% from formal self-employed and 17.29% from informal self-employed customers. Such borrowers may be particularly adversely affected by COVID-19 and its impact on the Indian economy, which could lead to increased customer defaults, leading to an increase in the levels of our NPAs.

Income of informal customers is assessed by the credit manager during personal discussion with such customers and verification and collection of other secondary data, in the absence of a documented proof of income. Such an assessment of income for customers from the informal segment may be incorrect or inaccurate for multiple reasons which may result in an increased chance of delinquencies and defaults from such customers.

The Housing Finance Companies Directions, 2010, as amended (the "**NHB Directions**"), which are applicable to us, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs, though we follow Ind AS for income recognition against NPAs. There is no assurance that our NPA level will continue to stay at its current level. If the credit quality of our AUM deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may be adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in our AUM in the future.

Further, the NHB Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations. The NHB Directions also prescribe the provisioning required in respect of our outstanding AUM. However, we follow Ind AS for provisioning as per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. In the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve". Should the overall credit quality of our AUM deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. As of March 31, 2020, our gross Retail NPAs, as a percentage of our Gross Retail AUM, were 0.82% and our net Retail NPAs as a percentage of our retail AUM were 0.60%. Our provisions for Retail NPAs (ECL provision for Stage 3) as at March 31, 2020, 2019 and 2018 were ₹ 254.9 million, ₹ 128.0 million and ₹ 95.2 million representing 27.19%, 22.35% and 20.82%, respectively of our gross NPAs in those years. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. Further, there can be no assurance that we will be able to recover the outstanding amounts due under any defaulted loans. We may also face difficulties in disposing of the underlying assets relating to such loans, as a result of which we may be unable to realize any liquidity from such assets. Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures.

The provisioning measures imposed by the RBI may also have an adverse effect on our business, cash flows, financial condition and results of operations.

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

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

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

As at September 30, 2020, our borrowings (other than debt securities) were ₹ 72,989.6 million, debt securities were ₹ 22,044.9 million, subordinated liabilities were ₹ 832.1 million and deposits were ₹ 512.4 million. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of our agreements require us to take consent from our lenders for undertaking various actions, including, for:

- Entering into any schemes of mergers, amalgamations, compromise or reconstruction;
- Disposal of our Promoter's shareholding in the Company including effecting any change in the management control of the company involving transfer of ownership;
- Enter into any borrowing arrangement with any bank, financial institution, company or person or otherwise accepting deposits which increase the indebtedness of the company beyond the permitted limits as per sanction terms;
- Approaching capital market for mobilizing additional resources either in the form of debt or equity;

- Changing the substantial nature of the business of our Company;
- Effecting any change in our capital structure, including shareholding of our Promoter;
- Pledging of our Promoter's shareholding in the company to any bank or non-banking financial institution;
- Any material change in our management or business;
- Any amendments to our Memorandum or Articles of Association;
- Undertaking guarantee obligations on behalf of any third party;
- Declare any dividends to our shareholders if an there is a subsisting event of default/ breach in any financial covenant;
- Repaying any monies brought in by our Promoter / directors / principal shareholders and their affiliates, friends and relatives by way of deposits / loans / advances during the currency of the facility;
- Transfer or dispose of any of our undertakings;
- Utilization of funds for any other purpose other than for which approval has been granted or agreed to be granted; and
- Entering into any long-term contractual obligations that significantly affect the lender.

We have applied to our lenders and while we have received consents from majority of our lenders in relation to this Offer, consents from certain lenders in relation to this Offer are still pending as on the date of this Draft Red Herring Prospectus. We cannot assure that you such consents will come in the future or at all. Additionally, some of our loan agreements also require us to maintain certain periodic financial ratios. Some of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of default by our Company under the respective financing agreements. Also, our Company has certain loan facilities which the lenders can recall without any cause.

Our future borrowings may also contain similar restrictive provisions. In the event that 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 are only identified 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.

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

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*Our Business – Credit Ratings*" on page 134. Any downgrades in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

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

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

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

11. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved, from time to time, in legal proceedings that are incidental to our operations and these involve proceedings filed by and against us. These include among others, criminal and civil proceedings, tax proceedings, and criminal complaints filed by us under the Negotiable Instruments Act and applications under the SARFAESI Act challenging proceedings adopted by us towards enforcement of security interests. These proceedings are pending at different levels of adjudication before various fora, and authorities. 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 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.

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company and Directors. According to the Materiality Policy, any outstanding litigation other than criminal proceedings, statutory or regulatory actions and taxation matters is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 18.9 million or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Types of proceedings	Number of cases	Amount (in ₹ million)*
Litigation against our Company		
Criminal proceedings	11	-
Material civil litigation above the materiality threshold of ₹ 18.93 million	3	-
Direct tax proceedings	2	2.1
Litigation by our Company		
Criminal proceedings**	3,846	4,218.6
Material civil litigation above the materiality threshold of ₹ 18.93 million	3	-
Litigation against our Directors		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Material civil litigation	1	-

* *To the extent quantifiable.*

** *Includes 3,745 proceedings filed under section 138 of the Negotiable Instruments Act, 1881 involving an aggregate amount of ₹ 2,981.3 million.*

We cannot assure you that any of the outstanding material litigation matters will be settled in favor of our Company or that no additional liability will arise out of these proceedings.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against us and if we are 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 a material and adverse impact on our reputation, business, financial condition, cash flows and results of operations. For details in relation to the proceedings involving our Company and Directors, see "*Outstanding Litigation and Material Developments*" on page 313.

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

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

Pursuant to NHB regulations, HFCs are currently required to maintain a minimum capital to risk (weighted) assets ratio ("**CRAR**") consisting of Tier I and Tier II Capital which collectively shall not be less than 13.00% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As of September 30, 2020, our CRAR (%) was 47.84%. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the NHB may increase its current CRAR requirements or risk weight for assets, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

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

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

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

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

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

The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from eligible business computed under the head "profits and gains of business or profession", may be carried to a "Special Reserve" and are not subject to income tax. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital (excluding the amounts capitalized from reserves) and general reserves of the company. Further, in terms of the Section 41(4A) of the Income Tax Act, 1961, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such amount is withdrawn, if it does not, this may result in a higher tax outflow. By way of notification no. NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014, NHB stipulated that all HFCs are required to create a deferred tax liability ("**DTL**") on the Special Reserve created from current and past profits, irrespective of whether it is intended to withdraw from such reserve or not, however, we follow Ind AS for our accounting and accordingly as per Ind AS have not created deferred tax liability on special reserve.

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

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

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. These include registration with the NHB for carrying out business as an HFC. We have also applied to the RBI to obtain their approval in connection with the Offer. We are also required to maintain licenses under various applicable national and state labor laws in force in India for some of our offices and with regard to some of our employees. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals. For further details, please see "*Government and Other Approvals*" on page 318.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As part of our means of raising and/or managing our funds, we assign a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In Fiscal Years 2019 and 2020 and the six months period ended September 30, 2020, our fresh assignment of loan assets at book value was ₹ 14,831.1 million, ₹ 9,546.7 million and ₹ 2,047.3 million, respectively. Any change in statutory and/or regulatory requirements in relation to assignments by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment transactions. The commercial viability of assignment transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;
- Prohibition on AHFCs such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows;
- Minimum holding period or 'seasoning' and minimum retention requirements of assignment loans; and
- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

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

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

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Business – Risk Management*" on page 134. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

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

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

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

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

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

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

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

20. We have contingent liabilities as at the six-months ended September 30, 2020 and our financial condition may be adversely affected if these contingent liabilities materialize.

We have contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities aggregated to ₹ 2.1 million as at September 30, 2020 in accordance with Ind AS 37. The contingent liabilities consist of liabilities on account of income tax matters of earlier years. In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. Below are the details of Contingent liabilities as at the six-months ended September 30, 2020:

Particulars	As at March 31, 2018	As at March 31, 2019	As at March 31, 2020	As at September 30, 2020
Income tax matters of earlier years*................................	12.7	13.6	11.3	2.1

* The aforementioned contingent liabilities towards income tax have been paid under protest.

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

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

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

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

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

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

23. ***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, which 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 maintained at the state/ district/local sub-registrar 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, tampered and incomplete, may not have been updated regularly, 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/title 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 realize the loan amount extended to our customers in case of a default in payment. This will compel us to write off such loans or litigate the cases with a heavy cost and an indefinite time to resolution, which will adversely affect our revenues.

We undertake a Property Search/ Non-Encumbrance report/ certificate for all the cases from the empaneled Advocates prior to disbursement of the loans and to check that the title to the property is clear and marketable.

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, the sale deed or any other title deed, we can only verify, among other things, if the correct stamp duty has been paid, if the agreement to sell or the sale deed has been signed by all parties, if there is a proper seal of registrar and if there is a registration receipt with the customer. We also cannot immediately ascertain the legitimacy of the deed without obtaining a certified copy of the deed from the relevant registrar office to verify its genuineness, and this involves cost and time since we are compelled to rely on officials.

Additionally, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor 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. Secondly, any deed if registered is a public document and is easily accessible from the sub registrar by any third party to mutilate the title of the property.

The Government set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**") under SARFAESI in April 2011 to have a central database of all mortgages created by lending institutions. The objective of this registry is to compile and maintain data relating to all transactions secured by mortgages; all banks and HFCs which fall under the range of SARFAESI are required to register with CERSAI and submit the data in respect of all properties mortgaged in their favor. However, de-duplication is subject to the accuracy of descriptions of property submitted by borrowers and highlighted in the deeds of sale. In all cases, we verify online CERSAI data before disbursement.

As a result, potential disputes or claims over title to our mortgaged properties 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 the realization of the loan amount. Also, such disputes, whether resolved in our favor or not, may divert management's attention, harm our reputation, and otherwise disrupt our business.

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

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. To further verify the information provided by potential borrowers, we conduct searches on Credit Information Bureau (India) Limited ("**CIBIL**") and other credit bureaus for creditworthiness of our borrowers. We also verify information with registrars and sub -registrars of assurances for encumbrances on collateral. We follow the know your customer ("**KYC**") guidelines prescribed by the NHB on the potential borrower, verifies the place of business or place of employment as applicable to the potential borrower and also verifies 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. Additionally, once a prospective borrower has submitted a completed loan application, our empaneled third-party agencies conduct various on-site checks to verify the prospective customer's work and home addresses. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010, as amended 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. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business, results of operations and financial condition.

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

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see "*Business – Insurance*" on page 138. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cashflows and results of operations.

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

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

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

We have entered into a number of related party transactions, within the meaning of AS-18 and Ind AS-24, as applicable. While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For further details of historical related party transactions, please see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Related Party Transactions*" on page 266.

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

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

29. ***We depend on third-party selling agents for referral of a certain portion of our customers, who do not work exclusively for us.***

We depend on external direct selling agents ("**DSAs**"), who are typically proprietorships and self-employed professionals, as well as Aadhar Mitras, who are people in non-allied industries (for example, hardware store owners, property brokers and building material suppliers) who act as lead providers to our sales teams in return for referral fees, to source a portion of our customers. Our DSAs pass on leads of any loan requirements of these small businesses to us. Our agreements with such DSAs typically do not provide for any exclusivity, and accordingly, such DSAs can work with other lenders, including our competitors. There can be no assurance that our DSAs will continue to drive a significant number of leads to us, and not to our competitors, or at all. As of September 30, 2020, we had approximately 3,341 DSAs and 7,032 Aadhar Mitras.

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

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

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

31. ***We, together with our Promoter, are required to comply with certain restrictive covenants in relation to its shareholding, under our financing agreements.***

Under certain agreements in relation to the refinancing availed from the NHB, our Promoter is required to submit a non-disposal undertaking with respect to its shareholding in the Company, and any transfer and/or dilution of our Promoter's shareholding in our Company requires prior approval from the NHB. Such restrictions on the transferability of shareholding of our Promoter, if not waived by NHB in a timely manner or at all, could impact our ability to undertake the Offer or prevent, in the future, a change in control, merger, consolidation, takeover or other business combination involving us.

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

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

33. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter. For details, see "*Financial Indebtedness*" on page 282. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 175.

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

This document includes information that is derived from the report on '*Industry Report on Affordable Housing Finance, December 2020*', prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"), pursuant to an engagement with us. CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither our Company nor the BRLMs nor any of our or their respective affiliates or advisors or any other person connected with the Offer has independently verified data and statistics obtained from the CRISIL Report. While we have no reason to believe the data and statistics in the CRISIL Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

35. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

The following table sets forth our cash flows for the periods indicated:

	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020	For the six months ended September 30, 2020
Net cash used in operating activities	(25,615.3)	(25,535.2)	(17,847.9)	(3,794.2)
Net cash used in investing activities......	(112.8)	(485.9)	(14,951.3)	(7,475.6)
Net cash generated from financing activities.....................	25,027.2	33,563.7	37,014.5	1,924.7

For further details, see "*Restated Consolidated Financial Information – Restated Consolidated Statement of Cash Flow*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 198 and 286, respectively. We cannot assure you that our net cash flow will be positive in the future.

36. Our management will have flexibility over the use of the Net Proceeds of the Fresh Offer.

We intend to use the Net Proceeds of the Fresh Offer towards augmenting our capital base to meet our future capital requirements, in accordance with applicable law, and in the manner indicated in "*Objects of the Offer*" on page 81. Our management may not apply the Net Proceeds of the Fresh Offer in ways that increase the value of your investment. Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds of the Fresh Offer in the manner indicated in "*Objects of the Offer*" on page 81.

37. A portion of the proceeds from this Offer will not be available to us.

As this Offer includes an offer for sale of Equity Shares by the Promoter Selling Shareholder, the proceeds from the Offer for Sale will be remitted to the Promoter Selling Shareholder and our Company will not benefit from such proceeds.

38. Our Promoter will continue to exert substantial voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.

As on the date of this document, our Promoter holds 98.72% of our pre-Offer Equity Share capital. Following the completion of the Offer, our Promoter may continue to hold a majority of our post-Offer Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Our Promoter will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. In addition, if our shareholders do not act together, such matters requiring shareholders' approval may be delayed or may not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. Further, the trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, see "*Capital Structure*" on page 67. For details of interests of our Promoters in our Company, see "*Our Promoter and Promoter Group*" on page 171.

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

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

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

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

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

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

As of March 31, 2020, 80% of our Gross AUM is from eight states. While our branches are spread across 20 states in India (with no state contributing more than 16.5% AUM as of March 31, 2020), our concentration in these states exposes us to any adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in housing market in those regions for any reason, including consequences of the COVID-19 pandemic, our financial position may be adversely affected.

41. We expect to be classified a passive foreign investment company for U.S. federal income tax purposes.

We expect to be classified as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes, which could result in materially adverse consequences, including additional tax liability and tax filing obligations, for a U.S. investor relative to an investment in a company that is not a PFIC

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

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

43. Some of our secretarial records are not traceable.

The secretarial records for certain past allotments of Equity Shares made by our Company and changes in relation to our registered office could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. The allotments include allotments of 2,899,830 Equity Shares on March 25, 1991, 100,000 Equity Shares in Financial Year 1992, 1,500,000 Equity Shares in Financial Year 1995, and 2,580,705 Equity Shares on April 30, 2001, and the change in the registered office includes change from 72, St. Mark's Road, Bengaluru 560 001, Karnataka to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka.

While certain information in relation to the allotments and changes in relation to the registered office has been disclosed in the sections "*Capital Structure"* and "*History and Certain Corporate Matters*" beginning on pages 67 and 148, respectively, in this Draft Red Herring Prospectus, based upon the details provided in the search report dated January 24, 2021 prepared by Roy Jacob & Co, independent practicing company secretary, and certified by their certificate dated January 24, 2021, we may not be able to furnish any further information, other than what is already disclosed in "*Capital Structure*" and "*History and Certain Corporate Matters*".

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

44. We were previously associated with DHFL and its related entities.

Prior to June 2019, DHFL and WGCL, along with other shareholders, were together holding the majority shareholding in our Company. In June 2019, their entire shareholding was transferred to our Promoter. Pursuant to the aforesaid transfer, our Company disassociated itself from DHLF and its related entities. For further details, see "*Our Group Companies*" on page 173. DHFL and its related entities are subject to various ongoing regulatory investigations and actions. Whilst we are not party to any such proceedings, we cannot assure you that any such proceedings may not adversely impact our Company.

45. During the last 12 months preceding the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price.

We have, in the last 12 months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For details, see "*Capital Structure - Equity Shares issued in the preceding one year below the Offer Price*" on page 70. The prices at which Equity Shares have been issued by us in the last one year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing.

EXTERNAL RISK FACTORS

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

The Government of India has been pursuing various social welfare schemes and initiatives to create an enabling and supportive environment to both enhance the flow of credit to the housing sector and increase home ownership in India. Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote affordable housing through partnerships with private sector entities. However, it is not clear how certain trends and events, such as the impact of COVID-19 on the economy the pace of

India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Any slowdown or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

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

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

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

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

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

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

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

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

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

- The General Anti Avoidance Rules ("**GAAR**") came into effect from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us;
- The Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from 1 July 2017 that combines taxes and levies by the Central and State Governments into a

unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions;

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

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

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

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

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

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

Risks Relating to India

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

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

50. Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business and the price of our Equity Shares.

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

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

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

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

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

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

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

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

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

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

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are to be listed on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);

- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;

- Prevailing income conditions among Indian customers and Indian corporations;

- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;

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

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

55. Investors may have difficulty enforcing foreign judgments in India against us or our management.

We are constituted in India. All of our Directors and Key Managerial Personnel named herein are residents of India and all of our assets are located in India. As a result, it may not be possible for investors outside of India to effect service of process on us or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon our civil liabilities or such Directors and the Managing Director and Chief Executive Officer under laws other than Indian Law. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, UAE, and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

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

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

57. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India. Until March 31, 2018, any gain realized on the sale of equity shares, listed on a stock exchange and held for more than 12 months was not subject to capital gains tax in India if STT was paid on the transaction. However, with the enactment of the Finance Act, 2018 the exemption previously granted in respect of payment of long-term capital gains tax has been withdrawn and such taxes are now payable by the investors with effect from April 1, 2018. The Finance Act, 2018 provides that existing investors are eligible for relief on such capital gains accrued until January 31, 2018 and any long-term capital gains made after January 31, 2018 shall be subject to taxation.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

58. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- The failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- The activities of competitors and suppliers;
- Future sales of the Equity Shares by us or our shareholders;
- Investor perception of us and the industry in which we operate;
- Our quarterly or annual earnings or those of our competitors;
- Developments affecting fiscal, industrial or environmental regulations;
- The public's reaction to our press releases and adverse media reports; and
- General economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

59. The Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 85 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price or at the time they would want to sell their Equity Shares.

60. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they are Allotted in the Offer.

Pursuant to the Offer, the Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one (1) working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to sell their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified herein. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

61. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

62. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees up on exercise of vested options held by them under the ESAR 2018 and the ESOP 2020, may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoter will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder’s investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

63. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles, the instructions issued by the NHB and the RBI, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a bank or corporate entity in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

64. *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 could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

65. *Foreign Account Tax Compliance withholding may affect payments on the Equity Shares.*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign pass thru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Equity Shares, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Equity Shares, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Equity Shares, such withholding would not apply prior to the second anniversary of the date on which final regulations defining the term “foreign passthru payments” are published in the U.S. Federal Register. Investors should consult their own tax advisors regarding how these rules may apply to their investment in the shares. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Equity Shares, no person will be required to pay additional amounts as a result of the withholding.

66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 361. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

67. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹ 10 each[(1)(2)]		Up to [●] Equity Shares aggregating up to ₹ 73,000 million
of which:		
(i)	Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹ 15,000 million
(ii)	Offer for Sale[(2)]	Up to [●] Equity Shares aggregating up to ₹ 58,000 million by the Promoter Selling Shareholder
The Offer consists of:		
(i)	Employee Reservation Portion[(3)]	Up to [●] Equity Shares, aggregating to ₹ [●] million
(ii)	Net Offer	Up to [●] Equity Shares, aggregating to ₹ [●] million
The Net Offer consists of:		
A)	QIB Portion[(4) (5)]	Not more than [●] Equity Shares
	of which:	
	Anchor Investor Portion [(5)]	Up to [●] Equity Shares
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(5)]	[●] Equity Shares
	Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B)	Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
C)	Retail Portion[(4)]	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer		394,754,970 Equity Shares
Equity Shares outstanding after the Offer		[●] Equity Shares
Utilisation of Net Proceeds		See "*Objects of the Offer*" beginning on page 81 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on December 22, 2020, and a special resolution passed by our Shareholders at their meeting held on January 16, 2021.*

(2) *The Promoter Selling Shareholder has authorised and consented to participate in the Offer for Sale. For details on the authorisations and consent of the Promoter Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 321. The Promoter Selling Shareholder has specifically confirmed that the Offered Shares have been held for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI, or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.*

(3) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 342.*

(4) *Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Promoter Selling Shareholder in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" beginning on page 337.*

(5) *Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity*

Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 346.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see "*Offer Procedure*" beginning on page 346. For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 342 and 346, respectively.

For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 337.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the six months ended September 30, 2020, and the Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018.

The Restated Consolidated Financial Information referred to above is presented under "Financial Information" beginning on page 191. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 286.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, unless otherwise stated)

		Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
		Assets				
1.		**Financial assets**				
a)		Cash and cash equivalents	4,303.7	13,648.8	9,433.5	1,890.9
b)		Other bank balances	21,642.3	17,766.4	1,105.8	101.5
c)		Receivables	37.2	40.8	38.6	25.3
d)		Housing and other loans	95,442.2	89,090.3	80,255.9	72,729.6
e)		Investments	3,824.6	239.6	1,496.6	2,102.4
f)		Other financial assets	2,000.9	1,902.2	1,778.2	606.5
			127,250.9	**122,688.1**	**94,108.6**	**77,456.2**
2.		**Non-financial assets**				
a)		Current tax assets (Net)	255.4	278.7	136.1	21.7
b)		Property, plant and equipment	171.3	175.1	236.2	182.9
c)		Right to use assets	234.8	258.1	176.1	144.4
d)		Other intangible assets	16.4	9.5	4.4	8.3
e)		Deferred tax assets (Net)	2.3	1.7	0.9	0.4
f)		Other non-financial assets	372.7	253.1	137.9	201.2
			1,052.9	**976.2**	**691.6**	**558.9**
		Total assets	**128,303.8**	**123,664.3**	**94,800.2**	**78,015.1**
		Liabilities and equity				
		Liabilities				
1.		**Financial liabilities**				
a)		Trade payables				
	i)	Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
	ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	298.8	288.1	157.6	138.1
b)		Debt securities	22,044.9	17,081.4	16,822.4	13,411.2
c)		Borrowings (other than debt securities)	72,989.6	77,841.3	62,894.7	47,870.0
d)		Deposits	512.4	680.3	1,399.2	1,064.6
e)		Subordinated liabilities	832.1	830.4	833.4	832.8
f)		Other financial liabilities	5,862.0	3,018.1	3,612.2	7,109.6
			102,539.8	**99,739.6**	**85,719.5**	**70,426.3**
2.		**Non-financial liabilities**				
a)		Current tax liabilities (Net)	66.5	-	-	33.3
b)		Provisions	114.1	96.8	71.5	43.1
c)		Deferred tax liabilities (Net)	149.7	186.5	308.5	182.7
d)		Other non-financial liabilities	367.0	168.1	111.4	151.9
			697.3	**451.4**	**491.4**	**411.0**
3.		**Equity**				
a)		Equity share capital	394.8	394.6	251.5	251.5
b)		Other equity	24,671.9	23,078.7	8,337.8	6,926.3
			25,066.7	**23,473.3**	**8,589.3**	**7,177.8**
		Total liabilities and equity	**128,303.8**	**123,664.3**	**94,800.2**	**78,015.1**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ million, unless otherwise stated)

	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Income**				
	Revenue from operations				
	a) Interest income	7,007.4	12,145.2	10,949.5	7,047.4
	b) Net gain on fair value changes	15.2	236.1	248.5	144.7
	c) Net gain on derecognition of financial instruments under amortised cost category	204.8	840.1	918.5	363.5
	d) Fees and commission Income	254.1	655.3	539.6	594.4
	Total revenue from operations	7,481.5	13,876.7	12,656.1	8,150.0
	Other income	2.0	7.9	0.2	1.2
	Total income	**7,483.5**	**13,884.6**	**12,656.3**	**8,151.2**
2	**Expenses**				
	Finance costs	4,142.4	7,934.9	7,319.4	4,634.4
	Impairment on financial instruments	197.1	1,096.5	320.0	293.5
	Employees benefits expense	813.5	1,675.6	1,778.4	1,060.5
	Depreciation and amortisation expense	56.7	115.8	85.5	60.0
	Other expenses	286.1	752.7	665.2	494.5
	Total expenses	**5,495.8**	**11,575.5**	**10,168.5**	**6,542.9**
3	**Profit before tax and exceptional items**	**1,987.7**	**2,309.1**	**2,487.8**	**1,608.3**
4	**Exceptional item**	**-**	**-**	138.6	**-**
5	**Profit before tax**	**1,987.7**	**2,309.1**	**2,349.2**	**1,608.3**
6	**Tax expense**				
	Current tax	461.7	540.7	603.2	567.3
	Deferred tax	(37.7)	(125.4)	127.2	(101.1)
		424.0	**415.3**	**730.4**	**466.2**
7	**Profit for the period**	**1,563.7**	**1,893.8**	**1,618.8**	**1,142.1**
8	**Other comprehensive income (OCI)**				
	Items that will not be reclassified to profit or loss				
	i Remeasurements of the defined employee benefit plans	1.4	(10.8)	(5.3)	(22.4)
	ii Income tax relating to items that will not be reclassified to profit or loss	(0.3)	2.7	1.9	7.8
	Total other comprehensive income for the period (i + ii)	**1.1**	**(8.1)**	**(3.4)**	**(14.6)**
9	**Total comprehensive income**	**1,564.8**	**1,885.7**	**1,615.4**	**1,127.5**
10	**Earnings per equity share**				
	Basic earnings per equity share (Rs.)	3.96*	5.86	6.44	5.32
	Diluted earnings per equity share (Rs.)	3.85*	5.83	6.39	5.32
	* Not Annualised				

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in ₹ million, unless otherwise stated)

	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**				
	Net profit before tax	1,987.7	2,309.1	2,349.2	1,608.3
	Adjustments for:				
	Depreciation and amortisation expense	56.7	115.8	85.5	60.0
	Loss on sale of fixed assets (Net)	0.2	27.2	0.6	-
	Interest on lease liabilities	10.4	20.1	14.3	11.7
	Gain on modification in lease	(0.2)	(1.4)	-	-
	Provision for contingencies & write offs	197.4	1,099.1	324.2	293.5
	Profit on sale of investment in mutual fund and other investments	(15.2)	(236.1)	(248.5)	(144.8)
	Provision for Employee share based payments	28.4	3.1	8.3	-
	Operating profit before working capital changes	**2,265.4**	**3,336.9**	**2,533.6**	**1,828.7**
	Adjustments for:				
	Increase /(decrease) in other financial and non-financial liabilities and provisions	3,125.1	(530.9)	(3,747.6)	3,377.5
	Decrease / (increase) in trade receivables	3.6	(2.2)	(13.3)	(24.7)
	Increase in other financial and non-financial assets	(250.2)	(435.2)	(833.3)	(117.1)
	Cash generated from / (used in) operations during the period	**5,143.9**	**2,368.6**	**(2,060.6)**	**5,064.4**
	Tax paid	(371.9)	(683.3)	(750.9)	(544.7)
	Net cash flow generated from / (used in) operations before movement in housing and other loans	**4,772.0**	**1,685.3**	**(2,811.5)**	**4,519.7**
	Housing and other property loans disbursed	(12,227.3)	(31,901.4)	(35,707.9)	(39,046.5)
	Housing and other property loans repayments	3,661.1	12,368.2	12,984.2	8,911.5
	Net cash used in operating activities [A]	**(3,794.2)**	**(17,847.9)**	**(25,535.2)**	**(25,615.3)**
B.	**Cash flow from investing activities**				
	Proceeds received on sale / redemption of investments	2,820.1	129,246.0	145,349.1	71,425.7
	Payment towards purchase of investments	(6,389.9)	(127,502.7)	(144,744.8)	(71,635.0)
	Investment in fixed deposits (net of maturities)	(3,875.9)	(16,660.6)	(1,004.3)	184.9
	Payment towards purchase of fixed assets	(30.0)	(34.2)	(86.8)	(90.3)
	Proceeds received on sale of fixed assets	0.1	0.2	0.9	1.9
	Net cash used in investing activities [B]	**(7,475.6)**	**(14,951.3)**	**(485.9)**	**(112.8)**
C.	**Cash flow from financing activities**				
	Proceeds on Issue of Equity Shares	0.2	13,000.0	-	1,150.0

Particulars		For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Expenses related to allotment of equity shares	-	(14.6)	-	-
	Proceeds from loans from banks/institutions	11,551.1	35,000.4	24,750.0	23,169.5
	Proceeds from NCDs	7,650.0	3,000.0	6,764.0	4,850.0
	Repayment of loans to banks/institutions	(16,405.5)	(19,976.4)	(9,631.6)	(6,340.8)
	Repayment of NCDs	(3,188.3)	(1,820.0)	(1,000.0)	(880.0)
	Net Proceeds / (repayment) of short term Loan	487.3	(961.4)	(2,245.7)	(502.7)
	Proceeds from deposits	-	93.3	706.6	387.8
	Repayment of deposits	(184.9)	(793.7)	(359.1)	(219.6)
	Proceeds from assignment of portfolio	2,047.3	9,546.7	14,831.1	3,534.1
	Payment of lease liabilities	(32.5)	(59.8)	(39.4)	(27.7)
	Dividend paid	-	-	(176.0)	(77.6)
	Tax paid on dividend	-	-	(36.2)	(15.8)
	Net cash generated from financing activities [C]	**1,924.7**	**37,014.5**	**33,563.7**	**25,027.2**
	Net (decrease) / increase in cash and cash equivalents [A+B+C]	**(9,345.1)**	**4,215.3**	**7,542.6**	**(700.9)**
	Cash and cash equivalents at the beginning of the period	**13,648.8**	**9,433.5**	**1,890.9**	**2,591.8**
	Cash and cash equivalents at the end of the period (refer note 4)	**4,303.7**	**13,648.8**	**9,433.5**	**1,890.9**

GENERAL INFORMATION

Our Company was originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to the certificate of incorporation dated November 26, 1990, issued by the RoC and commenced operations pursuant to the certificate for commencement of business dated November 27, 1990, issued by the RoC. Subsequently, the name of our Company was changed to 'DHFL Vysya Housing Finance Limited' and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC. Further, Erstwhile Aadhar was incorporated as 'Aadhar Housing Finance Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai and commenced its operations in February 2011. Erstwhile Aadhar was later merged into our Company pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017. Pursuant to the Scheme of Amalgamation, the name of our Company was changed to 'Aadhar Housing Finance Limited' and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC.

For further details in relation to changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 148.

Corporate Identity Number: U66010KA1990PLC011409

Company Registration Number: 011409

Registered Office of our Company

2nd Floor, No. 3, JVT Towers
8th 'A' Main Road, S.R. Nagar
Bengaluru 560 027
Karnataka, India

Corporate Office of our Company

201, 2nd Floor, Raheja Point-1
Near SVC Tower
Nehru Road, Vakola
Santacruz (E), Mumbai 400 055
Maharashtra, India

Address of the RoC

Our Company is registered with the RoC, situated at the following address:

The Registrar of Companies, Karnataka at Bangalore
'E' Wing, 2nd Floor
Kendriya Sadana
Kormangala, Bengaluru 560 034
Karnataka, India

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Om Prakash Bhatt	Non-Executive Chairman and Independent Director	00548091	Flat No.3, Seagull, Carmichael Road, Mumbai 400 026, Maharashtra, India
Nivedita Haran	Independent Director	06441500	23, IFS Villas, Gautam Budh Nagar Greater Noida 201 310, Uttar Pradesh, India
Sharmila Karve	Independent Director	05018751	102, Phoenix House, Sayani Road, opposite Ravindra Natya Mandir, Prabhadevi, Mumbai 400 025, Maharashtra, India
Amit Dixit	Non – Executive (Nominee) Director	01798942	Flat No. 2102, The Imperial, South Tower, B.B. Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India
Mukesh Mehta	Non – Executive (Nominee) Director	08319159	606, A Deep Tower, opposite Jain Mandir, Andheri West, Mumbai 400 053, Maharashtra, India
Neeraj Mohan	Non – Executive (Nominee) Director	05117389	467, Sector 7, Pushp Vihar, New Delhi 110 017, Delhi, India

Name	Designation	DIN	Address
Deo Shankar Tripathi	Managing Director and Chief Executive Officer	07153794	2202, Tower-7, Emerald Isle, Saki Vihar Road, Powai, L&T Business Park, Mumbai 400 072, Maharashtra, India

For further details of our Directors, see "*Our Management*" beginning on page 154.

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI's online intermediary portal and emailed at cfddil@sebi.gov.in in accordance with the instructions issued by SEBI on March 27, 2020 in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act would be filed with the RoC at its office at 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Bengaluru 560 034, Karnataka, India.

Company Secretary and Compliance Officer

Sreekanth V. N. is our Company Secretary and Compliance Officer. His contact details are as set forth below:

Sreekanth V. N.
Company Secretary and Compliance Officer
201, Raheja Point-1
Nehru Road, Vakola
Santacruz (E)
Mumbai 400 055
Maharashtra, India
Tel: +91 022 3950 9931
E-mail: complianceofficer@aadharhousing.com

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460/70
E-mail: aadhar.ipo@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Shekher Asnani/ Rishi Tiwari
SEBI Registration No.: INM000011179

Citigroup Global Markets India Private Limited
1202, First International Financial Center
Bandra Kurla Complex, Bandra (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
Email: aadhar.ipo@citi.com
Investor Grievance E-mail: investors.cgmib@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact person: Abhijay Thacker
SEBI Registration No.: INM000010718

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11 Plot F
Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: +91 22 4037 4037
E-mail: aadharhfipo@nomura.com
Investor Grievance E-mail: investorgrievances-in@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani / Sandeep Baid
SEBI Registration No.: INM000011419

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
E-mail: aadhar.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Gaurav Mittal / Aditya Deshpande
SEBI Registration No.: INM000003531

Legal Advisors to the Offer

Indian Legal Counsel to our Company and the Promoter Selling Shareholder

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

Indian Legal Counsel to the Book Running Lead Managers

Khaitan & Co
One World Center,
10th & 13th Floor, Tower 1 C,
841, Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel.: +91 22 6636 5000

International Legal Counsel to the Book Running Lead Managers

Clifford Chance
12 Marina Boulevard, 25th Floor
Marina Bay Financial Center Tower 3
Singapore 018982
Tel.: +65 6410 2200

Registrar to the Offer

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower-B, Plot 31& 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: ahfl.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: https://www.kfintech.com/
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Joint Statutory Auditors to our Company

Deloitte Haskins & Sells LLP
Tower 3, 27th – 32nd Floor
One International Centre
Senapati Bapat Marg
Elphinestone (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6185 4000
E-mail: nedaruwalla @deloitte.com
Peer Review Number: 009919
Firm Registration Number: 117366W/ W-100018

Chaturvedi SK & Fellows
402, Dev Plaza
Swami Vivekanand Road
Andheri (West)
Mumbai 400 058
Maharashtra, India
Tel: +91 22 6694 3452
E-mail: ca_abhinav@cskfelos.in
Peer Review Number: 011031
Firm Registration Number: 112627W

Changes in Auditors

Pursuant to the resolution of our Shareholders passed at the EGM held on March 26, 2018, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai were appointed as the Joint Statutory Auditors of our Company till the ensuing 28th AGM, which was held on August 3, 2018. Further, pursuant to the resolution of our Shareholders passed at the AGM held on August 3, 2018, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai were appointed as the Joint Statutory Auditors of our Company, along with the existing statutory auditors Chaturvedi SK & Fellows, Chartered Accountants, till the 32nd AGM of our Shareholders.

Except as disclosed above, there has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank

[●]

Bankers to our Company

Axis Bank
MET College, Opp. Lilavati Hospital
Bandra Reclamation, Bandra (West)
Mumbai 400 050
Maharashtra, India
Tel : +91 99300 10512
Email: bandrareclamation.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Renu

Bank of Baroda
Corporate Financial Service Branch
8, Meghdoot, 1st Floor
Junction of Linking and Turner Road, Bandra (West)
Mumbai 400 050
Maharashtra, India
Tel: + 91 96583 73852
Email: MIDBDR@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Mohammad Mizan

DCB Bank
6th Floor, Tower A, Peninsula Business Park
Lower Parel- West
Mumbai 400 013
Maharashtra, India
Tel : +91 93222 80865
Email: mrugendra.joglekar@dcbbank.com
Website: www.dcbbank.com
Contact Person: Mrugendra Joglekar

DBS Bank India Limited
19th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel : +91 98198 60981/ +91 22 6752 8359
Email: amitsawant@dbs.com
Website: www.dbs.com/india/
Contact Person: Amit Sawant

The Federal Bank Limited
5th Floor, C wing Laxmi Towers
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: + 91 99202 50090
Email: hasrat@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Hasrat Barbora

HDFC Bank
Emerging Corporate Group, 4th floor
Tower – B, Peninsula Business Park
Lower Parel – West, Mumbai 400 013
Maharashtra, India
Tel: +91 96194 60461
Email: vivek.vazirani@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vivek Vazirani

ICICI Bank Limited
North Tower/West Wing/ 4th floor/ WS 055
ICICI Bank Ltd, Corporate Head Office
ICICI Bank Towers
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: + 91 99675 73366
Email: amit.bijalwan@icicibank.com
Website: www.icicibank.com
Contact Person: Amit Bijalwan

Indian Bank
Large Corporate Branch
210 Mittal Towers, B Wing
Nariman Point,
Mumbai 400 021
Maharashtra, India
Tel : +91 22 4017 8013
Email: lcbmumbai@indianbank.co.in
Website: www.indianbank.in
Contact Person: Akash Vishwakarama

Kotak Mahindra Bank Limited
27 BKC,G Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

State Bank of India
Commercial Branch Ahmedabad,
Paramsiddhi Complex, Opp. V.S. Hospital,
Ellis Bridge,

Maharashtra, India
Tel : +91 22 6166 0363
Email: vikash.chandak@kotak.com
Website: www.kotak.com
Contact Person: Vikash Chandak

Ahmedabad 380 006
Gujarat, India
Tel : +91 79 2658 0434
Email: rm3.cbahm@sbi.co.in
Website: www.sbi.co.in
Contact Person: Ramesh Dubey

Union Bank of India
Union Bank Bhavan, 239
Vidhan Bhavan Marg, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: + 91 22 2289 2011
Email: ranjit.kumar@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Ranjit Kumar

Yes Bank Limited
15th floor, Tower 2
One international Centre
Senapati Bapat Marg
Dadar West, Prabhadevi
Mumbai 400 013
Maharashtra, India
Tel: + 91 22 3347 9063
Email: tarun.kuckian@yesbank.in
Website: www.yesbank.in
Contact Person: Tarun Kuckian

Syndicate Members

[●]

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

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

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	I-Sec
2.	Drafting and approval of all statutory advertisement	BRLMs	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	I-Sec
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	SBICAP
5.	Preparation of road show presentation	BRLMs	Nomura
6.	Preparation of frequently asked questions	BRLMs	Nomura
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Citibank, Nomura

S. No.	Activity	Responsibility	Coordinator
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Citibank, I-Sec, Nomura
9.	Non-institutional of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Finalising centres for holding conferences for brokers, etc.;	BRLMs	I-Sec, SBICAP
10.	Retail marketing of the Offer, which will cover, *inter alia*, • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	I-Sec, SBICAP
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	I-Sec
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Citibank, I-Sec
13.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	SBICAP

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Trustees

As this is an Offer of Equity Shares, the appointment of trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://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. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) 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 Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Expert to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent from our Joint Statutory Auditors, Deloitte Haskins & Sells LLP and Chaturvedi S K & Fellows, Chartered Accountants, to include their names in this Draft Red Herring Prospectus as required under Section 26(1) of the Companies Act read with SEBI ICDR Regulations and as "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an auditor and in respect of the examination report dated January 16, 2021 on Restated Consolidated Financial Information and the statement of special tax benefits dated January 23, 2021 and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an expert or consent within the meaning as defined under the U.S. Securities Act.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, and which will either be included in the Red Herring Prospectus or will be advertised in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 346.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" on pages 337, 342 and 346, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(in ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	500,000,000 Equity Shares (having face value of ₹ 10 each)	5,000,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	394,754,970 Equity Shares (having face value of ₹ 10 each)	3,947,549,700	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**(2)		
	Offer of up to [●] Equity Shares (2) (3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 15,000 million(2)		
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 58,000 million(3)		
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million(4)	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having face value of ₹ 10 each)	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		13,381.1 million
	After the Offer		[●] million

* *To be included upon finalisation of the Offer Price.*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 149.*

(2) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on December 22, 2020, and a special resolution passed by our Shareholders at their meeting held on January 16, 2021. The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures" on page 321.*

(3) *The Equity Shares being offered by the Promoter Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 321.*

(4) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ [●]), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 342.*

Notes to the Capital Structure

I. Equity Share capital history of our Company

The history of the Equity Share capital of our Company is set forth below:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
November 26, 1990	170	10	10	Initial subscription to the Memorandum	Cash	170	1,700

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
				of Association(1)			
March 25, 1991*	2,899,830	10	-	Preferential allotment(2)	Cash	2,900,000	29,000,000
Financial Year 1992*	100,000	10	-	-(3)	-	3,000,000	30,000,000
Financial Year 1995*	1,500,000	10	35	Rights issue(4)	Cash	4,500,000	45,000,000
April 30, 2001*	2,580,705	10	15	Rights issue(5)	Cash	7,080,705	70,807,050
November 28, 2009	4,000,000	10	30	Preferential allotment (6)	Cash	11,080,705	11,0807,050
December 5, 2017	10,125,360	10	291.50	Allotment pursuant to the Scheme of Amalgamation (Share swap) (7)	Other than cash	21,206,065	212,060,650
March 8, 2018	3,942,407	10	291.70	Preferential allotment (8)	Cash	25,148,472	251,484,720
June 11, 2019	8,810,088	10	908.05	Preferential allotment (9)	Cash	33,958,560	339,585,600
March 26, 2020	5,506,338	10	908.05	Rights issue(10)	Cash	39,464,898	394,648,980
August 18, 2020	10,599	10	10	Allotment pursuant to ESAR 2018 (11)	Cash	39,475,497	394,754,970
January 16, 2021	355,279,473	10	-	Bonus issue (12)	-	394,754,970	3,947,549,700
Total			**394,754,970**				**3,947,549,700**

* *The secretarial records for certain past allotments of Equity Shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated January 24, 2021 prepared by Roy Jacob & Co, independent practicing company secretary, and certified by their certificate dated January 24, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our secretarial records are not traceable" on page 42.*

(1) *Allotment of 100 Equity Shares to The Vysya Bank Limited and allotment of 10 Equity Shares each to Ramesh Gelli, P.V. Satyanarayana, V. Rajagopal, A. Rama Mohana Rao, C.A. Subramanya Gupta, P. Nageswara Rao and Sridhar Subasri pursuant to subscription to the Memorandum of Association.*

(2) *Allotment of 1,889,830 Equity Shares to The Vysya Bank Limited and the Karur Vysya Bank Limited, allotment of 510,000 Equity Shares to Unit Trust of India and Industrial Credit and Investment Corporation of India, allotment of 300,000 Equity Shares to the NHB, allotment of 150,000 Equity Shares to corporate bodies and allotment of 50,000 Equity Shares to the Bank of Madura. In respect of this allotment, details of the issue price of the Equity Shares were not available in the RoC Search Report.*

(3) *In respect of this allotment, details of date of allotment, the issue price, the nature of allotment, nature of consideration, and the names of the allottees of the Equity Shares were not available in the RoC Search Report.*

(4) *In respect of this allotment, details of the date of allotment and the names of the allottees of the Equity Shares were not available in the RoC Search Report.*

(5) *In respect of this allotment, the names of the allottees of the Equity Shares were not available in the RoC Search Report.*

(6) *Allotment of 2,328,000 Equity Shares to DHFL, and allotment of 836,000 Equity Shares each to Kapil Kumar Wadhawan and Dheeraj Rajesh Kumar Wadhawan.*

(7) *Allotment of 10 Equity Shares for every 119 equity shares of face value of ₹ 10 each held in Erstwhile Aadhar pursuant to the Scheme of Amalgamation and approved by our Board through a resolution dated December 5, 2017. Equity Shares were allotted to shareholders of Erstwhile Aadhar as per the share exchange ratio (swap ratio) mentioned in the Scheme of*

Amalgamation based on the fair valuation of Erstwhile Aadhar and our Company as at April 1, 2017, which was ₹ 24.4 per equity share and ₹ 291.50 per Equity Share, respectively. Allotment of 6,587,684 Equity Shares to WGCL, allotment of 2,025,072 Equity Shares to IFC, allotment of 1,252,101 Equity Shares to DHFL, allotment of 84,034 Equity Shares to Aruna Rajeshkumar Wadhawan, allotment of 84,017 Equity Shares each to Dheeraj Rajeshkumar Wadhawan and Kapil Kumar Wadhawan, allotment of 8,403 Equity Shares to Variya Hospitality and Investments Private Limited, and allotment of eight Equity Shares each to Mohit B. Chaturvedi, Pralhad Kulkarni, PK Kumar and Vijay Tambe. For further details, see "History and Certain Corporate Matters" beginning on page 148.

(8) Allotment of 2,228,317 Equity Shares to IFC and allotment of 1,714,090 Equity Shares to WGCL.

(9) Allotment of 8,810,088 Equity Shares to our Promoter.

(10) Allotment of 5,506,305 Equity Shares to our Promoter and allotment of 33 Equity Shares to R. Nambirajan.

(11) Allotment of 5,281 Equity Shares to Komala Nair, allotment of 1,683 Equity Shares to Sathish Kumar K, allotment of 946 Equity Shares to Rakesh Kumar, allotment of 901 Equity Shares to Srinivasa BV, allotment of 840 Equity Shares to Kannan Govindan, allotment of 748 Equity Shares to Arindam Basu and allotment of 200 Equity Shares to Rahul Arvind Patil.

(12) Bonus issue of 355,279,473 Equity Shares in the ratio of nine Equity Shares for every one Equity Share held by the existing shareholders as on the record date, i.e., January 16, 2021. Accordingly, allotment of 350,715,078 Equity Shares to our Promoter, allotment of 4,185,000 Equity Shares to ICICI Bank Limited, allotment of 101,835 Equity Shares to Investor Education and Protection Fund Authority (jointly with Ministry of Corporate Affairs), allotment of 47,529 Equity Shares to Komala Nair, allotment of 24,147 Equity Shares to Simi Mathew, allotment of 18,000 Equity Shares each to B L Narayana Murthy, B N Chandrasekar (jointly with Prathibha Chandrasekar) and Gowra Leasing and Finance Limited, allotment of 13,500 Equity Shares each to A Aparna and A Ashwin, allotment of 9,000 Equity Shares each to T Raghavan (jointly with Kamala Raghavan), S Narasimhulu Chetty, Sharath Kumar S N, Murali Mohan S N, Manandi Nanjundasetty Dwarakanath and Padmini Ratnam, allotment of 8,514 Equity Shares to Rakesh Kumar, allotment of 8,109 Equity Shares to B V Srinivasa, allotment of 7,560 Equity Shares to G Kannan, allotment of 6,732 Equity Shares to Arindam Basu, allotment of 4,500 Equity Shares to Boda Subba Rao, allotment of 2,700 Equity Shares to K Seetharamasetty, allotment of 2,097 Equity Shares to R Nambirajan (jointly with N Jayalakshmi), allotment of 1,800 Equity Shares each to T N Sankaran, Pola Prabhakar (jointly with Rangaiah Pola), R Indrani, K Lakshmi Devi, Vankadari Ramachandra Gupta, Mahesh K V, Venkata Rajeswari Thatavarthy, Sarva Lakshmi Chintalapudi and Rahul Arvind Patil, allotment of 1,206 Equity Shares to Ranga Subrhamanyam Chaluvadi, allotment of 900 Equity Shares each to C S Siva Kumar (S Vimala), K L Lakshmidevamma, Kota Rangaiah, Kanigelupula Sankara Rao, Sarala Udayashankar, Gautham Rokkam, Kota Bala Anjaneyulu, Kasimsetty Laxmikanth Vimalabai, Jayashree R Ail, K V Sreenivasulu, H Pramoda, Swaranamba, G Vittalkrishna, Neelaiah Gari Rajeswari, allotment of 594 Equity Shares to Sudhakar Chaluvadi, and allotment of 72 Equity Shares to Pralhad N Kulkarni.

1. **Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash or out of revaluation reserves.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Reason for allotment	Benefits accrued to our Company
December 5, 2017	10,125,360	10	291.50	Allotment pursuant Scheme of Amalgamation (Share swap) (1)	The benefits accrued include consolidation of businesses, maximize synergies, simplification of organizational structure, reduction of administrative cost, and achieving operational and management efficiency, including reduction of managerial overlaps.
January 16, 2021	355,279,473	10	-	Bonus issue(2)	-

(1) Allotment of 10 Equity Shares for every 119 equity shares of face value of ₹ 10 each held in Erstwhile Aadhar pursuant to the Scheme of Amalgamation and approved by our Board through a resolution dated December 5, 2017. Equity Shares were allotted to shareholders of Erstwhile Aadhar as per the share exchange ratio (swap ratio) mentioned in the Scheme of Amalgamation based on the fair valuation of Erstwhile Aadhar and our Company as at April 1, 2017, which was ₹ 24.40 per equity share and ₹ 291.50 per Equity Share, respectively. Allotment of 6,587,684 Equity Shares to WGCL, allotment of 2,025,072 Equity Shares to IFC, allotment of 1,252,101 Equity Shares to DHFL, allotment of 84,034 Equity Shares to Aruna Rajeshkumar Wadhawan, allotment of 84,017 Equity Shares each to Dheeraj Rajeshkumar Wadhawan and Kapil Kumar Wadhawan, allotment of 8,403 Equity Shares to Variya Hospitality and Investments Private Limited, and allotment of eight Equity Shares each to Mohit B. Chaturvedi, Pralhad Kulkarni, PK Kumar and Vijay Tambe. For further details, see "History and Certain Corporate Matters" beginning on page 148.

(2) *Bonus issue of 355,279,473 Equity Shares in the ratio of nine Equity Shares for every one Equity Share held by the existing shareholders as on the record date, i.e., January 16, 2021. Accordingly, allotment of 350,715,078 Equity Shares to our Promoter, allotment of 4,185,000 Equity Shares to ICICI Bank Limited, allotment of 101,835 Equity Shares to Investor Education and Protection Fund Authority (jointly with Ministry of Corporate Affairs), allotment of 47,529 Equity Shares to Komala Nair, allotment of 24,147 Equity Shares to Simi Mathew, allotment of 18,000 Equity Shares each to B L Narayana Murthy, B N Chandrasekar (jointly with Prathibha Chandrasekar)and Gowra Leasing and Finance Limited, allotment of 13,500 Equity Shares each to A Aparna and A Ashwin, allotment of 9,000 Equity Shares each to T Raghavan (jointly with Kamala Raghavan), S Narasimhulu Chetty, Sharath Kumar S N, Murali Mohan S N, Manandi Nanjundasetty Dwarakanath and Padmini Ratnam, allotment of 8,514 Equity Shares to Rakesh Kumar, allotment of 8,109 Equity Shares to B V Srinivasa, allotment of 7,560 Equity Shares to G Kannan, allotment of 6,732 Equity Shares to Arindam Basu, allotment of 4,500 Equity Shares to Boda Subba Rao, allotment of 2,700 Equity Shares to K Seetharamasetty, allotment of 2,097 Equity Shares to R Nambirajan (jointly with N Jayalakshmi), allotment of 1,800 Equity Shares each to T N Sankaran, Pola Prabhakar (jointly with Rangaiah Pola), R Indrani, K Lakshmi Devi, Vankadari Ramachandra Gupta, Mahesh K V, Venkata Rajeswari Thatavarthy, Sarva Lakshmi Chintalapudi and Rahul Arvind Patil, allotment of 1,206 Equity Shares to Ranga Subrhamanyam Chaluvadi, allotment of 900 Equity Shares each to C S Siva Kumar (S Vimala), K L Lakshmidevamma, Kota Rangaiah, Kanigelupula Sankara Rao, Sarala Udayashankar, Gautham Rokkam, Kota Bala Anjaneyulu, Kasimsetty Laxmikanth Vimalabai, Jayashree R Ail, K V Sreenivasulu, H Pramoda, Swaranamba, G Vittalkrishna, Neelaiah Gari Rajeswari, allotment of 594 Equity Shares to Sudhakar Chaluvadi, and allotment of 72 Equity Shares to Pralhad N Kulkarni.*

2. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. **Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act**

Except for the allotment of 10,125,360 Equity Shares on December 5, 2017, details of which are set forth above in "– *Notes to the Capital Structure – Share Capital History of our Company*", our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

4. **Issue of Equity Shares under employee stock option schemes**

Except for the issue of Equity Shares pursuant to the exercise of options which have been granted pursuant to the ESAR 2018, our Company has not issued any Equity Shares under employee stock option schemes. For further details in relation to ESAR 2018, see "*Capital Structure – Aadhar Housing Finance Limited - Employee Stock Appreciation Rights Plan 2018*" on page 76.

5. **Equity Shares issued in the preceding one year below the Offer Price**

Details of issue of Equity Shares at a price which may be lower than the Offer Price, including allotments made to our Promoter, during a period of one year preceding the date of this Draft Red Herring Prospectus are set forth in the table below.

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Names of allottees	Nature of consideration	Reason of allotment
March 26, 2020	5,506,338	10	908.05	BCP Topco (Promoter) and R. Nambirajan.	Cash	Rights issue
August 18, 2020	10,599	10	10	Komala Nair, Sathish Kumar K, Rakesh Kumar, Srinivasa BV, Kannan Govindan, Arindam Basu and Rahul Arvind Patil.	Cash	Allotment pursuant to ESAR 2018

6. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	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 (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of total voting rights (A+B+ C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	1	389,683,420	-	-	389,683,420	98.72	389,683,420	-	389,683,420	98.72	-	-		-		Nil	389,683,420
(B)	**Public**	48	5,071,550	-	-	5,071,550	1.28	5,071,550	-	5,071,550	1.28	-	-		-		Nil	4,960,550
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**49**	**394,754,970**	**-**	**-**	**394,754,970**	**100.00**	**394,754,970**	-	**394,754,970**	**100.00**	**-**	**-**		**-**		**-**	394,643,970

7. **Details of equity shareholding of the major shareholders of our Company**

a) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as on the date of this Draft Red Herring Prospectus (%)
1.	BCP Topco	389,683,420	98.72
2.	ICICI Bank Limited	4,650,000	1.18
	Total	**394,333,420**	**99.90**

b) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of 10 days prior to the date of this Draft Red Herring Prospectus (%)
1.	BCP Topco	38,968,342	98.72
2.	ICICI Bank Limited	465,000	1.18
	Total	**39,433,342**	**99.90**

c) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of one year prior to the date of this Draft Red Herring Prospectus (%)
1.	BCP Topco	33,449,019	98.50
2.	ICICI Bank Limited	465,000	1.37
	Total	**33,914,019**	**99.87**

d) Set forth below is a list of shareholders holding 1% or more of the paid-up Share Capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of two years prior to the date of this Draft Red Herring Prospectus (%)
1.	WGCL	17,597,715	69.98
2.	IFC	4,253,389	16.91
3.	DHFL	2,301,090	9.15
4.	ICICI Bank Limited	465,000	1.85
	Total	**24,617,194**	**97.89**

8. **History of the Share capital held by our Promoter**

As on the date of this Draft Red Herring Prospectus, our Promoter holds in aggregate 389,683,420 Equity Shares, constituting 98.72% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set forth below.

a) Build-up of Promoter's shareholding in our Company

The build-up of the shareholding of our Promoter since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer Equity Share capital (%)	Percentage of the post- Offer Equity Share capital (%)
June 10, 2019	Transfer from WGCL	17,597,715	Cash	10	711.11*	4.46	[●]
	Transfer from IFC	4,253,389	Cash	10	908.05	1.08	[●]
	Transfer from DHFL	2,301,090	Cash	10	711.11*	0.58	[●]
	Transfer from Aruna Wadhawan	144,034	Cash	10	711.11*	0.04	[●]
	Transfer from Kapil Wadhawan	134,017	Cash	10	711.11*	0.03	[●]
	Transfer from Dheeraj Wadhawan	134,017	Cash	10	711.11*	0.03	[●]
June 11, 2019	Preferential allotment	8,810,088	Cash	10	908.05	2.23	[●]
July 3, 2019	Transfer from Variya Hospitality and Investments Private Limited	8,403	Cash	10	908.05	0.00	[●]
July 9, 2019	Transfer from Ramco Industries Limited	30,000	Cash	10	908.05	0.01	[●]
January 9, 2020	Transfer from minority shareholders (1)	36,266	Cash	10	908.05	0.01	[●]
February 28, 2020	Transfer from minority shareholders (2)	13,018	Cash	10	908.05	0.00	[●]
March 26, 2020	Rights issue	5,506,305	Cash	10	908.05	1.39	[●]
January 16, 2021	Bonus issue	350,715,078	-	10	-	88.84	[●]
Total		**389,683,420**				**98.72**	

* *In the terms of the Amended Majority SPA, ₹ 711.11 per Equity Share was paid for the transfer.*

(1) *Transfer from H R B Family Trust, V Radhakrishna Murthy, Immadi Padmaja Rani, K V Dwaraknath, Ramesh Gelli, Jayanthi Puljal, Immadi Venkata Krishna Udaya Sankar, V T Henderson, Venkateswarlu Parimi and Parimi Purna Kumari, Pola Sujatha, Meda Sainath Saivani, K M Rajamma, Nagaraju, Jayalakshmi Radhakrishna Murthy Vankayala, Jhansi Lakshmi Konagalla, Subbaraju Kanumari, Vijay Shankar Tambe, Mohit Chaturvedi, Venkata Naga Sri Ramana Juluri, Meda Anitha Padmaja, Meda Nagarathna, Meda Narendra Kumar, K S Dwarakanath, E M Vishalakshi, K Satyanarayana Gupta, Sampath Kumari B N, A S Dwarakanath Setty, K Nirmala, D Nagendra Prasad, K Gayathri Prasad, B V Krishnamurthy and B K Praveena, Arveti Murthy, M Nagaraja Gupta, B V Srinivasa, R Nambirajan and N Jayalakshmi, Kothamachu Nirmala and Kothamachu Venkata Chalamaiah Chetty, R Nambirajan, Manjula K S, Ashirwad Bingi Ramesh, B K Vijayalakshmi, M N Suresh, Rajendra Kumar, Sridhar Kumar G, Grandhi Satya Ramakrishna, M Ramakrishnan, Pamadi Rambabu, M S Seshachalam, B V Ramesh, V Ravichandra, Manandi Nanjundasetty Ramesh, Shylaja D B, Bangaruswamy D S, M Suresh Kumar, Dinesh Gupta P, I V S V B Panchajanyam, Kollukuduru Praveena, Ambati Sreenivasulu, Manjunatha S R, Venkatarathnam K V, Katta Venkata Sugunaratnam, Sridhar Subasri, Geetha P S, Mamidi Madhuri, Manandi Nanjunda Setty, and K Varamahalakshmi Devi.*

(2) *Transfer from Mamilla Ranganath, Sudeshna N, A Rajagopal Gupta, Nanda Kumar V, Gudditi Eswaraiah,, Yadalam Nagaraja, Vankadari Ramachandra Gupta, B V Mohan and B M Geetha, Vinita Veerabhadran, Vathsala H L, Devaraju N , Nagaruru Padmaja, Krishna Kumar Ponniah, G Sreevaran, Nataraju K R, Vijaya Lakshmi B Y, K. V. Harinath, Attaluri Sridevi and Attaluri Sambasiva Rao, Aruna Somisetty, Vanamala E R and M S Shelvapille Iyengar, G Sreedhara Babu, Kasimsetty Laxmikanth Vimalabai, Pabbisetty Subbaramiah Sundaramurthy, V R Nataraj, Ramanlal Manikchand Sha, Somisetty Krishna Priya, Sree Ramachandra Murthy Maddula and Maddula Lakshmi Annapurna, R Harinath, M Bharathi Ramesh , Sai Srinivasa*

Murthy S R, Madhav Pundi Krishnaswamy, Leelavathi, Way2Wealth Brokers Private Limited, G Hemalatha, and Yokesh Kumar V.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are subject to any pledge.

b) *Shareholding of our Promoter (also the Promoter Selling Shareholder) and Promoter Group*

The details of shareholding of our Promoter (also the Promoter Selling Shareholder), Promoter Group and directors of our Promoter as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
A.	***Promoter (also the Promoter Selling Shareholder)***				
1.	BCP Topco	389,683,420	98.72	[●]	[●]
Total		**389,683,420**	**98.72**	[●]	[●]
B.	***Promoter Group***				
1.	NIL				
C.	***Directors of our Promoter***				
1.	NIL				
Total		**389,683,420**	**98.72**	[●]	[●]

c) *Details of Promoter's Contribution and Lock-in*

In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of three years from the date of Allotment and our Promoter's shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoter as minimum Promoter's contribution, which shall be locked-in for a period of three years from the date of Allotment are set forth below.

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment/ transfer*	Nature of transaction	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share Capital	Percentage of post-Offer paid-up Equity Share Capital
[●]	[●]	[●]	[●]	10	[●]	[●]	[●]

* *Subject to finalisation of Basis of Allotment*

(1) For a period of three years from the date of Allotment

(2) All Equity Shares were fully paid-up at the time of allotment

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "*- History of the Share Capital held by our Promoter*".

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoter's contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash and out of revaluation of assets or capitalisation of intangible assets; (b) Equity Shares that have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(ii) The Promoter's contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;

(iv) The Equity Shares held by the Promoter and offered for Promoter's contribution are not subject to any pledge; and

(v) All the Equity Shares held by the Promoter are held in dematerialised form.

d) *Details of Equity Shares locked-in for one year:*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for three years as specified above, in terms of Regulation 16(b) of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except for the Equity Shares sold pursuant to the Offer for Sale, any Equity Shares allotted to the employees (whether or not they are current employees) of our Company under the ESAR 2018 and ESOP 2020, and any other categories of shareholders exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Our Promoter has agreed not to transfer, create any pledge or any other type of encumbrance on the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares held by the Promoter which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations, provided that pledge of the Equity Shares is one of the terms of the sanction of loans. The lock-in may continue pursuant to the invocation of pledge; however, the transferee shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

9. *Anchor Investors Lock-in*

Any Equity Shares allotted, if any, to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

10. Except for the issue of any Equity Shares pursuant to exercise of options granted under ESAR 2018 and ESOP 2020, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

11. All Equity Shares held by our Promoter are in dematerialised form.

12. As on the date of filing of this Draft Red Herring Prospectus, the total number of shareholders of our Company is 49.

13. Our Promoter, any member of our Promoter Group, any of the Directors of our Company, any of the directors of our Promoter or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

14. There have been no financing arrangements whereby members of our Promoter Group, our Directors, directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

15. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not made any buy-back arrangements for purchase of Equity Shares from any person.

16. As on the date of this Draft Red Herring Prospectus, except for 4,650,000 Equity Shares held by ICICI Bank Limited (ICICI Bank Limited being the holding company of I-Sec), the Book Running Lead Managers and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.

17. All Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

18. Except the options granted pursuant to the ESAR 2018 and the ESOP 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

19. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

20. Our Promoter and Promoter Group shall not participate in the Offer, except to the extent of the Offer for Sale by our Promoter.

21. Except for the issue of any Equity Shares pursuant to exercise of options granted under the ESAR 2018 and the ESOP 2020, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

22. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoter, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

24. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

25. **Employee stock option plans**

Aadhar Housing Finance Limited - Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018")

26. Our Company, pursuant to the resolutions passed by our Board on February 26, 2018 and our Shareholders on March 26, 2018, adopted the ESAR 2018.

The objective of ESAR 2018 is to reward the employees of our Company for their performance and to motivate them to contribute to the growth and profitability of our Company.

Our Company may issue such number of options under ESAR 2018 which are exercisable into not more than 1,100,000 Equity Shares. In its meeting held on January 13, 2021, the Nomination and Remuneration Committee of our Company and in their meeting held on January 16, 2021, our Shareholders approved a clarification that the limit of 1,100,000 Equity Shares under ESAR 2018 shall be subject to any adjustment/ revision as may be required for any corporate action such as merger, sale of division, stock split/ consolidation, rights issues, bonus issues and others as stipulated in the ESAR 2018 and also allowed the Nomination and Remuneration Committee to undertake fair adjustment to outstanding ESARs for such corporate actions.

The details of the ESAR 2018, as certified by M/s Lahoti Navneet & Co., Chartered Accountants, through a certificate dated January 23, 2021, are as follows:

Particulars	**Details**			
Options granted (ESARs)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till January 22, 2021**
	-	2,772,952	-	-

Particulars	Details			
	Cumulative options granted as on March 26, 2018 which were effective from April 1, 2018			
Number of employees to whom options were granted (ESARs)	-	37	-	-
Options vested (ESARs)	**-**	**789,926.3**	**1,193,954.9**	**1,181,571.8**
	Cumulative options granted as on March 26, 2018 which were effective from April 1, 2018			
Options exercised (ESARs)	-	-	143,805.3*	12,383.1
	Cumulative options granted as on March 26, 2018 which were effective from April 1, 2018			
Options forfeited/ lapsed/ cancelled (ESARs)	-	139,864.4	499,357.5	8,255.4
Options outstanding (including vested and unvested options) (ESARs)	-	**2,633,087.6**	**1,989,924.8**	**1,969,286.3**
Exercise price of options - weighted average exercise price per option (in ₹) (ESARs)	-	29.17	29.17	29.17
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options) (ESARs)	-	-	Not determinable in case of ESARs**	Not determinable in case of ESARs**
Variation in terms of options (ESARs)	-	NA	NA	NA
Money realised by exercise of options (in ₹ million) (ESARs)	-	-	0.10*	0.01
Total number of options in force (excluding options not granted) (ESARs)	-	**2,633,087.6**	**1,989,924.8**	**1,969,286.3**
Employee wise details of options granted to (ESARs)				
(i) Key Managerial Personnel	**-**	**1,113,045.1**	**1,113,045.1**	**1,113,045.1**
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (ESARs)	**Name of employee**		**Total number of options granted in Financial Year 2018-19**	
	Deo Shankar Tripathi		633,032.9	
	Komala Nair		259,352.8	
	Anmol Gupta		207,482.3	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant (ESARs)	NIL			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) (ESARs)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30, 2020**
	5.32	6.39	5.83	3.85 (not annualised)
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not Applicable, the Company has used fair value of options for accounting			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying	Black Scholes			
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30, 2020**

Particulars	Details			
share in market at the time of grant of the option (ESARs)				
- Expected life of options (years)	-	3 Years	3 Years	3 Years
- Volatility (% p.a.)	-	0.01%	0.01%	0.01%
- Risk Free Rate of Return (%)	-	7.45%	7.45%	7.45%
- Dividend Yield (% p.a.)	-	2.40%	2.40%	2.40%
- Exercise price per share (₹)	-	29.17	29.17	29.17
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till January 22, 2021**
The weighted average share price on the date of grant (₹)	-	29.17	29.17	29.17
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years (ESARs)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30, 2020**
	-	-	-	-
Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any (ESARs)	**Name of employee**			**Total number of options exercisable**
	Deo Shankar Tripathi			633,032.9
	Rishi Anand			103,741.1
	Anmol Gupta			207,482.3
	Hrishikesh Jha			103,741.1
	Sreekanth V N			65,047.7
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company (ESARs)	Nil			

* *Money realised during April 1, 2020 to September 30, 2020 on allotment of shares.*

** *Calculation of Number of shares is dependent upon fair value of shares on the date of exercise of option and fair value may change on the date of exercise of options hence it is indeterminable.*

Notes:

1. *Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our Shareholders approved a bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder. Above information has been prepared after giving effect of bonus shares in all periods.*
2. *For the purpose of exercise of ESOPs/ESARs, the calculated grants shall be adjusted to the nearest integer.*

Employee Stock Option Plan 2020 ("ESOP 2020")

Our Company, pursuant to the resolutions passed by our Board on March 5, 2020 and our Shareholders on April 27, 2020, adopted the ESOP 2020.

The objective of ESOP 2020 is to incentivise, induce, reward and motivate the employees of our Company to contribute effectively towards the future growth and profitability of our Company, align the employees towards a common objective of creating value for our Company as well as to induce the employees to remain in the service of our Company. Further, ESOP 2020 provides that the maximum number of options that can be granted under it shall not, at any time, upon exercise, exceed 12,000,000 Equity Shares (or such other adjusted figure for any re-organisation of the capital structure undertaken in accordance with the ESOP 2020).

Under the ESOP 2020, certain eligible options will qualify for vesting in accordance with the terms of the ESOP 2020 from the date our Promoter receives a net sale consideration of USD 900,000,000 cumulatively from the sale of the Equity Shares held by it.

The details of the ESOP 2020, as certified by M/s Lahoti Navneet & Co., Chartered Accountants, through a certificate dated January 23, 2021, are as follows:

Particulars	**Details**			
Options granted	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till January 22, 2021**
	-	-	10,443,950	206,990
	Cumulative options granted as on March 31, 2020			
Number of employees to whom options were granted	-	-	389	29
Options vested	-	-	-	-
	Cumulative options granted as on March 31, 2020			
Options exercised	-	-	-	-
	Cumulative options granted as on March 31, 2020			
Options forfeited/ lapsed/ cancelled	-	-	-	201,800
Options outstanding (including vested and unvested options)	-	-	10,443,950	10,449,140
Exercise price of options - weighted average exercise price per option (in ₹) (after adjustment of bonus issue)	-	-	90.81	90.81
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-	-	-	-
Variation in terms of options	-	-	NIL	NIL
Money realised by exercise of options (in ₹ million)	-	-	-	-
Total number of options in force (excluding options not granted)	-	-	10,443,950	10,449,140
Employee wise details of options granted to				
(i) Key Managerial Personnel	-	-	4,472,610	4,472,610
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	**Name of employee**		**Total number of options granted in Financial Year 2019-2020**	
	Deo Shankar Tripathi		1,386,270	
	Rishi Anand		679,170	
	Ravinder Singh Beniwal		679,170	
	Rajesh Viswanathan		679,170	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30, 2020**
	5.32	6.39	5.83	3.85 (not annualised)
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not Applicable, the Company has used fair value of options for accounting			
	Black Scholes			

Particulars	Details			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30,2020**
- Expected life of options (years)	-	-	3 years to 9 years	3 years to 9 years
- Volatility (% p.a.)	-	-	9.7% to 12.7%	9.7% to 12.7%
- Risk Free Rate of Return (%)	-	-	5.2% to 6.7%	5.2% to 6.7%
- Dividend Yield (% p.a.)	-	-	0.8%	0.8%
- Exercise price per share (₹)	-	-	90.81	90.81
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30,2020**
The weighted average share price on the date of grant (₹)	-	-	90.81	90.81
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till September 30,2020**
	-	-	Nil	Nil
Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	**Name of employee**		**Total number of options exercisable**	
	Deo Shankar Tripathi		166,353	
	Rishi Anand		81,501	
	Ravinder Singh Beniwal		81,501	
	Rajesh Viswanathan		81,501	
	Hrishikesh Jha		42,880	
	Anmol Gupta		49,552	
	Sreekanth V N		18,657	
	Nirav Dhiraj Shah		14,772	
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	NIL			

Notes:

1. *Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our Shareholders approved a bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder. Above information has been prepared after giving effect of bonus shares in all periods. Above information has been prepared after giving effect of bonus shares in all periods.*

2. *For the purpose of exercise of ESOPs/ESARs, the calculated grants shall be adjusted to the nearest integer.*

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder.

The Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale, net of their proportion of Offer-related expenses and the relevant taxes thereon. Our Company shall not receive any proceeds from the Offer for Sale. Except for listing fees which shall be solely borne by our Company, all Offer related expenses will be shared, as mutually agreed in the Offer Agreement and in accordance with applicable law.

The Fresh Issue

Our Company proposes to utilise the Net Proceeds (as set out below) towards augmenting its capital base to meet our future capital requirements.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

S. No.	Particulars	Amount (in ₹ million)
1.	Gross Proceeds of the Fresh Issue	15,000
2.	(Less) Estimated Offer-related expenses in relation to the Fresh Issue(1)(2)	[●]
	Net Proceeds	[●]

(1) To be finalized upon determination of Offer Price.

(2) For details, see "- Offer related Expenses" on page 82.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilised for augmenting our capital base to meet future capital requirements as detailed under "*– Details of the Objects of the Fresh Issue*" below. For further details, see "*Risk Factors – Our management will have flexibility over the use of the Net Proceeds of the Fresh Offer*" on page 40.

Proposed Schedule of Implementation and Deployment of Funds

The Net Proceeds are proposed to be deployed in the Financial Year 2022.

The fund deployment indicated above is based on current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws.

Means of Finance

We propose to fund the requirements of the objects detailed above entirely from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals).

Details of the Objects of the Fresh Issue

The details in relation to objects of the Fresh Issue are set forth herein below.

Augment our capital base

We are a housing finance company in India and are registered with the NHB and are a notified financial institution under the SARFAESI Act. We focus on providing affordable housing finance products for the economically weaker sections and lower income segments in India, and cater to both salaried and self-employed borrowers. For details, see "*Our Business*" on page 121.

As per the NHB Directions, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital. Regulation 30 of the NHB Directions currently requires all HFCs to comply with a CRAR, consisting of Tier I and Tier II capital, of not less than 13% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items, on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. At a minimum, Tier I capital of an HFC cannot be less than 10%. Further, we are required to ensure that the total Tier II capital at any point of time, should not exceed 100% of Tier – I capital. For details, see "*Key Regulations and Policies in India*" on page 140.

As of September 30, 2020, our Company's CRAR - Tier I capital, in accordance with the Restated Consolidated Financial Information, was 45.87%. The Net Proceeds are proposed to be utilized for increasing our capital base, which will be utilized towards our Company's business and growth including towards onwards lending, payment of operating expenditure, purchase of assets and repayment of outstanding loans and interest thereon as part of our business activities. We anticipate that the Net Proceeds will be sufficient to satisfy our Company's Tier- I capital requirements for Financial Year 2022.

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

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the Book Running Lead Managers, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All costs, fees and expenses with respect to the Offer shall be shared by the Company and the Promoter Selling Shareholder, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by the Promoter Selling Shareholder through the Offer for Sale and in accordance with applicable law. The break-up for the estimated Offer expenses is as follows:

Activity	Estimates expenses(1) (in ₹ million)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2) (3)(4)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Advertising and marketing	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

No additional uploading/ processing fees shall be payable by our Company and the Promoter Selling Shareholder to the SCSBs on the applications directly procured by them.

(3) *Processing fees payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

(4) *Selling commission on the portion for RIBs, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid application (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds with in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

Bridge Loans

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilization of the Net Proceeds prior to filing of the Red Herring Prospectus. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the

SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. In accordance with Regulation 47 of the SEBI ICDR Regulations, this information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee and its explanation in the Directors' report.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to the Companies Act, the Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Appraising Agency

None of the Objects of the Offer for which the Net Proceeds will be utilized have been appraised by any agency.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoter, members of the Promoter Group, the Directors, or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoter, the Directors, the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Offer. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 121, 25, 191 and 286, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Largest affordable housing finance company with best-in-class metrics in the fastest growing sub-segment of the Indian mortgage market;
- Extensive branch network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing;
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality;
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management;
- Social objectives are one of the core components of our business model; and
- Experienced, cycle-tested and professional management team with strong corporate governance.

For further details, see "*Our Business – Competitive Strengths*" on page 123.

Quantitative Factors

Certain information presented below, relating to our Company, is based on the Restated Consolidated Financial Information. For details, see "*Restated Consolidated Financial Information*" beginning on page 191.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As per the Restated Consolidated Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2020	5.86	5.83	3
Financial Year 2019	6.44	6.39	2
Financial Year 2018	5.32	5.32	1
Weighted Average	5.96	5.93	
Six months ended September 30, 2020 (not annualised)	3.96	3.85	-

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

(2) Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/Weighted average number of equity shares.

(3) Basic EPS and Diluted EPS calculations are in accordance with the relevant accounting standard and is after giving effect of bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder as on the record date, i.e., January 16, 2021 pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company.

(4) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Information as appearing in "Restated Consolidated Financial Information" beginning on page 191.

2. **Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS for Financial Year 2020	[●]	[●]
Based on Diluted EPS for Financial Year 2020	[●]	[●]

Industry P/E ratio

	P/E Ratio
Highest	61.2x
Lowest	61.2x
Industry Composite	61.2x

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see *"– Comparison of Accounting Ratios with Listed Industry Peers" on page 86.*

3. **Average Return on Net Worth ("RoNW")**

As per the Restated Consolidated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year 2020	8.07%	3
Financial Year 2019	18.85%	2
Financial Year 2018	15.91%	1
Weighted Average	12.97%	
Six months ended September 30, 2020 (not annualised)	6.24%	-

Notes:

(1) Return on Net Worth (%) = Net profit after tax before other comprehensive income (as restated) divided by net worth at the end of the year/period.

(2) Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.

(3) The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

4. **Net Asset Value per Equity Share of face value of ₹ 10 each**

Net Asset Value per Equity Share	(₹)
As on September 30, 2020	63.50
As on March 31, 2020	59.48
After the Offer	[●]
Offer Price	[●]

Notes:

(1) Net Asset Value per Equity Share = $\dfrac{\textit{Net worth as per the restated financial information}}{\textit{Number of equity shares outstanding as at the end of year/period adjusted for bonus shares}}$

(2) Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.

(3) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

5. **Comparison of Accounting Ratios with Listed Industry Peers**

Name of Company	Face Value (₹ Per Share)	Revenue, for Financial Year 2020 (in ₹ million)	EPS, for Financial Year 2020 (₹)		NAV, as on March 31, 2020 (4) (₹ per share)	P/E(2)	P/B(5)	RoNW, as on March 31, 2020(3) (%)
			Basic	Diluted(1)				
Aadhar Housing Finance Limited*	10	13,884.6	5.86	5.83	59.48	[●]	[●]	8.07

Name of Company	Face Value (₹ Per Share)	Revenue, for Financial Year 2020 (in ₹ million)	EPS, for Financial Year 2020 (₹)		NAV, as on March 31, 2020 (4) (₹ per share)	P/E(2)	P/B(5)	RoNW, as on March 31, 2020(3) (%)
			Basic	Diluted(1)				
Listed peers								
Aavas Financiers Limited	10	9,033.5	31.85	31.48	267.86	61.2x	7.2x	12.66

* *Financial information of our Company is derived from the Restated Consolidated Financial Information for the Financial Year ended March 31, 2020.*

Notes:

(1) *Basic EPS and Diluted EPS refers to the Basic EPS and Diluted EPS sourced from the Restated Consolidated Financial Information for the Financial Year ended March 31, 2020.*

(2) *P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 21, 2021, divided by the Diluted EPS provided under Note 1 above.*

(3) *Return on net worth (RoNW) is computed as net profit after tax (including profit attributable to non-controlling interest) divided our net worth as of the last day of the relevant year or period. Net worth has been computed as a sum of paid-up share capital and other equity excluding capital reserve on amalgamation.*

(4) *Net asset value per share (NAV) is computed as the closing net worth divided by the closing outstanding number of equity shares.*

(5) *P/B is computed as closing market price of equity shares on NSE as on January 21, 2021, divided by NAV, as on March 31, 2020.*

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO AADHAR HOUSING FINANCE LIMITED (formerly known as DHFL Vysya Housing Finance Limited) ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

January 23, 2021

To,
Board of Directors,
Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited)
201, Raheja Point -1,
Near Shamrao Vitthal Bank,
Nehru Road, Vakola,
Santacruz (E),
Mumbai - 400055

Dear Sirs,

Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws

We refer to the proposed initial public offering of equity shares (the "**Offer**") of the Company and enclose the statement (the "**Annexure**") showing the current position of special tax benefits available to the Company and to the shareholders of the Company as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2021-22 relevant to the financial year 2020-21 for inclusion in the Draft Red Herring Prospectus ("**DRHP**"), for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure. Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company and the shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income Tax Act, 1961. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. The Company doesn't have any material subsidiaries.

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

- the Company and its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/would be met with;
- the revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include the enclosed statement regarding special tax benefits available to the Company and to its shareholders in the DRHP for the proposed issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India, the registrar or companies and the National Stock Exchange of India Limited and BSE Limited ("the **Stock Exchanges**") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the DRHP

Limitations

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Issue or any third party relying on the statement.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Neville M. Daruwalla
Partner
(Membership No. 118784)
Mumbai, January 23, 2021

UDIN: 21118784AAAAAV5557

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Abhinav Chaturvedi
Partner
(Membership No. 143376)
Mumbai, January 23, 2021

UDIN: 21143376AAAAAF4503

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO AADHAR HOUSING FINANCE LIMITED (formerly known as DHFL Vysya Housing Finance Limited) ("COMPANY") AND TO COMPANY'S SHAREHOLDERS ("SHAREHOLDERS")

The information provided below sets out the possible special tax benefits available to the Company and to shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. Allowance of provision for bad and doubtful debts under section 36(1)(viia)

In terms of Section 36(1) (viia)(d) of the I.T. Act, the Company, being a non-banking financial company is entitled to claim deduction in respect of any provision for bad and doubtful debts made by the Company of an amount not exceeding 5% of the total income (computed before making any deduction under this clause and Chapter VIA of the I.T. Act).

As per section 36(1) (vii) of the Act, where the Company has claimed deduction under section 36(1) (viia) of the I.T. Act, then subsequent claim of deduction of actual bad debts under section 36(1) (vii) of the I.T. Act would be reduced to the extent of deduction already claimed under section 36(1) (viia) of the I.T. Act.

Further, as per section 41(4) of the I.T. Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1) (vii) of the I.T. Act, then if the amount subsequently recovered on any such debt or part is greater than the difference between the debt or part of debt and the amount so allowed as a deduction under section 36(1) (vii) of the I.T. Act, the excess shall be deemed to be business income of the year in which it is recovered.

2. Transfer to Special Reserve under section 36(1)(viii)

In terms of section 36(1)(viii) of the I.T. Act, Company is eligible for deduction in respect of the profits derived from eligible business of providing long-term finance for the construction or purchase of houses in India for residential purposes, provided such amount is carried to special reserve created and maintained by our Company. The amount of deduction is lower of the following:-

i. Amount transferred during the previous year to the special reserve account created for the purpose of section 36(1)(viii); or
ii. 20% of the profits derived from eligible business computed under the head "Profits and gains of business or profession" but before making any deduction under section 36(1)(viii) of the I.T. Act; or
iii. 200% of the paid-up share capital and general reserve on the last day of the previous year minus the balance of the special reserve account on the first day of the previous year.

Further, as per section 41(4A) of the I.T. Act, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the I.T. Act, any amount subsequently withdrawn from such special reserve shall be deemed to be business income of the year in which such amount is withdrawn.

3. Special provision in case of income of Housing Finance Company under section 43D

In terms of section 43D of the I.T. Act, in case of public company being a housing finance company, the interest income in relation to such bad or doubtful debts as may be prescribed in the guidelines issued by the National Housing Bank, would be chargeable to income-tax in the hands of the Company in the year in which such interest income is credited to its profit & loss account or actually received by the Company, whichever is earlier.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders of the Company.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2020.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax")

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special Indirect Tax benefits available to the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special Indirect Tax benefits available to the shareholders of the Company.

For and on behalf of Board of Directors of Aadhar Housing Finance Limited

Rajesh Viswanathan

Chief Financial Officer
Mumbai, January 23, 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the BRLMs or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources we believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Preliminary Placement Document.

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INDIA MACROECONOMIC OUTLOOK

India was one of the fastest-growing major economies (GDP growth, % on-year)

India was one of the fastest growing economies in the world pre-Covid, with annual growth of around 6.7% between 2014 to 2019. CRISIL expects the economy to rebound and India to regain its tag of one of the fastest growing economies globally in the medium-term.

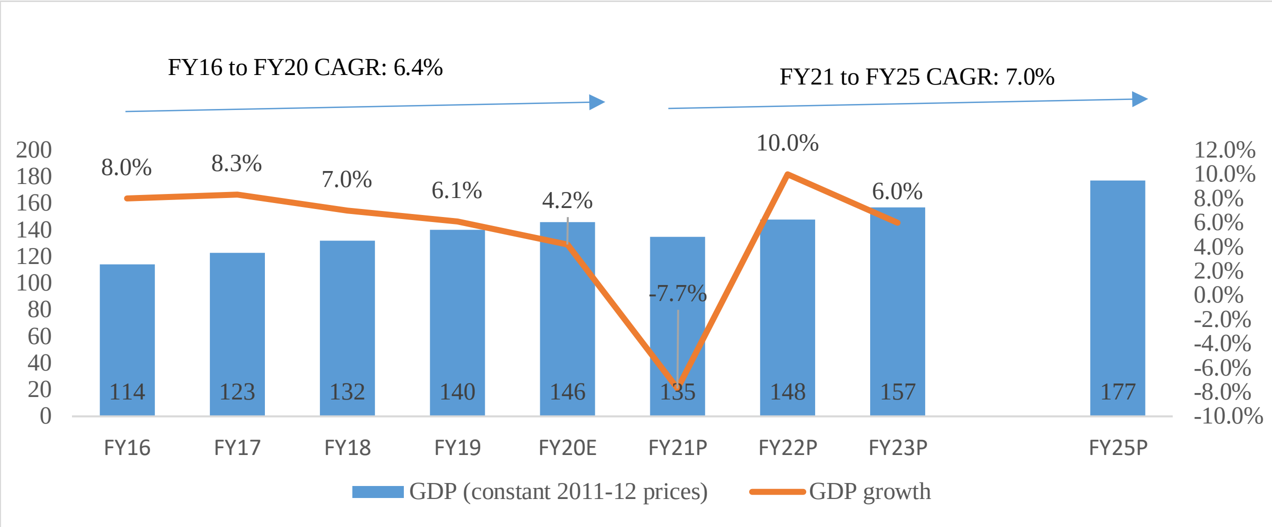
GDP growth (constant prices)

	2014	2015	2016	2017	2018	2019	2020P	2021P	2022P	2023P	2024P	2025P
India	**7.4%**	**8.0%**	**8.3%**	**7.0%**	**6.1%**	**4.2%**	**(10.3%)**	**8.8%**	**8.0%**	**7.6%**	**7.4%**	**7.2%**
China	7.3%	6.9%	6.8%	6.9%	6.7%	6.1%	2.3%	8.2%	5.8%	5.7%	5.6%	5.5%
Japan	0.4%	1.2%	0.5%	2.2%	0.3%	0.7%	(5.3%)	2.3%	1.7%	1.2%	1.0%	0.6%
USA	2.5%	3.1%	1.7%	2.3%	3.0%	2.2%	(4.3%)	3.1%	2.9%	2.3%	1.9%	1.8%
UK	2.6%	2.4%	1.9%	1.9%	1.3%	1.5%	(9.8%)	5.9%	3.2%	1.9%	1.7%	1.6%
Brazil	0.5%	(3.5%)	(3.3%)	1.3%	1.3%	1.1%	(5.8%)	2.8%	2.3%	2.2%	2.2%	2.2%
Russia	0.7%	(2.0%)	0.2%	1.8%	2.5%	1.3%	(4.1%)	2.8%	2.3%	2.1%	2.0%	1.8%
South Africa	1.8%	1.2%	0.4%	1.4%	0.8%	0.2%	(8.0%)	3.0%	1.5%	1.5%	2.1%	2.3%

Note: P: Projected. Source: IMF (World Economic Outlook - October 2020 update), CRISIL Research

Fiscal 2020 was volatile for the global economy. The first three quarters were ensnared in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainties arising from Brexit. Hopes of broad-based recovery in the fourth quarter were impacted by the Covid-19 pandemic, which has infected more than 74.9 million people in more than 200 countries (as of December 17, 2020) and counting. Growing restrictions on the movement of people and lockdowns in the affected countries have led to demand, supply and liquidity shocks. The lockdowns in India have gradually been lifted and economic activity seems to be reviving. CRISIL estimates the Indian economy will shrink 7.7% this fiscal year ending March 31, 2021, on account of the pandemic. After sluggish growth in first half of the fiscal owing to rising Covid-19 cases, gross domestic product (GDP) growth could move into a positive territory towards the end of this fiscal with economic activity picking up gradually

GDP growth outlook for India



Note: E - Estimated and P – Projected. Source: National Statistics Office (NSO), International Monetary Fund (IMF) and CRISIL Research estimates

CRISIL Research expects GDP to grow at ~10% in fiscal 2022 and ~6.0% in fiscal 2023 supported by the following factors:

Favourable demographics: As of 2020, India has one of the largest young populations in the world, with a median age of 28 years. About 90% of Indians will be below the age of 60 by calendar year 2021, with 63% of them being between 15 and 59 years. In comparison, in 2020, the United States (US), China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60.

Urbanisation: Urbanisation is one of India's most important economic growth drivers as it will drive investments in infrastructure development, which, in turn, is expected to lead to job creation, development of modern consumer services and increased ability to mobilise savings. The country's urban population has been rising consistently over the decades. In 1950, it was 17% of total population. As per the 2018 revision of World Urbanization prospects, it was estimated at 34% for India. This is expected to reach 37% by 2025.

Increasing per capita GDP: Per capita income is estimated to have grown 3.1% in fiscal 2020 compared with 5.8% in the preceding fiscal. The per capita income is forecasted to improve with GDP growth and as per IMF estimates, India's per capita income (at constant prices) is expected to grow at 6.7% compound annual growth rate (CAGR) from fiscals 2020-25.

Financial penetration to rise with increase in awareness of financial products: With increasing financial literacy and awareness, mobile penetration, and the Prime Minister's Jan Dhan Yojana bank accounts (scheme aimed at bringing the unbanked under the formal banking system), India has witnessed a increase in the participation of individuals from non-metro cities in availing banking services..

CRISIL Research expects financial penetration to further increase on account of increasing financial literacy. Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has also witnessed a tremendous rise in fintech adoption by both consumers and financial institutions in the past few years, and among them, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion.

Key structural reforms: Long-term positives for the Indian economy

PLI scheme to boost manufacturing in the long run

The government has budgeted ~Rs 2 trillion to give incentives to the locally manufacturing units to 13 key sectors. The key sectors likely to get benefit from the scheme include automobiles, pharma, telecom, electronics, food, textile, steel and energy. By incentivising production subject to achieving the desired scale, the scheme aims to spawn a handful of globally competitive large scale manufacturing units in the identified sectors. Furthermore, the government also hopes to reduce India's dependence on raw material imports from China.

Financial inclusion

According to the World Bank's Global Findex Database 2017, the global average of adult population with an account (with a bank, financial institution, or mobile money providers) was ~69% in 2017. India's financial inclusion has improved significantly in the past three years, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to

80% in 2017 with concentrated efforts by the government to promote financial inclusion and the proliferation of supporting institutions.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

This scheme, launched in August 2014, is aimed at ensuring affordable access to financial services – banking/savings and deposit accounts, remittances, credit, insurance, and pension. It aims to extend banking facilities to all within a reasonable distance in each sub-service area (consisting of 1,000-1,500 households) across India. As on December 16, 2020, 415 million PMJDY accounts had been opened, of which, 65% were in rural and semi-urban areas, with total deposits of Rs 1,317 billion.

GST implementation

Introduced on July 1, 2017, the GST is an indirect tax regime that subsumed the erstwhile multiple cascading taxes levied by the central and state governments. Its implementation has spawned structural changes in the supply chain and logistics network in the country.

Thrust on affordable housing

Government initiatives have prompted developers to explore affordable housing as a new area. Going ahead, about half of the incremental supply being added in urban stock is expected to be via affordable housing. Additionally, the formalisation of the industry is likely to bring in more transparency, leading to an increase in consumer demand.

In a major relief to the real estate sector, the government has extended the timelines of RERA projects by six months. Further, in affordable housing, it has extended the deadline to March 31, 2021, for first-time homebuyers to avail of an additional Rs 150,000 interest deduction on home loans.

PMAY-U was launched with a target of building 12 million houses in urban areas across the country over seven years from 2015 to 2022. As of December 7, 2020, the progress under PMAY-U was as follows:

Houses sanctioned	10.82 million
Houses grounded for construction	6.71 million
Houses completed	3.86 million
Total investment	Rs 6,530 billion
Central assistance released	Rs 767.89 billion

Source: MOHUA, CRISIL Research

IBC a key long-term structural positive

The Insolvency and Bankruptcy Code (IBC) is a reform that will structurally strengthen the identification and resolution of insolvency in India. The IBC enhances the credit enforcement structure and provides certainty around the timeframes for insolvency resolution. With this reform, the RBI has sent a strong signal to borrowers to adhere to credit discipline and also encourage banks to break resolution deadlocks by introducing definite timelines.

Country	Year of bankruptcy reform	Pre-reforms		Five years post-reforms	
		Recovery rate (%)	***Time (years)***	***Recovery rate (%)***	***Time (years)***
Brazil	2005	0.2	10.0	17.0	4.0
Russia	2009	28.2	3.8	42.8	2.0
China	2007	31.5	2.4	36.1	1.7
India	2016	26.0	4.3	43*	1.6*

*Note: * As of 2019. Source: World Bank, CRISIL Research*

Reduction in corporate tax rates to boost capital base of financial institutions

On September 20, 2019, the Finance Minister announced measures to allow any domestic company an option to pay income tax at the rate of 22%, subject to the condition that they will not avail of any exemption/incentive. The effective tax rate for these companies will be 25.17% inclusive of surcharge and cess. Also, such companies will not be required to pay minimum alternate tax.

Measures to counter the pandemic's impact on growth

Reserve Bank of India goes all out to combat the crisis

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) slashed the repo rate by 115 basis points (bps), slashed the reverse repo initially by 90 bps and by another 25 bps and 40 bps subsequently.

- **Reducing debt servicing burden through moratorium period:** The RBI initially permitted lending institutions to allow a moratorium of three months on repayment of instalments for term loans outstanding as on March 1, 2020 and defer interest payments due on working capital facilities outstanding. The moratorium was further extended by another three months till August 31, 2020. .

- **Loan restructuring:** The RBI constituted a committee which identified 26 sectors for restructuring which included aspects related to leverage, liquidity and debt serviceability to be factored by the lending institutions while finalising resolution plans for borrowers.

- **Supporting financial market liquidity:** The RBI initially announced targeted long-term repo operations (TLTROs) of up to three years' tenure for a total of up to Rs 1 trillion. Subsequently, TLTROs worth Rs 500 billion were announced specifically for non-banking financial companies (NBFCs) and mutual fund institutions (MFIs), with 50% targeted towards small and mid-sized firms.

Aatmanirbhar package is a timely relief package announced amidst the pandemic

During FY21, the government announced the Aatmanirbhar package which made a number of announcements including to tackle the economic impact of the pandemic:

- **Liquidity boost for NBFCs:** The government announced a Rs 450 billion partial credit guarantee scheme (for NBFCs) and Rs 300 billion special liquidity scheme for NBFCs, housing finance companies (HFCs) and MFIs, aimed at covering the concern of credit risk perception on mid and small size non-banks.

- **Change in MSME definition:** The government revised the qualifying investment thresholds across each category and introduced an alternate/additional criterion of turnover buckets to the definition with a view to bring in more enterprises under the ambit of MSMEs and avail relief packages.

- **Collateral-free loans to MSMEs (Rs 3 trillion):** Banks and NBFCs are directed to offer up to 20% of entire outstanding credit to MSMEs. MSMEs with up to Rs 250 million outstanding credit and Rs 1 billion turnover are eligible for these loans. It will have four-year tenure with a moratorium of 12 months on principal payment The government will provide complete credit guarantee cover to lenders on principal and interest amount.

- **Subordinate debt to MSMEs (Rs 200 billion):** The government is also facilitating the provision of Rs 200 billion as subordinate debt for stressed assets of MSMEs. It will also provide Rs 40 billion as partial credit guarantee support to banks for lending to MSMEs.

- **Equity infusion in MSMEs (Rs 500 billion):** The government has committed to infuse Rs 500 billion in equity of MSMEs having growth potential and viability. It will also encourage MSMEs to list on stock exchanges.

The Government further announced the Aatmanirbhar 3.0' stimulus package in November 2020. Under the package, 12 stimulus measures were rolled out to boost employment in the formal and informal economy, help housing infrastructure, enhancing ease of doing business, extending the deadline for the Credit Line Guarantee Scheme, etc. The announcement was made a day after the government announced new production-linked incentives (PLIs) under another Rs 2 trillion PLI scheme for 10 major manufacturing sectors.

An additional outlay of Rs 180 billion for PM Awaas Yojana (PMAY) Urban was announced, which will help ground 1.2 million houses and complete 1.8 million houses. The move is expected to create additional 7.8 million jobs and improve production and sale of steel and cement, resulting in a multiplier effect on the economy. Stimulus packages worth Rs 2.65 trillion were announced by the government.

Stamp duty reduction in Maharashtra state

In August 2020, the Maharashtra government decided to temporarily reduce the stamp duty payable on home registration to 2% from September 1, 2020 to December 31, 2020 and 3% from January 1, 2021 to March 31, 2021 from the earlier applicable rate of 5%. The decision was made to give some relief to consumers and boost real estate sales in the immediate aftermath of Covid-19.

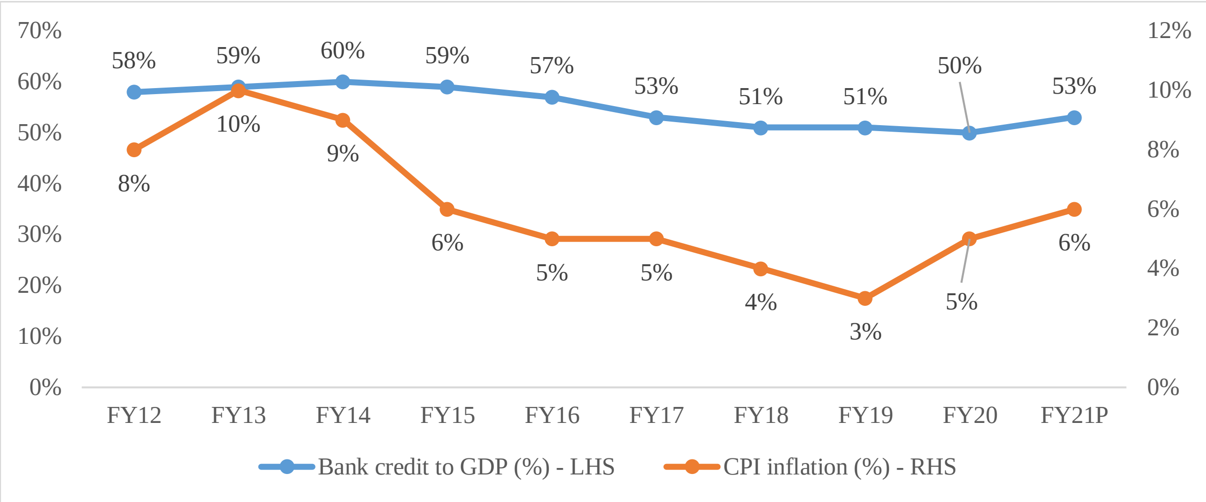
Eventual decision by Supreme Court on litigations related to payment of interest during moratorium period to impact NBFCs

Lending institutions (banks as well as NBFCs) were permitted to an effective moratorium of six months on the payment of term loans falling due between March 1, 2020 and August 31, 2020. As of August 2020, 40-45 per cent of the NBFC loan book was estimated to be under moratorium.

To soften the impact of Covid-19 on consumers, on October 23, 2020, the Central Government announced a scheme for the grant of ex-gratia payments to borrowers of certain categories of loans where the sanctioned limit and outstanding amount does not exceed Rs 20 million irrespective of whether they opted for the moratorium or not. The ex-gratia payment is equivalent to the difference between compound interest and simple interest charged on those loans for the period March 1, 2020 to August 31, 2020.

Credit penetration in India

Trend in banking credit to GDP and CPI inflation



Note: P: Projected. FY20 is an Estimate. Source: RBI, CRISIL Research.

Total credit-to-GDP ratio to pick up in the long-term on the back of structural reforms

Total credit-to-GDP ratio (total credit to for private non-financial sector), which measures the financial sector penetration in the economy, has been observed to be one of the lowest in case of India (~56% as of 2019) compared with other developing BRICS economies, such as China (~204%) and South Africa (~73%), and developed economies, such as the United States (~150%), United Kingdom (~163%) and France (~215%). Fast-paced economic growth, improving digitisation initiatives, increasing banking penetration, and government's implementation of structural reforms such as IBC, augur well for the total credit to GDP ratio in the long term.

Share of physical savings to remain stable in the wake of Covid-19

While India's households savings in physical assets has increased to 63% in fiscal 2019 from 53% in fiscal 2016, financial savings has reduced to 36% from 45%. This has been majorly due to the traditional bias towards these assets and the historical returns especially in gold and real estate.

CRISIL expects the attractiveness of gold and real estate (Indian households' favourite physical assets) as investment options to remain stable.

Gross Fixed Capital Formation (GFCF) by Indian household sector in dwellings, buildings and other structures is on the rise as against other organisations. On the investment front, the share of fixed investments in dwellings, buildings and other structures has been falling from 57% of the total GFCF in FY15 to 49% in FY19. Out of these, the household sector is the highest contributor accounting for 50% of the overall GFCF in dwellings, buildings and other structures in fiscal 2019. These levels have shown a gradual rise to Rs. 2.2 trillion in fiscal 2019 from fiscal 2015 when the overall GFCF in dwellings, buildings and other structures was Rs. 1.87 trillion.

Gross Fixed Capital Formation by asset

Parameter (Rs Cr.)	FY15	FY16	FY17	FY18	FY19
GFCF	***32,78,096***	***34,92,183***	***37,87,568***	***40,61,195***	***44,60,967***
Dwellings, Other buildings & Structures	18,71,193	18,45,551	19,24,840	20,31,065	22,01,957
Of which:					
Public Non-Financial Corporations	*1,55,775*	*2,03,120*	*1,89,414*	*2,26,115*	*2,48,067*
Private Non-Financial Corporations	*3,19,320*	*3,96,341*	*3,77,062*	*3,72,312*	*3,69,575*
Public Financial Corporations	*1,614*	*3,399*	*4,008*	*3,853*	*5,543*
Private Financial Corporations	*10,660*	*13,727*	*11,237*	*4,910*	*11,469*
General Government	*2,97,419*	*3,56,739*	*4,00,515*	*4,03,501*	*4,61,007*
Household Sector	*10,86,405*	*8,72,225*	*9,42,604*	*10,20,373*	*11,06,297*

Parameter (Rs Cr.)	FY15	FY16	FY17	FY18	FY19
Machinery & equipment	11,00,577	12,51,045	13,89,157	15,65,841	17,59,232
Cultivated biological resources	7,118	8,447	9,474	10,327	10,758
Intellectual property products	2,99,208	3,87,139	4,64,097	4,53,963	4,89,019

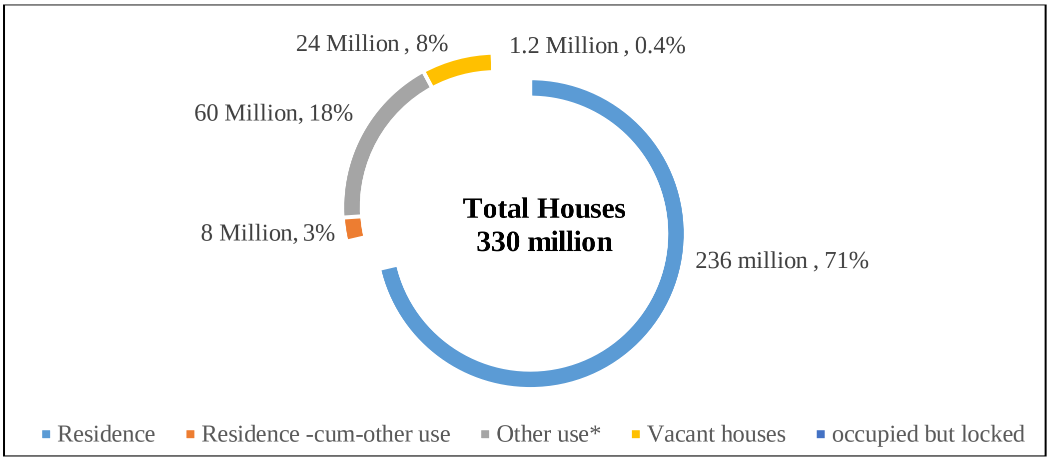
Source: National Account Statistics 2020, MOSPI, CRISIL Research

Indian household investment in Real estate

As per housing finance committee report the average Indian household holds 77% of its total assets in real estate which includes residential buildings, buildings used for farm and non-farm activities, constructions such as recreational facilities, and rural and urban land.

As per 2011 census, India has 330 million houses of which 18% were used for non-residential purposes such as shop/office, school, hotel, lodge, hospitals, factory or place of worship and 7% total houses were vacant. As a result, only about 240 million houses were used for residence purpose or residence-cum-other use purpose. Further, 5% of houses which is used as residence were in very poor condition and 44% of Residential houses were just liveable houses.

Housing stock in India



* *Other use – Shop, Office, School, College, Hotel, lodge, guest house, hospital dispensary, Factory, workshop, work shed, place of worship, etc. Source: Census 2011, CRISIL Research*

HOUSING SHORTAGE IN INDIA

Estimated shortage and requirement of ~100 million houses in 2022: The housing shortage in India has only increased since the estimates at the time of the Twelfth Five year plan. As per the report of a RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the housing shortage in India is estimated to increase to 100 million units by 2022. 95% of household shortage is from Lower income group (LIG) and Economic weaker section (EWS) with the remaining 5% of the shortage coming from middle income group or above. Total incremental housing loans demand, if this entire shortage is to be addressed, is estimated to be in the region of Rs 50 trillion to Rs 60 trillion, as per the Committee report. In comparison, the overall housing loans outstanding as of March 2020 is around Rs 20.4 trillion. This indicates the immense latent potential of the market, in case concrete action is taken for addressing the shortage of houses in the country.

Projected Housing Requirement by 2022

The projected housing requirements by 2022 as estimate by the Government of India is a follows:

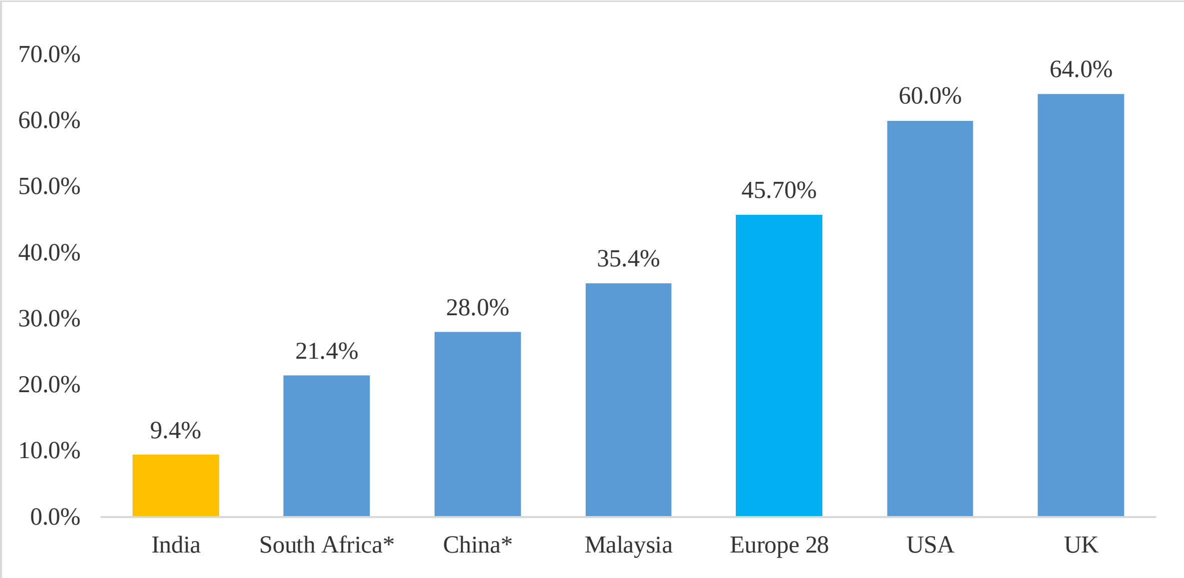
Category	Shortage (mn)	Value of units (INR tn)	Aggregate Loan demand (INR tn)
EWS	45	34	5
LIG	50	75	30
MIG and above	5	40	22
Total	***100***	***149***	***58***

Source: RBI – Report of the committee on the development of Housing Finance Securitisation Market – September 2019, CRISIL Research

Mortgage-to-GDP ratio in India lower than other countries

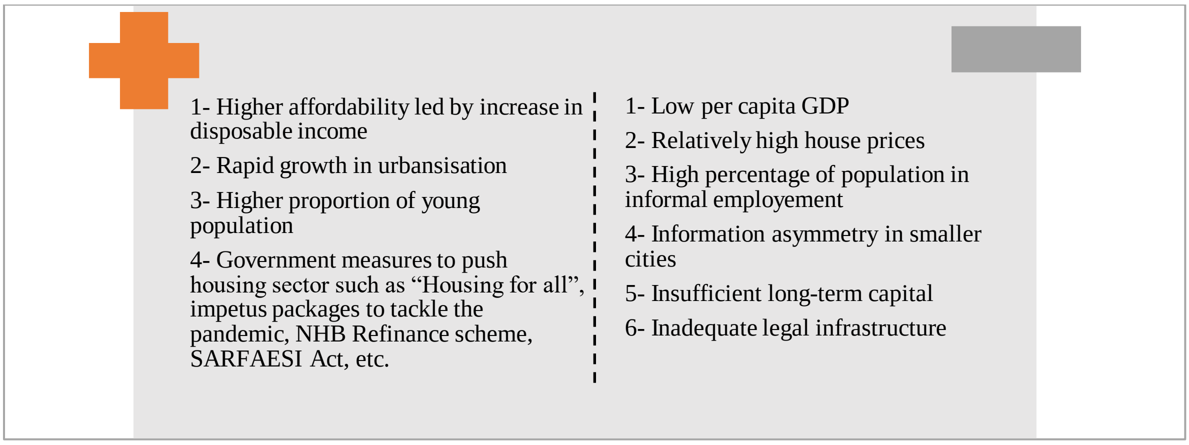
India has very low penetration in terms of housing finance as compare to its rising peers which shows the higher potential for Indian housing finance companies to expand. Housing finance market continue to face supply constraints from Banks and NBFCs, particularly for lower income group as they are perceived as risky due to informal sector.

Mortgage-to-GDP ratio in India compared with other countries (CY18)



Note: (*) – As of CY17. Source: HOFINET, European Mortgage Federation, NHB, CRISIL Research. Europe 28 includes the 28 European Union Member states as on December 2018.

Factors affecting mortgage-to-GDP ratio in India



Source – CRISIL Research

Factors aiding growth of mortgage penetration

- **Higher affordability –** Per capita income is estimated to have grown 3.1% in fiscal 2020 compared with 5.8% in the preceding fiscal. The per capita income is forecasted to improve with GDP growth and reversion to sustained low inflation. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 6.7% compound annual growth rate (CAGR) from fiscals 2020-25.

- **Urbanisation –** As per Census 2011, India's total population was about 1.2 billion and the urban population was 31% of the total population and urban households were 68% of the total households (168 million urban households and 79 million rural households). According to results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimate and projection, India's population to increase at a CAGR of 1.2% by 2030 (1.5 billion by 2030) to become the world's most populous country surpassing China (1.4 billion in 2030). The country's urban population has been rising consistently over the decades. In 1950, it was 17% of total population. As per the 2018 revision of World Urbanization prospects, it was estimated at 34% for India. This is expected to reach 37% by 2025.

- **Higher proportion of young population -** As of 2020, India has one of the largest young populations in the world, with a median age of 28 years. About 90% of Indians will be below the age of 60 by calendar year 2021. CRISIL Research estimates that 63% of them will be between 15 and 59 years. In comparison, in 2020, the United States (US), China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60.

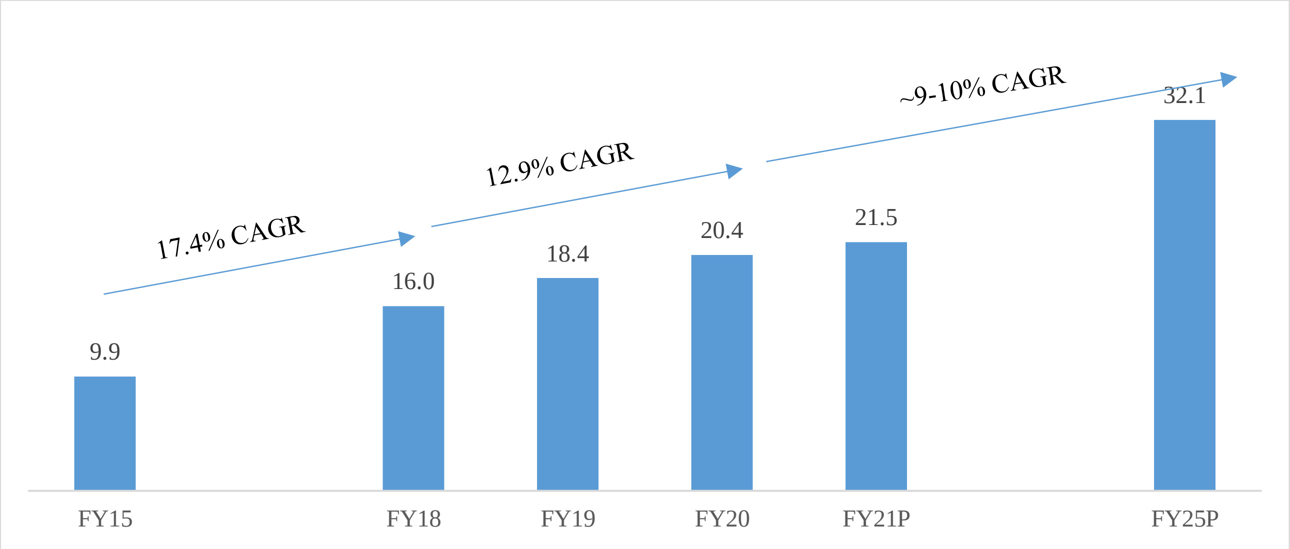
- **Government measures to aid mortgage penetration –** Various regulatory initiatives to aid the housing sector and enhance further penetration of mortgage in India.

HOUSING FINANCE IN INDIA

Overall housing finance market

The Indian housing finance market clocked a healthy ~13% CAGR (growth in loan outstanding) over fiscals 2018-2020 on account of a rise in disposable income, healthy demand emanating from smaller cities markets, attractive interest rates and government impetus on housing. In the long-term also, the housing finance market has shown secular growth with outstanding loans increasing from Rs 9.9 billion as of FY15 to Rs 16 trillion as of FY18, translating into a CAGR of 17.4%.

Growth in housing loans outstanding (Rs trillion)

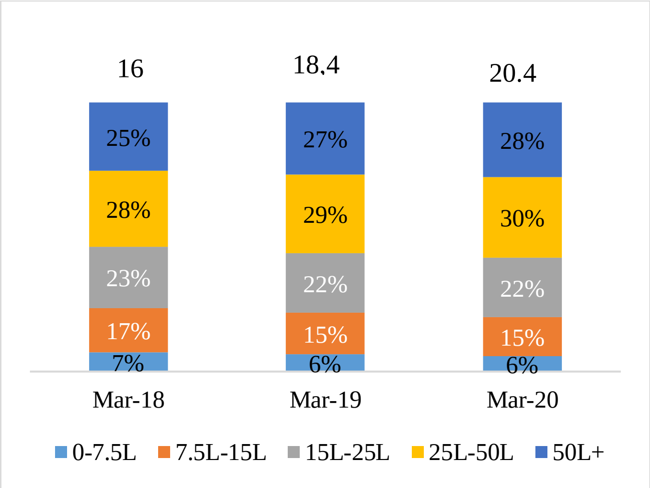


Note: P- Projected. Source: Company reports, RBI, CRISIL Research

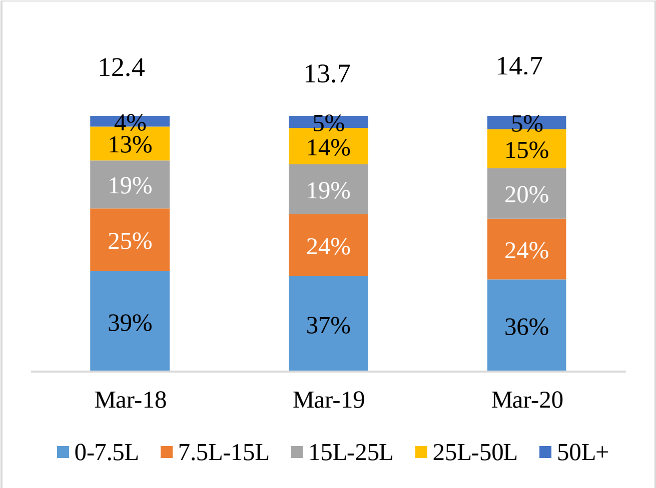
HFCs had clocked a healthy growth in the past 5 years before the liquidity crisis having grown at a strong rate of ~18% over the 5 year period in loans outstanding. Of the total amount of home loan outstanding of Rs 20.4 trillion as of March 2020, HFCs accounted for 36% share.

Majority of the housing loan volumes are still in the lower ticket size segment (less than Rs. 1.5 million), with this segment accounting for ~60% of housing loans outstanding.

Ticket size-wise loan outstanding mix: Value terms (Rs trillion)



Ticket size-wise loan outstanding mix: Volume terms (million)

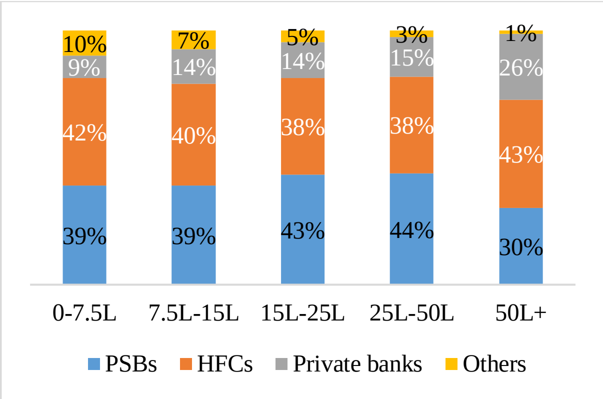


Source: CIBIL, CRISIL Research

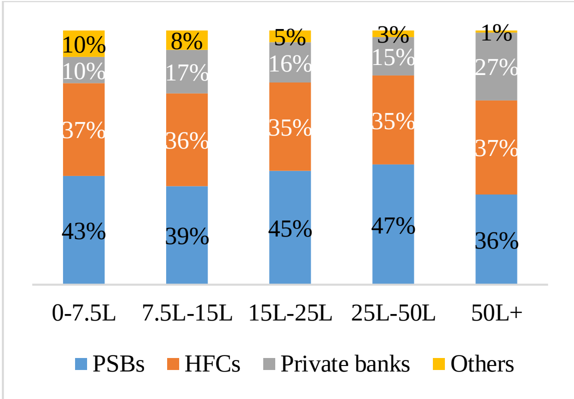
In lower ticket size loans up to Rs 1.5 million, public sector banks have seen a strong competition from the HFCs. These both combined have ~76% share between them in fiscal 2020 with private sector banks having only 15% share in the housing loans disbursements in lower ticket size buckets.

Player group-wise – ticket size mix of housing loan disbursement in fiscals 2019 and 2020

Ticket size wise player wise share in fiscal 2019



Ticket size wise player wise share in fiscal 2020



Note: The above classification of player groups is done as per RBI. Source: CIBIL, CRISIL Research

Home loans have the lowest annual credit losses across major asset segments

Housing finance as an asset class has the lowest annual credit losses amongst all large financial asset classes mainly on account of the collateral and the secured nature of the funding.

Average credit costs as a % of average total assets for NBFCs/HFCs across major asset classes during FY18-FY20

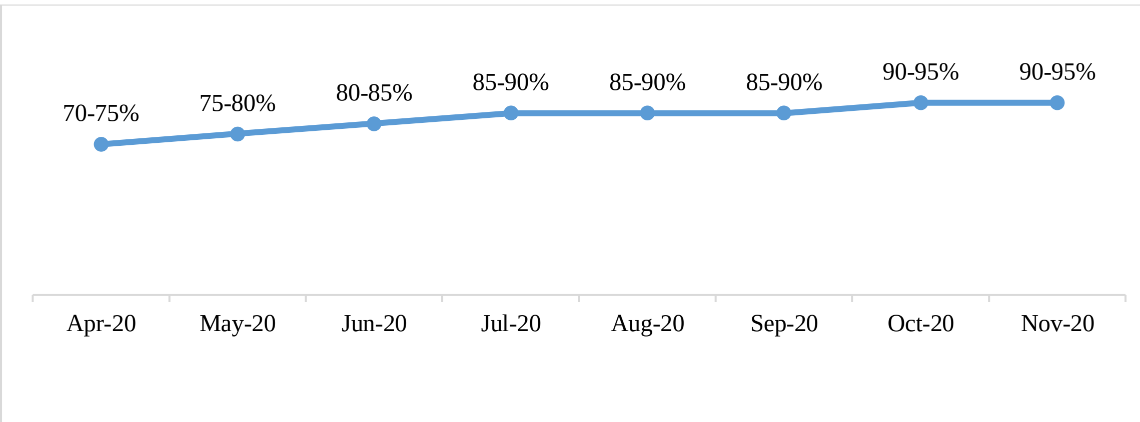
Asset Class	FY18-20E average
Housing Finance	**0.7%**
Auto Finance	**1.2%**
Consumer durable finance	**1.7%**
Micro Finance	**1.4%**
MSME Finance (LAP)	**1.1%**
MSME (unsecured loans)	**~3-4%**

Source: Company Reports, CRISIL Research Estimates

Monthly collection efficiency continues to improve in housing finance segment; asset quality to improve in long term.

Collections in the housing finance segment, which had slipped to ~70-75% in April because of the nationwide lockdown due to the Covid-19 pandemic, rebounded to 85-90% in July and August after the government relaxed restrictions gradually. In October and November 2020, collection efficiency rose further to 90-95%, as per CRISIL Research estimates.

Collection Efficiency in housing loans in comparison to pre-covid levels (%)



Source: CRISIL Research

Despite increases in delinquency, home loans to be least affected

Despite the rising monthly collections in home loans with best collection efficiency as compared to pre-Covid levels, lower income generation on account of Covid will impact the asset quality in fiscals 2021 and 2022. Players with significant exposure to developer finance and having aggressive underwriting policies will be more vulnerable in comparison to others.

However, as per CRISIL Research, individual borrowers availing the moratorium extension has reduced in the second phase giving positive indications for the sector. The rapid increase in Covid-19 infections and intermittent local lockdowns have impacted self-employed borrowers and informal salaried more than the formal salaried segment. The formal salaried borrower segment, which forms a significant chunk of borrowers especially for HFCs, is more resilient despite pay cuts and job losses.

AFFORDABLE HOUSING FINANCE MARKET IN INDIA

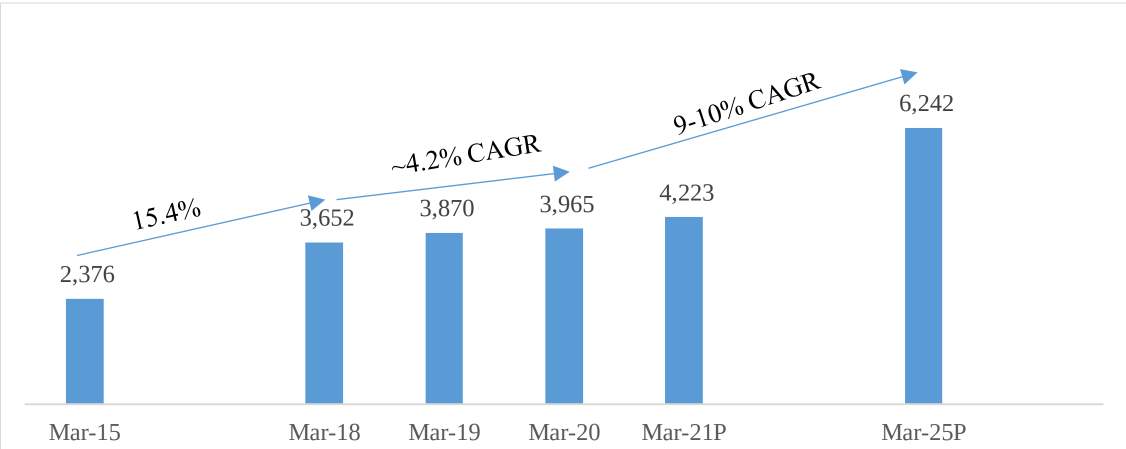
Overview of AHF industry

India's mortgage market can broadly be divided into two segments by ticket size of the housing loan at the time of disbursement - loans with ticket size of more than Rs 15 lakhs, and loans with ticket size of Rs 15 lakhs and below. The former can be called normal mortgage market, which is prominent in the metro/urban areas, and the latter which generally includes houses in the outskirts of these areas and semi-urban and rural areas can be defined as affordable housing market.

CRISIL has defined housing loans with ticket size greater than Rs 15 lakhs are termed normal housing loans, and loans with ticket size lower than Rs 15 lakhs are referred to as affordable housing loans.

The overall size of the affordable housing finance market in India was around Rs 4 trillion as of March 2020, constituting a tad under one-fifth of the housing finance industry.

Projected growth in affordable housing loan outstanding (Rs billion)



Source: CIBIL, CRISIL Research

While the market has grown at a tepid pace in the past 2-3 years, CRISIL expects future growth due to the following reasons:

- The economy is expected to gradually rebound from the lows touched post Covid-19
- Government focus on housing and sops being given by some state governments such as lowering stamp duties to aid housing demand
- Increased supply of affordable homes
- Rising demand for affordable homes as consumers increasingly work out of Tier 2/3/4 cities in a post-Covid world
- Preference for owning homes seems to be on the rise in the post-Covid world
- Home loan interest rates continuing to be at attractive levels

State-wise loans outstanding

Based on the home loans outstanding in the affordable housing segment, the top 10 states/UTs account for ~78% of the market size in this segment as of March 2020. Maharashtra tops the list with the highest share of 18%, followed by Gujarat (11%), Tamil Nadu (9%), Uttar Pradesh (6%) and Kerala (6%).

Top 10 states/UTs account for close to 78% of affordable housing credit outstanding (Rs billion)

State	Mar-18	Mar-19	Mar-20	Mar-18 to Mar-20 CAGR
Maharashtra	697	711	704	0.5%
Gujarat	375	418	449	9.4%
Tamil Nadu	344	360	372	4.0%
Uttar Pradesh	234	252	255	4.4%
Kerala	232	245	244	2.5%
Madhya Pradesh	195	219	240	10.9%
Karnataka	242	243	239	-0.6%
Rajasthan	187	211	225	9.8%
Andhra Pradesh	175	185	191	4.5%
West Bengal	163	176	179	4.6%

Note: States/UT which have less than 1.5% share of overall affordable housing are- Bihar, Chhattisgarh Odisha, Uttarakhand, Assam, Himachal Pradesh, Jharkhand, Chandigarh, Jammu and Kashmir, Goa, Tripura, Pondicherry, Sikkim, Mizoram, Dadra & Nagar Haveli, Manipur, Meghalaya, Daman & Diu, Andaman & Nicobar islands, Nagaland, Arunachal Pradesh and Lakshadweep. Source: CIBIL, CRISIL Research

Growth drivers for Affordable housing finance

Government Initiatives

- **PMAY-U:** The scheme aims to fill the supply-demand gap in the housing sector. On supply side, the scheme provides incentives for beneficiary-led housing, public private partnership (PPP) in building homes for EWS and low income group by offering incentives such as allowing higher floor space index and announcing grants and subsidies for slum redevelopment. On the demand side, the PMAY provides credit-linked subsidies to stmulate demand
- **PMAY-G:** The scheme is for rural population who don't have their own houses. It provides financial assistance and interest rate subsidy
- **Special financing window:** This window is expected to help revive stalled housing projects which require a last mile funding to reach completion.
- **Relaxation of ECB guidelines:** The relaxed ECB guidelines will enable easier access to overseas funds and stimulate the sector.
- **Tax incentives:** Provides various tax benefits to home loan borrowers
- **RERA :** The law was introduced in order to make the sector transparent
- **GST:** The reduction in the GST rate for affordable housing projects
- **EPF corpous withdrawal:** Permission to withdraw 90% of EPFO corpus enables prospective home buyers to make the down payment and pay their home loan EMIs

Regulator initiatives

- **Regulatory authority of HFCs to shift from NHB to RBI:** Budget 2020 proposed a change in regulatory oversight and supervision of HFCs from the National Housing Bank (NHB) to the Reserve Bank of India. This shift will lead to more streamlined regulations and better risk management framework for HFCs.
- **Reduced risk weights and SAP on home loans:** Due to reduction in the risk weights for various category of home loans, financial instititions have been able to lend more money towards home loans with the existing capital
- **SARFAESI**: Allowing HFCs to access SARFAESI has helped them to accelerate the recoveries
- **Tax holiday:** for affordable housing developers
- **Infrastructure status:** to ease financing for affordable housing developers
- **NHB refinance:** The NHB refinancing schemes help HFCs lower their borrowing costs
- **PSL eligibility for home Loans:** The RBI has increased the PSL eligibility norms in order to promote PMAY

Other factors

- **Rising urbanisation and nuclearisation:** Decreasing average household size and rising level of urban population create more housing demand.
- **Rising Income levels:** Rising income levels help improve the affordability of houses
- **Rising independent housing demand:** Increase in share of independent houses helps housing finance market to grow in the long term.

Source: CRISIL Research

Government initiatives

The government's scheme to provide Housing for All by 2022 and various steps taken to implement it are expected to boost sales of affordable and low-cost housing units. This will, consequently, increase the demand for loans. Under the Housing for All missions, the government has introduced credit-linked subsidy scheme (CLSS) as a demand-side intervention in order to expand institutional credit flow and meet the urban demand.

Affordable housing: Pradhan Mantri Awas Yojana (PMAY) for rural and urban regions

PMAY U and G have been focused to provide affordable housing for lower income group and Economic weaker section households which is nothing but affordable housing in country. The government remains focused on the PMAY U and G, and as of December 7, 2020, construction of close to 16 million homes across urban and rural regions have been completed.

PMAY Gramin (Rural)

Under the PMAY-Gramin (PMAY-G), as many as 12.4 million houses were completed as of December 28, 2020 (Phase I + Phase II). The government has set up a target of constructing 12 million houses by fiscal 2022 under the Phase-II of the scheme.

PMAY G status (as of December 28, 2020)

	Target	Sanctioned	Completed	Funds Transferred (Rs. Billion)
PMAY G (Phase I + II)	22,822,376	18,397,946	12,382,237	1,749
Phase I	9,949,080	9,835,251	9,075,890	1,133
Phase II	12,873,299	8,562,693	3,306,347	615

Source: PMAY-G, CRISIL Research

PMAY Urban

Under the PMAY-U, of the estimated 11 million houses to be constructed over seven years (fiscals 2016-2022), 10.9 million have been sanctioned as of January 4, 2021 and 4.05 million have been constructed. As on January 4, 2021, the Government has sanctioned ₹ 1.74 trillion towards this scheme.

PMAY U status (as of January 4, 2021)

	Target	Sanctioned (million)	Houses Grounded (million)	Completed (million)	Funds Released (Rs. Billion)
PMAY U	Housing for All	10.9	7.0	4.05	829

Source: MOHUA, CRISIL Research

Interest subsidy under PMAY to boost disbursements

Under the Housing for All schemes, in order to expand institutional credit flow to the urban population, the government has introduced the CLSS as a demand-side intervention. The subsidy will be provided on home loans for eligible urban population to acquire and construct a house. For loans of up to Rs 0.6 million for economically weaker section (EWS) and lower income group (LIG) beneficiaries, the interest subsidy has been fixed at 6.5% for eligible borrowers buying a home of up to 60 sq. m carpet area. In case the beneficiary takes a loan higher than Rs 0.6 million, no subsidy would be available on the additional amount.

In February 2017, the CLSS was extended to include middle-income group (MIG) households with incomes ranging in Rs 0.6-1.8 million per annum. In May 2020, the government extended the CLSS component, which the government had introduced as a demand-side intervention, until March 2021. This will provide some support to home loan disbursements this fiscal.

CRISIL Research has assessed the actual benefit to home loan consumers from the interest subsidy offered under CLSS. The analysis is based on certain assumptions on the value of property purchased considering the income levels and indicates that the CLSS benefit as a percentage of property value is substantial in the EWS and LIG segments at between 10% and 20% of property value.

Last mile affordable housing funding package

The government has announced a Rs 100 billion special window to provide last-mile funding for the completion of ongoing housing projects that are non-NPA, non-NCLT and are net worth positive in affordable and middle-income category. The government will contribute about Rs 100 billion and outside investors such as Life Insurance Corporation of India (LIC), private capital, sovereign wealth funds and development finance institutions (DFI) will contribute roughly the same amount. The objective of this move is to focus on the construction of unfinished units. This move is expected to benefit roughly 0.35 million projects in the country.

Real Estate (Regulation and Development) Act

Implementation of the Real Estate (Regulation and Development) Act (RERA) had a direct impact on the supply-demand dynamics in the sector. The RERA is expected to improve transparency, timely delivery, and organised operations over time.

Tax incentives

The government has traditionally used tax regulations to promote the housing sector. Tax sops for the housing sector have been instrumental in driving growth in the housing and housing finance sectors. Some of the tax benefits announced in the Union Budget 2019-20 are:

- As per Section 24 (B) of the Income Tax Act, 1961, annual interest payments of up to Rs 200,000 (Rs 300,000 for senior citizens) on housing loans can be claimed as deduction from taxable income
- As per Section 80 C (read with Section 80 CCE) of the Income Tax Act, 1961, principal repayments of up to Rs 150,000 on a home loan are allowed as a deduction from gross total income
- As per Section 80 EE, an additional deduction in respect of interest of Rs 50,000 per annum has been provided exclusively for first-time home buyers, given the property value is up to Rs 5 million and the loan is up to Rs 3.5 million

Regulatory Authority on HFCs shifted from NHB to the RBI

The Union Budget 2019-20 announced the transfer of regulatory power on housing finance companies (HFCs) from National Housing Bank (NHB) to the Reserve Bank of India (RBI). This will result in more streamlined regulations and implementation as well as better risk management framework for HFCs. The RBI Act will be amended to give the central bank powers to regulate HFCs. This move is expected to ensure there is greater parity in regulations for NBFCs and HFCs.

PSL eligibility increased

The RBI has increased (under the notification released in June, 2018) eligibility for public sector lending (PSL) in housing loans with a view to converge PSL guidelines with PMAY. The eligibility has been increased from Rs 2.8 million to Rs 3.5 million for metropolitan centres and from Rs 2 million to Rs 2.5 million for other centres. The cost of dwelling unit has been capped at Rs 4.5 million in metropolitan centres and at Rs 3 million in other centres.

NHB's refinance to aid borrowing cost for HFCs catering to affordable housing segment

While access to the debt markets allows large HFCs to mobilise resources at competitive rates, niche HFCs have benefited from the NHB's refinance schemes. The NHB runs various schemes under which it refinances banks and HFCs.

Access to SARFAESI helps HFCs accelerate recoveries

Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act, 2002, allow lenders in India auction commercial or residential properties to recover loans. For HFCs, SARFAESI recovery is allowed for all loans of greater than Rs 0.10 million ticket size. Over time, SARFAESI has proved to be an effective tool in the lender's hands and has acted as a deterrent against wilful defaulters.

Reduction in GST

A drastic 700 bps reduction in GST from 8% to 1% for under-construction affordable housing projects (effective rate after deducting one-third for land cost) and from 12% to 5% for other under-construction housing projects (effective rate after deducting one-third for land cost) with effect from April 2019 has reduced the differential between GST for ready possession and under-construction properties, and is likely to increase end-user demand. Also, the GST Council has adopted a new definition of affordable housing, which is now described as a residential house / flat with a carpet area of up to 90 square metres in non-metropolitan cities/towns, and 60 square metres in a metro, and having value up to Rs 4.5 million. Metros identified are Bengaluru, Chennai, Delhi NCR (limited to New Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon and Faridabad), Hyderabad, Kolkata, and Mumbai (whole of Mumbai Metropolitan Region). It should be noted that 40-45% of ongoing supply in these six cities falls below the value of Rs 4.5 million.

Infrastructure status to ease financing for affordable housing developers

In November 2017, the Union government notified infrastructure status to the affordable housing sector. Projects having at least 50% of floor space index (FSI) consumed in units having carpet area of less than 60 square meters qualify as infrastructure projects. This move is aimed at increasing the availability of financing and reducing financing costs for affordable housing projects.

Risk weight rationalisation on housing loans to improve sentiments for the real estate sector

Until October 2020, risk weightage was assigned on the basis of ticket size and loan to value (LTV) ratio. However, for all new housing loans sanctioned up to March 31, 2022, risk weights will be assigned only on the basis of LTV. While these risk weights will be applicable to all ticket sizes. Housing loans above Rs 75 lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%.

Existing risk weight allocation

Outstanding loan	LTV ratio	Risk weight
<Rs 30 lakh	<80%	35%

Outstanding loan	LTV ratio	Risk weight
	80-90%	50%
Rs 30-75 lakh	<80%	35%
>Rs 75 lakh	<75%	50%

Source: RBI, CRISIL Research

Revised risk weight allocation

LTV ratio	Risk weight
<80%	35%
80-90%	50%

Business Model of affordable housing financiers

Affordable housing financiers typically serve the underserved category of low-income or mid-income customers who may be salaried, working in the informal sector or self-employed running a small business. Many a times, these customers do not have adequate documentation that can serve as proof of their income.

The high cost of serving this category of customers has prompted financiers to adopt innovative models to source business. An HFC targeting this segment of customers usually has a hub and spoke model where retail branches of the HFC operate as 'hubs' in urban areas, while small kiosks are set up near areas where construction activity is taking place to source customers. Financiers also spread awareness about their products in rural areas by setting up kiosks at 'gram sabhas' and arranging 'loan melas' for potential customers.

However, some players also rely on customers indulging in self-construction of their houses in tier-2 and 3 cities in need of credit. These players have sourcing strategies focussed on attracting customers with touch points in nearby locations.

Usually, close to 70% of the overall business of affordable housing finance companies is sourced through direct sales teams. Direct customer contact through these teams enables better visibility and helps limit fraud, thus making for reliable customer assessment. Moreover, all critical functions like origination, verification and credit appraisal are performed in-house, while certain non-core activities like loan documentation and document processing may be outsourced. This allows HFCs in this segment to allocate more internal resources towards vital aspects of lending such as verification, credit appraisal and Credit assessment.

Affordable vs. normal housing finance players

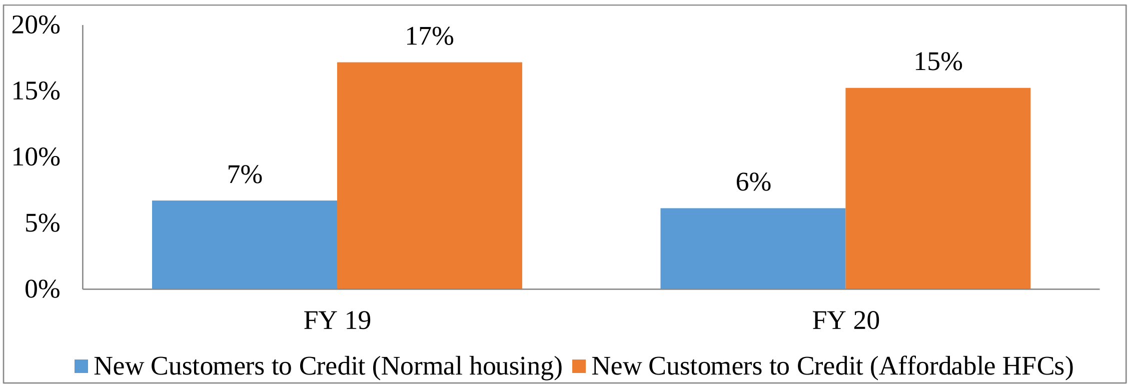
S. No.	Parameters	Affordable housing finance players	Normal housing finance players
1.	Borrower profile	Mostly self-employed customers and customers having weaker income documents; some HFCs though focus on salaried but low-income customers	Majorly focus on customers having proper income documents
2.	Surrogate usage	High surrogate usage to derive the income of borrowers	Very minimal usage of surrogates
3.	Geographical focus	Mainly focus on smaller towns, semi-urbans areas and outskirts of larger cities	Mainly present in major locations and Tier 1 cities
4.	Credit appraisal	Credit appraisal process involves high level of subjectivity to derive income and cash flow patterns	Credit appraisal process is based on pre-defined income and eligibility policies
5.	Collection	Relatively lower share of repayment through ECS / NACH leading to higher OPEX	Higher proportion of ECS and NACH in EMI payment leading to higher collection efficiency
6.	Cost and sources of funds	Higher reliance on bank borrowings leading to relatively higher cost of funds	Higher reliance on capital markets leading to cheaper funds

Source: CRISIL Research

First time availing loan facility (New to Credit)

First time credit customers in Affordable housing finance segment are more than double as compared to normal housing (ticket size more than Rs 15 lakhs). The declining share of first time credit customers also indicates better availability of loan repayment records of customer while assessing them for credit underwriting.

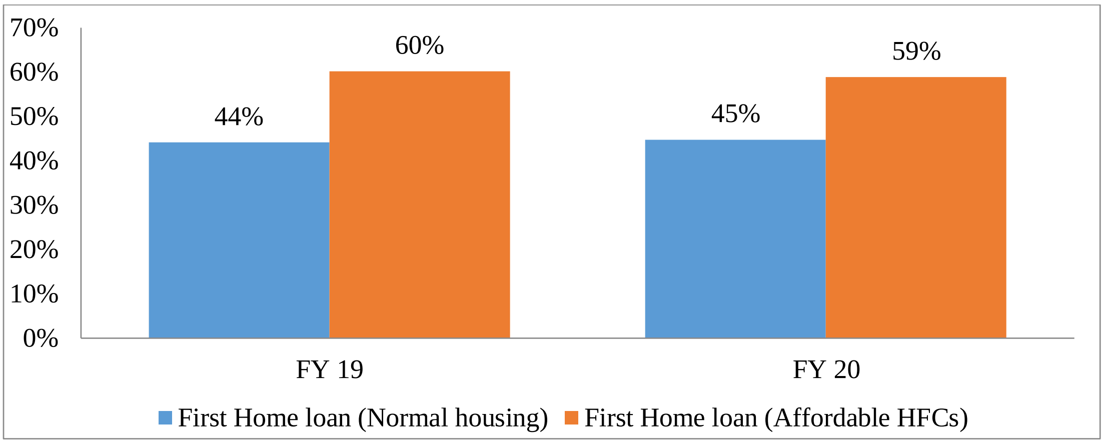
New customers to Credit (In Value terms)



Source: CIBIL, CRISIL Research

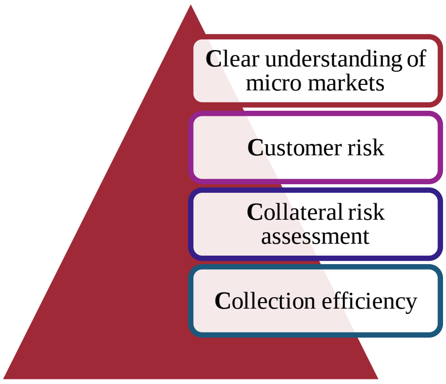
Similar trend can be observed with regards to first time home loan facility user in Affordable housing. First time home loan consumers account for close to 60% of housing loan disbursements in case of affordable home loans, which is much higher than their share of around 45% in housing loan disbursements above Rs 15 lakhs ticket size.

New customers to Home loan (In Value terms)



Source: CIBIL, CRISIL Research

4C's to succeed in affordable housing finance



HFCs have highest share in affordable home loans disbursements

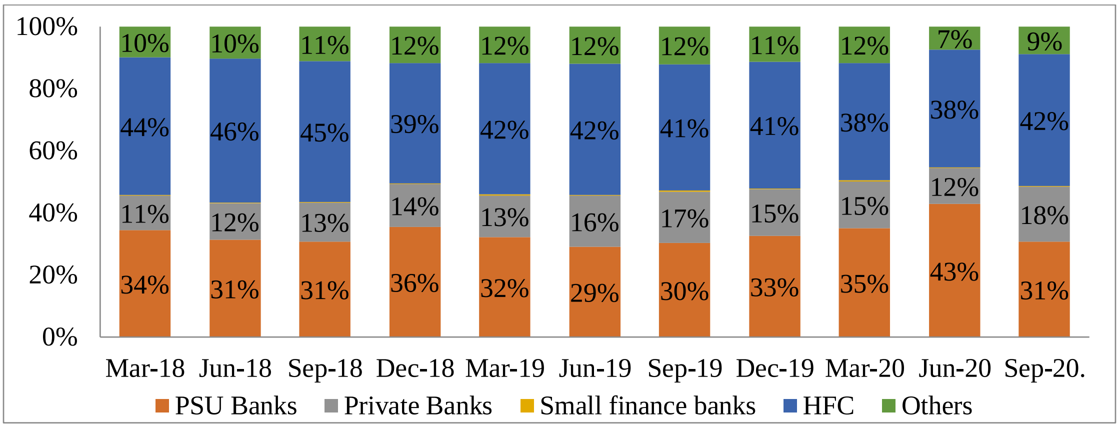
HFCs have 40% market share in the affordable housing finance segment, which is much higher than their 34% market share in the normal housing finance market. HFCs have been able to cultivate a strong market position in this segment due to the following

- Strong origination skills and focused approach
- Creation of niches in catering to particular categories of customers
- Strong understanding of customer segment, excellent customer service and diverse channels of business sourcing

- Non salaried customer profile – around 50-55% of customers
- Focus and presence in smaller cities as well

These factors will help them maintain market share in the future as banks have become risk averse and are focussing on high ticket customers with good credit profiles. By virtue of being largely focused on metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. A focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier III, and rural market open to anyone with the capability to operate in that segment.

Disbursement share among player groups



Note: Others includes NBFCs, foreign banks, Regional rural banks and co-operative banks. Source: CIBIL, CRISIL Research

Over the years, new affordable HFCs *(defined as those HFCs with focus on affordable housing loans segment incorporated on or after 2010)* have outperformed the industry aggregate growth of affordable housing finance. New affordable HFCs in affordable housing finance grew at CAGR of 17% from March 2018 to March 2020 whereas affordable housing grew by 4.2% only during this period. The defining characteristic of affordable HFCs is their strong focus on their target segment (i.e. housing loans lower than Rs 1.5 million ticket size to low-income customers), deep understanding of the micro- markets they operate in, and relatively lower focus on other products such as LAP and developer loans. Their credit assessment processes are fine-tuned to serve their target segment.

Amongst the Affordable HFCs (defined set), Aadhar Housing Finance Limited is the largest one accounting for approximately 22.4% of the aggregate retail home loan portfolio of these players.

Affordable HFCs' asset quality to improve with increase in information availability and higher technology usage for credit assessment

As demand for home loans is largely driven by first-time home buyers, who primarily acquire real estate for self-consumption, loans made to this segment have witnessed robust historically. However, due to the seasoning of portfolios of rapidly growing HFCs, many of which are focused on relatively riskier customers compared with the salaried segment, delinquency rates have moved up. Moreover, due to their presence in a few geographies, affordable HFCs are more susceptible to local events and developments that impact the repayment behaviour compared with their larger counterparts.

CRISIL expects delinquencies to inch up over the course of the current fiscal and next as a result of the slowdown in economic growth induced by Covid-19; subsequently, CRISIL expects to witness an improvement in the asset quality.

Ability to manage credit costs by appropriately leveraging information availability as also technology and data analytics will be a key differentiator among players in the affordable HFC segment.

Profitability of affordable HFCs to improve over a long term

In fiscal 2019, affordable HFCs saw a decline in RoA on-year, because of an increase in cost of funding following the default by IL&FS. However, they have witnessed improvement in RoA during the fiscal 2020.

In fiscal 2021, CRISIL expects the profitability of HFCs to deteriorate, mainly due to increase in credit costs as they cater to riskier segments (self-employed and informal segment) which are more vulnerable to economic slowdown. In current scenario, as market rates are declining, yield on advances is also expected to decline for affordable HFCs. As a result, affordable HFCs will have to effectively manage their cost of funds to maintain their NIMs.

Over the long term, CRISIL expects the industry's profitability to gradually improve. Cost of funds, which has shot up since the second half of fiscal 2019, is expected to gradually normalise, once risk aversion wanes and capital availability for better performing HFCs improves. Additionally, for players in the affordable housing category, operating expenses, too, would moderate, as business volumes increase and the level of standardisation and digitalisation in credit assessment increases.

Analysis of housing finance companies based on book size

CRISIL Research has analysed the variation in performance of HFCs on the basis of assets under management (including home loans, loan against property, developer loans and any other loans by the HFC) as well as focus segment in terms of ticket size. Accordingly, the HFCs have been classified as large HFCs, medium HFCs, small HFCs, and mini HFCs based on the book size of the company.

HFCs have also been classified as affordable HFCs, based on higher share of housing loans with ticket size less than Rs 1.5 million in their portfolio. According to CIBIL data, the entities included in our analysis together account for ~97% of the outstanding retail home loans given by HFCs as on March 2020.

The following table details the categorisation of HFCs used for the analysis:

Category	HFCs Included
Large HFCs (AUM more than Rs 300 billion, as of March 2020)	Dewan Housing Finance Corporation Ltd., Housing Development Finance Corporation Limited, Indiabulls Housing Finance Ltd., LIC Housing Finance Ltd., Piramal Capital and Housing Finance Limited, and PNB Housing Finance Limited
Medium HFCs (AUM between Rs 150 billion and Rs 300 billion, as of March 2020)	Bajaj Housing Finance Limited, Can Fin Homes Ltd., Gruh Finance Ltd.*, ICICI Home Finance Company Limited, India Infoline Housing Finance Limited, L&T Housing Finance Ltd*, Reliance Home Finance Limited, and Tata Capital Housing Finance Limited
Small HFCs (AUM between Rs 50 billion and Rs 150 billion, as of March 2020)	Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, GIC Housing Finance Ltd., Mahindra Rural Housing Finance Limited, REPCO Home Finance Ltd., and Sundaram BNP Paribas Home Finance Limited
Mini HFCs (AUM less than Rs 50 billion, as of March 2020)	Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, DMI Housing Finance Private Limited, Edelweiss Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, IND Bank Housing Ltd., India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Khush Housing Finance Private Limited, Magma Housing Finance, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Ltd., Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housing finance Corporation Limited, Sewa GrihRin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited
Affordable HFCs (Companies having high share of housing loans with ticket size (at the time of disbursement) less than Rs 1.5 million in their portfolio)	Aadhar Housing Finance Limited, AAVAS Financiers Limited, Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, DMI Housing Finance Private Limited, Fullerton India Home Finance Company Limited, Gruh Finance Ltd.*, Home First Finance Company India Private Limited, IND Bank Housing Ltd., India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Khush Housing Finance Private Limited, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, Manappuram Home Finance Private Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Ltd., Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housing finance Corporation Limited, Sewa GrihRin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance

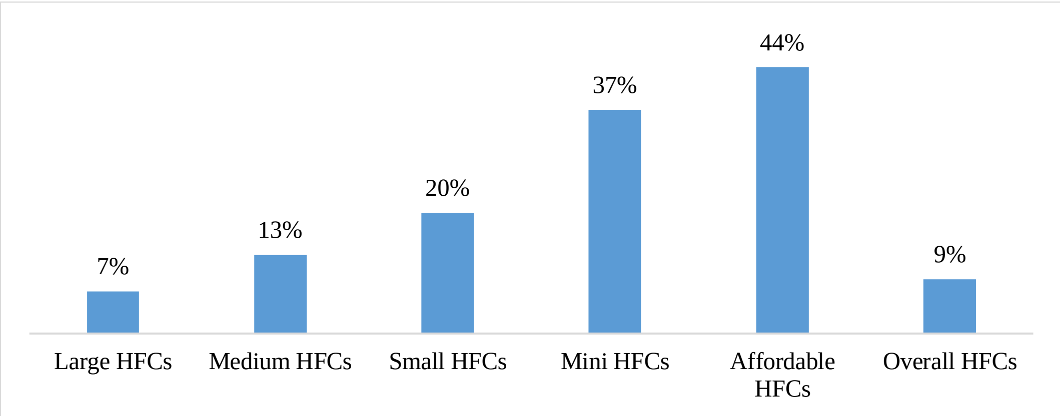
Category	HFCs Included
	Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited

* *Note: - Gruh Finance has been included in our aggregates despite its merger with Bandhan Bank with effect from October 2019 so that the data is comparable across time periods*

Home loans given by Affordable HFCs have grown the fastest amongst various player groups

Over the last two years ending fiscal 2020, the credit outstanding of HFCs has clocked 9% CAGR. Among the various player groups, the affordable HFCs' credit outstanding grew the fastest at 44% CAGR. Medium, small and mini HFCs grew faster than overall HFCs, clocking 13%, 20% and 37% CAGR, respectively, in this period.

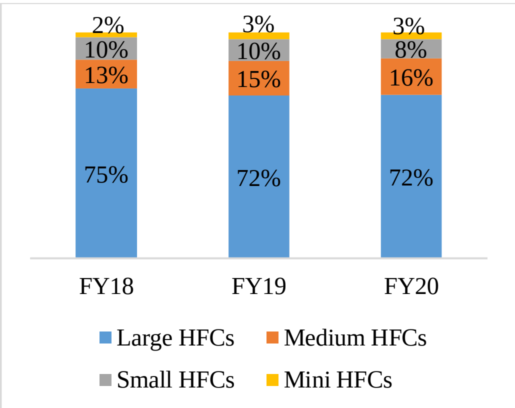
Two-year CAGR (Mar-18 to Mar-20) of HFC groups in overall housing finance industry



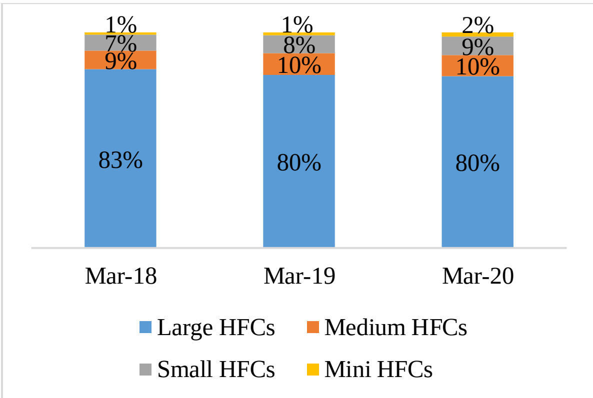
Source: CIBIL, CRISIL Research

The share of large HFCs reduced from 75% in fiscal 2018 to 72% in fiscal 2020 in terms of disbursements. Going forward, CRISIL expects mini, small and mid-sized HFCs, especially those with a strong segment focus and access to funds, to increase their market share, albeit on a relatively lower base.

Market share of HFC groups, based on disbursements in overall housing finance industry



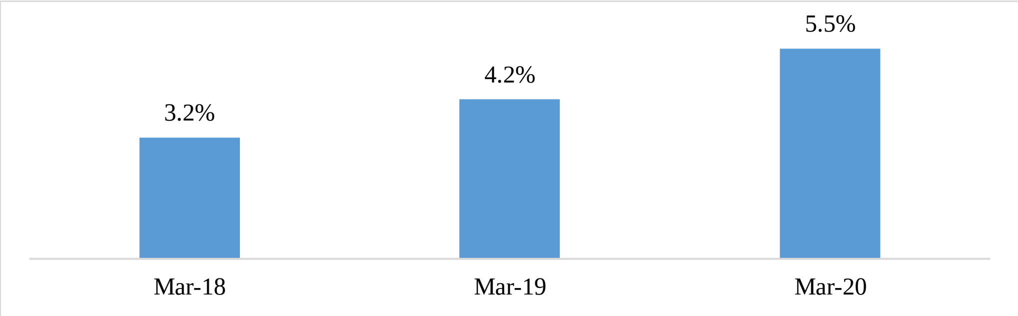
Market share of HFC groups, based on credit outstanding in overall housing finance industry



Source: CIBIL, CRISIL Research

The defining characteristic of affordable HFCs is their strong focus on their target segment (i.e. housing loans lower than Rs 1.5 million ticket size to low-income customers), deep understanding of the micro- markets they operate in, and relatively lower focus on other products such as LAP and developer loans. Their credit assessment processes are fine-tuned to serve their target segment.

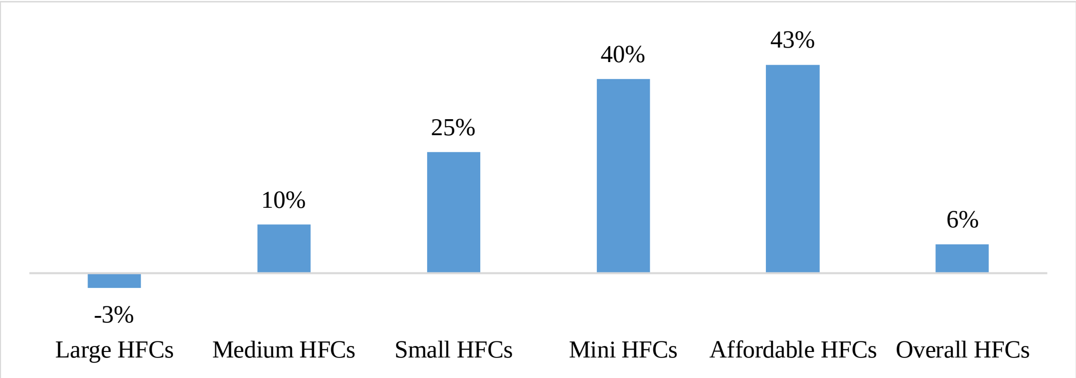
Market share of affordable HFCs in overall housing loans outstanding of HFCs



Source: CIBIL, CRISIL Research

Not surprisingly, mini HFCs, most of whom have a larger focus on affordable home loans, have outperformed the other player groups, clocking 40% CAGR in loans in this category over the last four years ending fiscal 2020. As against this, the overall market for HFCs in this segment clocked 6% CAGR from Mar-18 to Mar-20. Even the affordable HFCs have grown at a phenomenal pace of 43% in this category.

Two-year CAGR (Mar-18 to Mar-20) of HFC groups in affordable housing finance industry

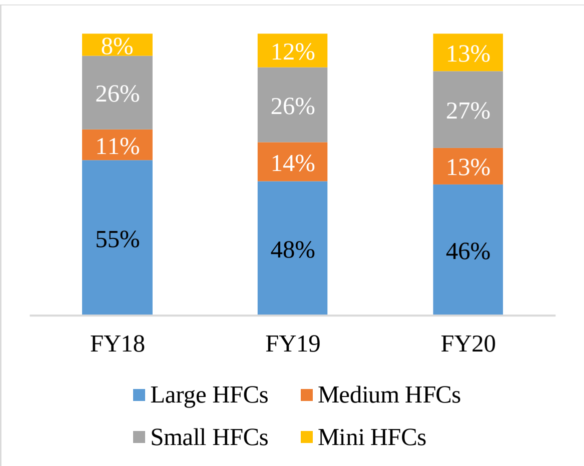


Source: CIBIL, CRISIL Research. (HFCs refers to the Affordable Housing Finance book of the respective HFCs)

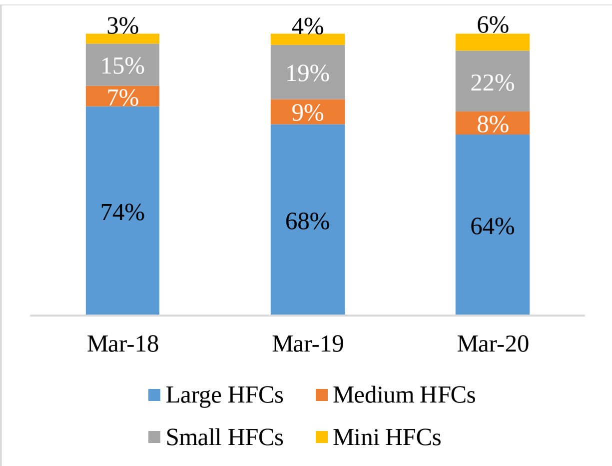
Competitive landscape among HFCs in affordable housing finance space

Among the HFCs, the market share of large HFCs has reduced from 55% in fiscal 2018 to 46% in fiscal 2020 in terms of home loan disbursements in the affordable housing industry. With respect to credit outstanding also, the share of large HFCs has reduced gradually from 74%, as of March 2018, to 64%, as of March 2020. The small and mini HFCs have been able to garner a modest industry share. The share of small HFCs, in terms of credit outstanding, increased from 15%, as of March 2018, to 22%, as of March 2020, and that of mini HFCs increased from 3% to 6% in the same period. This increase in market share was majorly driven by penetration of these financiers in rural markets and semi-urban areas, government and regulatory thrust, as well as increased affordability and aspirations of the borrowers.

Market share of HFC groups, based on disbursements of affordable home loans



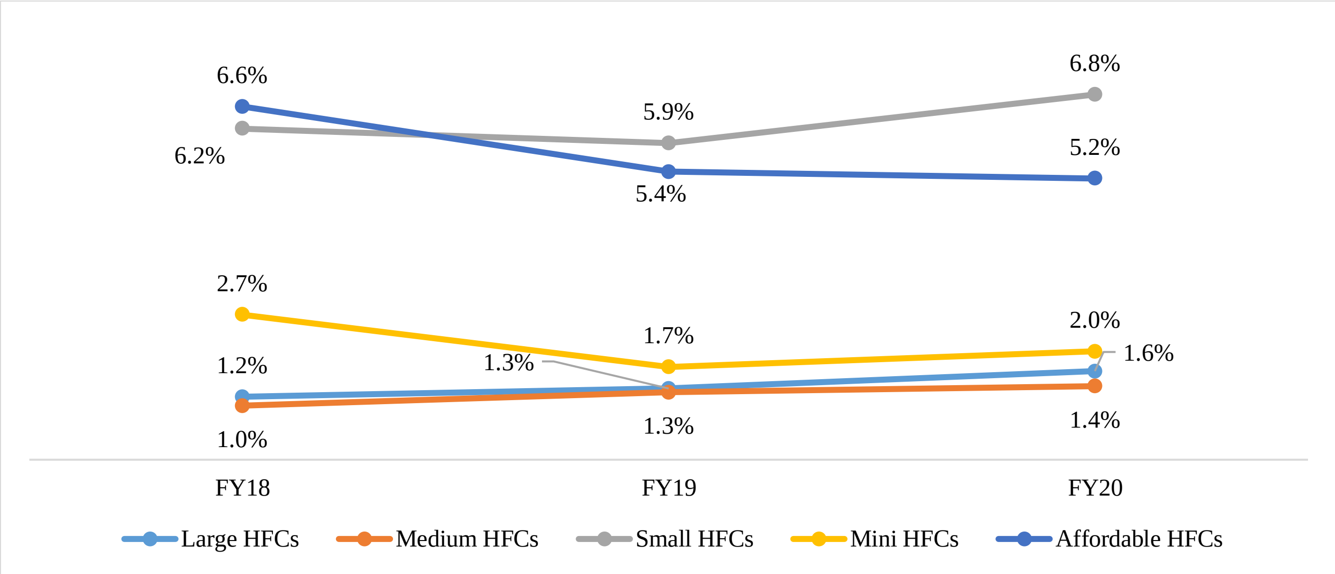
Market share of HFC groups, based on outstanding affordable home loans



Source: CIBIL, CRISIL Research

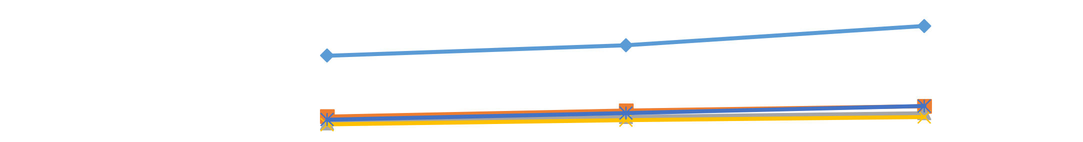
In the affordable housing loans segment, the GNPA ratio for large and medium HFCs is low. Medium HFCs have the least GNPA as a proportion of total advances in this segment, followed by large HFCs at 1.4% and 1.6% as on March 2020. Small HFCs have the highest GNPA ratio of 6.8%, as of March 2020, up from 6.2%, as of March 2018. The GNPA ratio of the affordable HFC group was 5.2%, as of March 2020, which is lower than that for small HFCs.

GNPA (90 DPD) ratio of HFC groups in the affordable housing finance industry



Source: CIBIL, CRISIL Research

GNPA (%) across ticket size buckets



	Mar-18	Mar-19	Mar-20
0-7.5L	4.0%	4.5%	5.3%
7.5L-15L	1.5%	1.8%	1.9%
15L-25L	1.3%	1.5%	1.7%
25L-50L	1.2%	1.4%	1.5%
50L+	1.4%	1.7%	2.0%

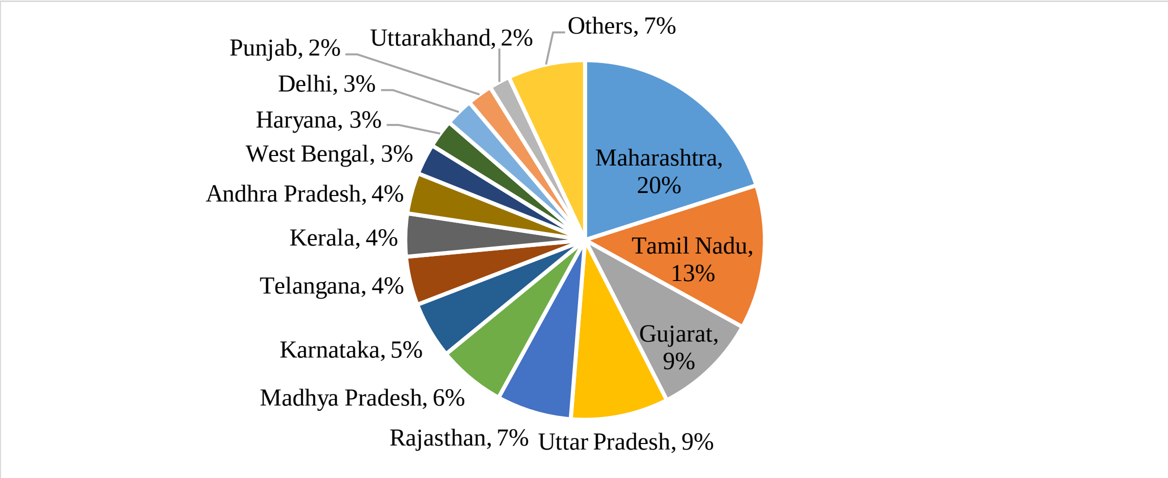
Source: CIBIL, CRISIL Research

Ticket size up to Rs 7.5 lakhs have seen the GNPA levels rise to 5.3% of the outstanding in fiscal 2020 from 4.0% in fiscal 2018, whereas ticket size up of 7.5L – 15L have seen GNPA levels rise to 1.9% in fiscal 2020. Loans with ticket size in between Rs 25 and 50 lakhs has the best GNPA ratio amongst all the ticket size buckets at 1.5% in fiscal 2020 having increased from 1.2% of the outstanding loans in that ticket size bucket in fiscal 2018.

State-wise analysis of HFC Groups in Affordable Housing Finance Industry

The performance of various categories of HFCs in affordable home loans of less than Rs 15 lakhs ticket size was also analysed. HFCs, in aggregate, have seen a modest growth in affordable home loans in the past two years with a CAGR of 6% as of March 2020. However, there are variations across states and districts within the state that indicate the intensity of the presence of the HFCs and their impact. Top fifteen states have a market share of 93% in terms of credit outstanding of HFCs in the affordable housing finance industry - for fiscal year 2020. Maharashtra is at the top with a market share of 20% followed by Tamil Nadu (13%), Gujarat (9%), Uttar Pradesh (9%) and Rajasthan (7%).

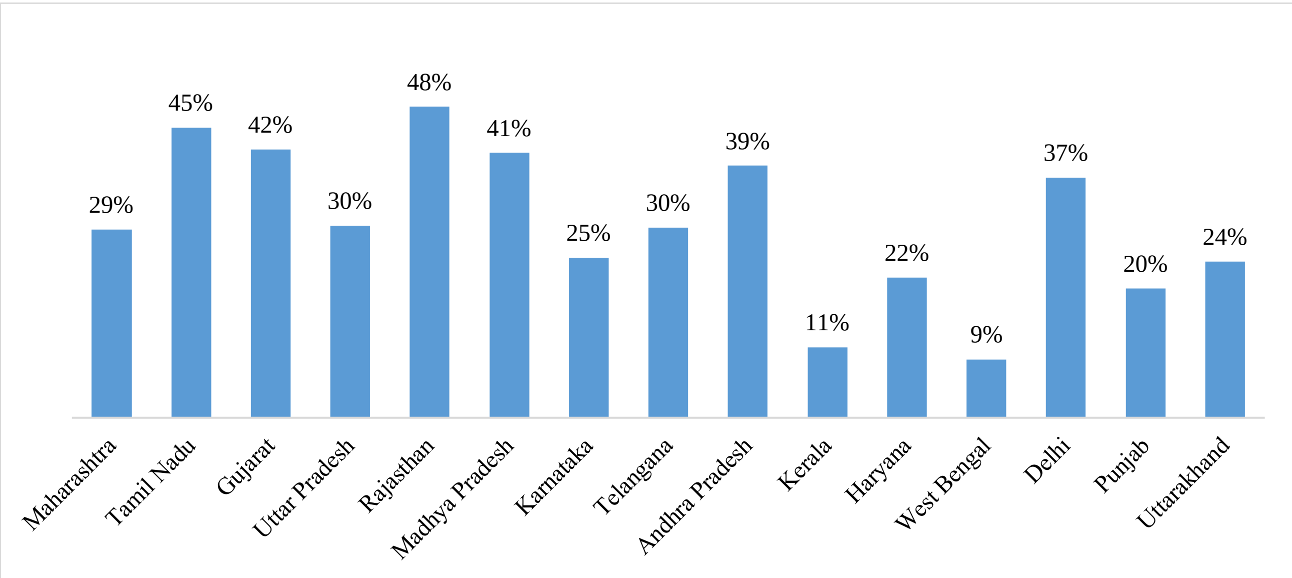
HFCs in top 15 states contribute to 93% of affordable credit outstanding of HFCs as of March 2020



Source: CIBIL, CRISIL Research

In terms of disbursement of home loans extended by overall HFCs in the affordable-housing finance industry, affordable HFCs have the highest market share of 48% in Rajasthan, followed by Tamil Nadu (45%), Gujarat (42%) and Madhya Pradesh (41%) in fiscal 2020.

Market Share of affordable HFCs in top 15 states in terms of disbursement by HFCs in affordable-housing finance industry in FY20



Source: CIBIL, CRISIL Research

Profitability analysis

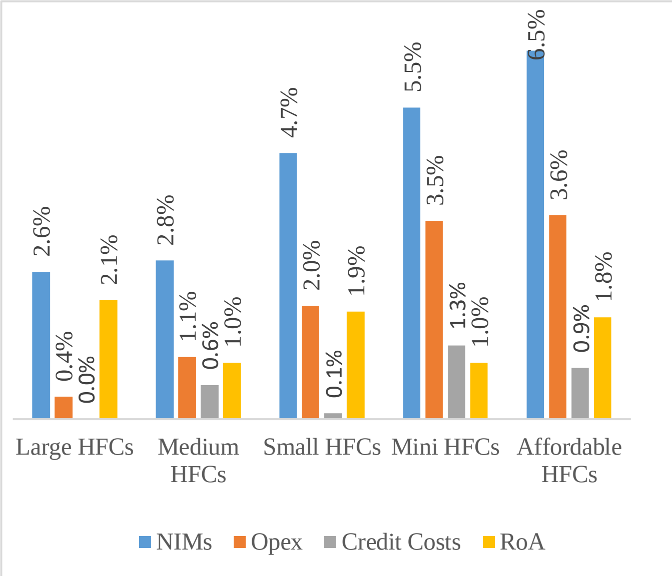
Higher returns, lesser competition make the affordable housing segment attractive for HFCs

Housing loans are considered to be a safer asset class compared to other asset classes as borrowing is usually for a self-occupied residential property of the borrower, where the propensity of default is relatively lower.Among the peer group set (large, medium, small, mini and affordable), large HFCs and affordable HFCs have highest profitability (RoA). The higher RoA of affordable HFCs – 2.3% in fiscal 2020 – can be attributed to the relatively higher net interest margins (NIMs) they enjoy despite their higher cost of funds. The higher NIMs is due to the higher interest rates they charge the customers.

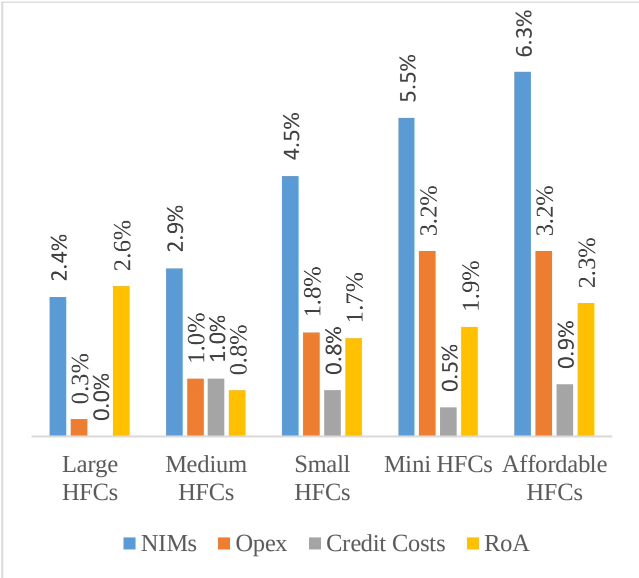
In fiscal 2019, HFCs across segments saw a decline in RoA year-on-year, because of an increase in borrowing costs following the default by IL&FS. Large, mini and affordable HFCs witnessed an improvement in RoA during the fiscal 2020. For large HFCs, improvement in profitability was mainly due to tax reduction, while for mini and affordable ones, the improvement was owing to significantly lower credit costs (on account of a significant decline in GNPA for a few HFCs such as Aspire, Aavas and Shriram Housing) on-year. For medium HFCs, significantly higher credit costs compared with fiscal 2019 led to lower profitability.

Over the longer term, CRISIL expects the industry's profitability to gradually improve. Cost of funds, which has shot up since the second half of fiscal 2019, is expected to gradually normalise, once risk aversion wanes and capital availability for better performing HFCs improves. As economy revives, delinquencies are also expected to normalise, leading to decrease in credit costs for HFCs. Additionally, for players in the affordable housing category, operating expenses, too, would moderate, as business volumes increase and the level of standardisation and digitalisation in credit assessment increases.

Profitability parameters – fiscal 2019



Profitability parameters – fiscal 2020



Note –

1) *Large HFCs include data for Housing Development Finance Corporation Ltd, Indiabulls Housing Finance Ltd, LIC Housing Finance Ltd and PNB Housing Finance Ltd*

2) *Medium HFCs include data for Can Fin Homes Ltd, ICICI Home Finance Ltd, L&T Housing Finance Ltd and TATA Capital Housing Finance Ltd*

3) *Small HFCs include data for GIC Housing Finance Ltd, REPCO Home Finance Ltd, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited and Mahindra Rural Housing Finance Limited*

4) *Mini HFCs include data for Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Edelweiss Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, Magma housing finance, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housingfinance Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*

5) *Affordable HFCs include data for Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Mahindra Rural Housing Finance Limited, Fullerton India Home Finance Company Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Ltd., India Home Loans Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Vastu Housing Finance Corporation Limited, and Home First Finance Company India Private Limited*

6) *NIM has been calculated as Net Interest Margin/ Average Assets, Opex has been calculated as Operating expenses/ Average Assets, Credit cost has been calculated as Provisions/ Average Assets and RoA has been calculated as PAT/ Average Assets*

Source – Company Reports, CRISIL Research

Peer benchmarking

The peer set: Aadhar Housing Finance, Aavas Financiers, Motilal Oswal Home Finance (Formerly Aspire Home Finance Corporation Limited), Home First Finance Company, Magma Housing Finance, Aptus Value Housing Finance, Shriram Housing Finance, Muthoot Homefin, Vastu Housing, India Shelter Finance Corporation, Shubham Housing Development Finance Company and Muthoot Housing Finance. These HFCs have been selected due to their strong focus on home loans with an average ticket size in the range of Rs. 0.5 million and Rs. 1.5 million.

Aadhar had the highest AUM amongst peers

Aadhar Housing Finance had the highest AUM amongst the peer HFCs analysed, with an AUM of Rs 114 billon as of March 2020. Aadhar Housing Finance AUM was ~1.5 times the AUM of Aavas Financiers, the second largest player in the peer set, as of March 2020. Aadhar Housing Finance also had the highest net worth as of March 2020, amongst the players considered.

Size of the companies

	AUM (Rs billion) FY20	YoY AUM growth (FY20)	AUM growth (CAGR – FY16-20)	Disbursements (Rs billion) FY20	YoY Disbursement growth (FY20)	Disbursement growth (CAGR FY16-20)	Total income (Rs billion) FY20	Profit after tax (Rs billion) FY20	Total Net Worth (Rs billion) FY20
Aadhar Housing Finance	114.3	14%	59%	31.9	0%	33%	13.5	1.8	23.4
Aavas Financiers	77.9	31%	47%	29.3	10%	29%	9.0	2.5	20.9
Motilal Oswal Home Finance	36.6	-16%	15%	1.9	-34%	-43%	5.7	0.4	8.7
Home First Finance Company	36.1	68%	63%	16.1	3%	56%	4.1	0.8	9.3
Magma Housing Finance	32.8	35%	NA	13.1	21%	11%	3.6	0.4	4.8
Aptus Value Housing Finance	31.8	42%	57%	12.8	16%	51%	4.6	1.8	16.7
Shriram Housing Finance	23.1	25%	16%	11.2	49%	9%	2.9	0.5	5.1
Muthoot HomeFin	19.8	3%	183%	4.1	-37%	0%*	2.4	0.3	4.3
Vastu Housing Finance	17.7	35%	191%	7.3	NA	NA	2.9	0.9	8.9
India Shelter Finance	16.8	8%	9%***	5.6**	39%**	40%^^	2.2	0.5	8.5
Shubham Housing	16.5^	30%	27%	NA	NA	NA	2.7	0.3	4.6
Muthoot Housing Finance	10.1**	29%*^	28%^^	3.8**	12%*^	31%^^	1.9	0.2	2.0
Simple average of peers	36.1	24.3%#	53.7%#	12.5	10.3%#*	28.9%#*	4.6	0.9	9.8

Note:

1. *(***) CAGR FY18-20*
2. *(**) FY19*
3. *(^^) CAGR FY15-19*
4. *(^) Loan Outstanding*
5. *(*) CAGR FY17-20*
6. *(*^) YoY growth in FY19*

7. *NA: Not available*

8. *(#): Weighted average based on AUM*

9. *(#*): Weighted average based on disbursements*

Source: Company reports, CRISIL Research

According to the peer set analysed by CRISIL, in fiscal 2020 Aadhar Housing finance had the highest number of live accounts followed by Aavas Financiers and Aptus Value Housing Finance.

Customer base of players

FY20	Live accounts / customers
Aadhar Housing Finance	1,61,000
Aavas Financiers	1,04,700
Motilal Oswal Home Finance	NA
Home First Finance Company	NA
Magma Housing Finance	NA
Aptus Value Housing Finance	50,200
Shriram Housing Finance	11,051
Muthoot HomeFin	24,390
Vastu Housing Finance	6,365
India Shelter Finance	NA
Shubham Housing	NA
Muthoot Housing Finance	NA
Simple average of peers	59,618

Note: NA – Not available, Source: Company reports, CRISIL Research

Higher share of salaried customers for Home First Finance Company and Aadhar Housing Finance amongst peers

Home First Finance Company and Aadhar Housing Finance have relatively higher share of salaried customer (in overall AUM) amongst peers. Retail home loans accounts for over 90% of the overall AUM for Muthoot HomeFin, Home First Finance Company and Motilal Oswal Home Finance amongst peers, while the corresponding percentage for Aadhar Housing Finance and Shubham Housing stood at 85% and 81% respectively as of March 2020. Shubham Housing Finance had the lowest average ticket size amongst the peers followed by Aadhar Housing Finance and Aavas Financiers.

AUM Split (By products and by income type)

AUM Split (FY20)	By products			By income Type		Average ticket size (In Rs. Mn)
	Home Loans	LAP	Others*	Salaried	Self employed	
Aadhar Housing Finance	85%	14%	-	65%	35%	0.84
Aavas Financiers	74%	-	26%	35%	65%	0.84
Motilal Oswal Home Finance	90%	-	10%	55%	45%	0.88
Home First Finance Company	92%	5%	3%	73%	27%	1.01
Magma Housing Finance	66%	34%	-	27%	73%	0.9-1.3
Aptus Value Housing Finance	60%	-	40%	22%	78%	0.9
Shriram Housing Finance	51%	-	49%	NA	NA	NA
Muthoot HomeFin	99%	1%	-	62%	38%	0.94
Vastu Housing Finance	65%	35%	-	23%	77%	1.22
India Shelter Finance	61%	-	39%	NA	NA	NA
Shubham Housing	81%	-	19%	57%	43%	0.7-0.8
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA
Simple average of peers	75%	18%	27%	47%	53%	0.93

Note: (*) – Include Project Finance, Composite loans, Resale loans and other non-housing loans

Source: Company reports, CRISIL Research

Lower concentration risk due to wide geographical presence for Aadhar Housing Finance

Among the peer set analysed Aadhar Housing Finance has a presence in 20 states and UTs which is highest amongst peers. Consequently, the cumulative share of the top 5 states in the AUM of Aadhar Housing Finance, at 62%, is much lower than other players in the peer set. Aptus Value Housing, Motilal Oswal Home Finance, Home First Finance Company, and Muthoot HomeFin have higher dependence on single states (Single state portfolio concentration is more than 35%).

Share of top 5 states/UTs in the AUM

States	Aadhar Housing Finance	Aavas Financiers##	Motilal Oswal Home Finance	Home First Finance Company	Aptus Value Housing Finance	Shriram Housing Finance	Muthoot HomeFin*	Vastu Housing Finance	Shubham Housing
Presence in number of states and UTs	20	10	9	11	4	15	11	9	12
Largest states for each HFC									
Maharashtra	15%	15%	67%	22%		24%	43%		36%
Uttar Pradesh	16%								13%
Madhya Pradesh	12%	15%	9%				6%		
Gujarat	10%	15%	13%	40%		14%	29%	11%	
Rajasthan	9%	43%	3%				14%	17%	8%
Tamil Nadu			3%	10%	56%	9%			
Andhra Pradesh & Telangana					24%	18%	2%	18%	
Karnataka				9%		13%		18%	
Delhi								12%	13%
Haryana									9%
Share of top 5 states & UTs	62%	88%^^	95%	81%^^	80%^	78%	94%	76%	79%

Note: (*) – FY19. (^) – Top 2 states share; (^^) – Top 4 states share. (##)- State wise AUM split as of December, 2020.

Below list indicates the presence of respective players in number of states and UTs. However, state wise AUM split is not available for below players.

Player Name	Presence in number of states and UTs
India Shelter	12
Magma Housing Finance	20
Muthoot Housing Finance	10

Source: Company reports, CRISIL Research

Lowest opex ratio for Aadhar Housing Finance amongst peers

Among the peer set analysed, Aptus Value Housing Finance had the highest RoA of 6.3% in fiscal 2020, followed by Vastu Housing Finance (4.5%) and Aavas Financiers (3.8%). Aptus Value Housing had the highest NIM (9.89%), followed by India Shelter (9.87%) and Shubham Housing Finance (9.68%). Aadhar Housing Finance posted lowest opex ratio (2.2%) amongst peers followed by Motilal Oswal Home Finance (2.3%) and Aptus Value Housing (2.6%) in fiscal 2020. Aadhar Housing Finance had made an additional provisioning of Rs. 495.1 million as of March, 2020 towards Covid-19 which is highest amongst peers.

Financial ratios

FY20	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Credit cost (Including Covid-19 additional provisioning)	Covid-19 additional provisioning (% of AUM)	Return on Assets (RoA)	Leverage (In Times)	Return on Equity (RoE)
Aadhar Housing Finance	13.5%	8.6%	5.3%	2.2%	1.4%	1.0%*	0.4%	1.7%	4.1	11.8%
Aavas Financiers	13.5%	7.6%	8.2%	3.5%	2.2%	0.2%	0.1%	3.8%	2.6	12.7%
Motilal Oswal Home Finance	14.0%	10.1%	5.5%	2.3%	1.5%	1.8%	NA	0.9%	3.4	4.6%
Home First Finance Company	13.2%	8.7%	7.6%	3.4%	2.0%	0.6%	0.2%	2.6%	2.7	10.9%
Magma Housing Finance	14.2%	10.0%	7.8%	4.6%	3.1%	0.9%	0.2%	1.9%	4.1	10.3%

FY20	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Credit cost (Including Covid-19 additional provisioning)	Covid-19 additional provisioning (% of AUM)	Return on Assets (RoA)	Leverage (In Times)	Return on Equity (RoE)
Aptus Value Housing Finance	15.7%	10.0%	9.9%	2.6%	1.9%	0.1%	0.1%	6.3%	1.1	15.4%
Shriram Housing Finance	14.3%	8.0%	8.7%	4.8%	2.7%	1.1%	0.4%	2.0%	3.8	9.5%
Muthoot HomeFin	12.5%	10.5%	7.6%	3.6%	2.3%	1.9%	NA	1.7%	3.3	7.8%
Vastu Housing Finance	15.1%	8.9%	8.8%	2.8%	2.2%	0.2%	NA	4.5%	1.5	11.3%
India Shelter Finance	15.4%	8.9%	9.9%	5.0%	3.2%	0.7%	NA	3.0%	1.1	5.7%
Shubham Housing	17.6%	10.6%	9.7%	6.5%	4.7%	0.5%	0.3%^	2.0%	2.8	7.8%
Muthoot Housing Finance	15.9%	10.8%	8.4%	4.3%	3.1%	1.6%	NA	1.8%	4.6	11.7%
Simple average of peers	14.6%	9.4%	8.4%	3.8%	2.5%	0.9%	0.2%	2.8%	2.9	10.0%

Note: (^) - As % of loan outstanding; (*)- Includes accelerated provisioning of Rs. ~400 million towards project finance book.

Financial Ratios for all the peers are calculated based on standalone number;. NA- Not available.

Source: Company reports, CRISIL Research

Operational Productivity

FY20 (In Rs. Mn)	AUM / branch	AUM / Employee	Disbursement / branch	Disbursement / Employee	Total income / branch	Total income / Employee	Cost to Income ratio
Aadhar Housing Finance	388.8	54.5	108.5	15.2	45.8	6.4	41.2%
Aavas Financiers	311.8	17.0	117.2	6.4	35.9	2.0	42.0%
Motilal Oswal Home Finance	333.4	31.0	17.5	1.6	52.2	4.9	41.0%
Home First Finance Company	532.1	52.0	237.9	23.2	59.9	5.9	45.2%
Magma Housing Finance	318.7	33.9	127.7	13.6	34.6	3.7	56.4%
Aptus Value Housing Finance	181.9	18.7	73.1	7.5	26.0	2.7	26.4%
Shriram Housing Finance	354.5	28.9	173.4	14.1	44.0	3.6	55.2%
Muthoot HomeFin	184.8	48.0	38.6	10.0	22.0	5.7	46.6%
Vastu Housing Finance	281.0	20.6	116.9	8.6	45.8	3.4	32.0%
India Shelter Finance	195.6	14.9	65.3	5.0	25.8	2.0	51.1%
Shubham Housing	192.6	NA	NA	NA	31.5	NA	66.7%
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	51.0%

FY20 (In Rs. Mn)	AUM / branch	AUM / Employee	Disbursement / branch	Disbursement / Employee	Total income / branch	Total income / Employee	Cost to Income ratio
Simple average of peers	297.7	32.0	107.6	10.5	38.5	4.0	46.2%

Note: Cost to income ratio is calculated as opex in current year divided by Net interest income (Total income minus finance cost). Financial Ratios for all the peers are calculated based on standalone number. Source: Company reports, CRISIL Research

Capitalisation and asset quality

FY20 (In %)	GNPA	Average GNPA for past 3 Years	NNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital
Aadhar Housing Finance	1.3**	1.2	0.8	1.0^#	51.4	49.1
Aavas Financiers	0.3	0.4	0.3	0.2	56.0	53.9
Motilal Oswal Home Finance	1.8	5.2	1.1	1.8	47.6	46.4
Home First Finance Company	1.0	0.8	0.8	0.6	48.9	47.7
Magma Housing Finance	1.6	2.9	1.0	0.9	36.0	30.6
Aptus Value Housing Finance	0.8	0.6	0.6	0.1	82.5	82.3
Shriram Housing Finance	2.4	3.7	1.9	1.1	27.8	26.9
Muthoot HomeFin	1.9	1.0	1.3	1.9	51.3	50.4
Vastu Housing Finance	0.3	0.1#	0.3	0.2	65.1	64.2
India Shelter Finance	1.3	1.3	1.1	0.7	81.1	80.6
Shubham Housing	1.8	2.9	1.3	0.5	45.6	44.3
Muthoot Housing Finance	3.9^	3.7##	2.9^	1.6	34.3	33.1
Simple average of peers	1.5	2.0	1.1	0.9	52.3	50.8

Note: NA: Not available. NM: Not meaningful, (**)- Retail gross NPA on the loan book for the company was 0.96% as of March 2020. # Past 2 year average GNPA; ## Past 3 year average GNPA starting from FY19. Credit cost for the year is defined as total provisions for the year divided by average of total assets for the current year and last year. (^#) - Includes accelerated provisioning of Rs. ~400 million towards project finance book. Financial Ratios for all the peers are calculated based on standalone numbers. Source: Company reports, CRISIL Research

Practice of Asset held for sale being included in the AUM

Aadhar Housing Finance	Yes
Aavas Financiers	No
Motilal Oswal Home Finance	No
Home First Finance Company	Yes
Magma Housing Finance	No
Aptus Value Housing Finance	Yes
Shriram Housing Finance	No
Muthoot HomeFin	Yes
Vastu Housing Finance	No
India Shelter Finance	Yes
Shubham Housing	No
Muthoot Housing Finance	No

Source: Company reports, CRISIL Research

Higher reliance on bank borrowings in overall resource mix of peers

Owing to low penetration in capital markets, affordable HFCs have high dependence on bank borrowings. Muthoot Housing Finance has the highest share of bank loan borrowings (79.5%) among peers, followed by Muthoot HomeFin (78.7%) and Magma Housing Finance (73.2%). Shubham Housing Finance has highest share of refinance from NHB (26.3%) amongst peers followed by Home First Finance Company (26.2%) and Aavas Financiers (17.8%) as of fiscal 2020.

Aadhar Housing Finance, Aavas and Aptus Value Housing Finance amongst peers have highest surplus in ALM in within 12 months bucket

Amongst the peer set analysed, Aadhar Housing Finance has highest ALM surplus (Rs 18.9 bn) within 12 months bucket followed by Aavas Financiers (Rs 13.5 bn) and Aptus Value Housing Finance (Rs 5.0 bn).

Short term and long terms credit ratings of peers

FY20	Short term credit rating	Long term credit rating
Aadhar Housing Finance	CRISIL A1+ (June,2020), ICRA A1+ (July, 2020)	CARE AA-/CARE AA (July, 2020), BWR AA (June,2020)
Aavas Financiers	CARE A1+ (Jan, 2021)	CARE AA- (Jan, 2021)
Motilal Oswal Home Finance	ICRA A1+ (Sept, 2020)	ICRA A+/ICRA AA (CE) (Sept,2020)
Home First Finance Company	ICRA A1+ (Dec,2020)	ICRA A+ (Dec,2020)
Magma Housing Finance	CRISIL A1+ (May,2020)	ICRA AA- (Dec,2020)
Aptus Value Housing Finance	NA	CARE A+ (Dec,2020), ICRA A+ (Dec,2020)
Shriram Housing Finance	CARE A1+ (Oct,2020)	IND AA (Dec,2020)
Muthoot HomeFin	CARE A1+ (Dec,2020)	CRISIL AA (June,2020)
Vastu Housing Finance	NA	BWR A+ (June,2020)
India Shelter Finance	NA	ICRA A (Dec,2020)
Shubham Housing	NA	CRISIL A- (Jan,2020) , ICRA A- (Jan,2020)
Muthoot Housing Finance	NA	CRISIL A- (Dec,2020)

Source: Company reports, CRISIL Research

OUR BUSINESS

The financial and other operational data in this section is taken from our restated consolidated Financial Information, accounting records and MIS, except as otherwise specified. Our restated consolidated Financial Information have been prepared and presented in accordance with Ind AS, as applicable to the Company, restated in accordance with the SEBI requirements. References herein to "we", "our" and "us" are to Aadhar.

The discussion below may contain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under "Risk Factors" on page 25, "Management's Discussion and Analysis of Financial Results" on page 286, and those set forth elsewhere in this document.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Report on Affordable Housing Finance, December 2020" prepared and released by CRISIL and commissioned by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are the largest Affordable HFC in India in terms of AUM, as of March 31, 2020. We are approximately 1.5 times larger than the second largest peer set company based on AUM as on March 31, 2020. (*Source: CRISIL*) Compared to our peers, we have the largest customer base as on March 31, 2020 and have the highest disbursement for financial year ended March 31, 2020. (*Source: CRISIL*). Further, as at March 31, 2020, we have the most geographically diversified AUM as well as the highest efficiency in terms of operating expenditure ratios (*Source: CRISIL*). We are an entirely retail-focused affordable housing finance company, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹ 0.85 million, with an average loan-to-value of 56.73%, as of September 30, 2020. As of September 30, 2020, 64.83% and 35.17% of our Gross AUM comprised loans to salaried customers and to self-employed customers, respectively.

We offer a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition. Our financial performance has remained consistent and resilient through various external events in the Indian economy. Our Gross AUM increased from ₹79,659.2 million in FY2018, to ₹100,157.5 million in FY2019 and ₹114,316.6 million in FY2020. During these periods, the Indian economy and the banking and finance industry in India were adversely impacted by various events such as demonetization and the introduction and roll out of a nationwide GST; defaults involving large non-bank finance companies; and, most recently, the COVID-19 pandemic.

We have made social objectives one of the core objectives of our business model. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the economic upliftment of our target customers by contributing to an improvement in their standard of living. In addition to our customer-facing social objectives, we have also implemented social objectives in other aspects of our business. Our presence in rural and semi urban locations across India provides a source of employment in these locations. *See "Competitive Strengths - Social objectives at the core of our business model."*

We have an extensive network of 292 branches, as of September 30, 2020. Our branches are spread across 20 states and union territories, operating in approximately 12,000 locations across India, as of September 30, 2020. Our branch network is widely dispersed with no state accounting for more than 16.2% in terms of Gross AUM. We believe that our diversified reach is well positioned to meet the specific needs of our target customers across geographies, in urban, semi-urban and rural areas. Further, as a result of our geographical spread, the top five states in terms of contribution to AUM collectively accounted for 62% of our AUM as of March 31, 2020, which is the lowest concentration level amongst our competitors. (*Source:* CRISIL)

As of September 30, 2020, we have a total of 2,088 employees and our 100% owned subsidiary has a total of 1,326 employees.

We have robust and comprehensive systems and processes for underwriting, collections and monitoring asset quality. These systems and processes are also technology enabled across our front office and back office with a view to ultimately digitize the entire life cycle of a loan from origination to closure. Loan applications from salaried-customers go through our centralized processing unit, increasing efficiency while those from self-employed customers, which require close understanding of the customer and their cash flows, are managed regionally. We also have an internally developed credit assessment model and have digitized monthly collections from customers to the extent possible to reduce processing and improve collection efficiency. We are in the process of migrating to a digital, state-of-the-art IT infrastructure with a view to reduce costs, real time analysis of customer data, improve our control and underwriting functions, while increasing customer reach and distribution capability. These measures will further improve our operational efficiency by improving processing times and productivity. For further details, please see "*– Information Technology*" below.

We secure financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, development financial institutions to meet our capital requirements. We follow a prudent borrowing strategy of not relying on short-term loans and 97.98% of our Total Borrowing comprises long-term borrowings with a tenor of 1 years or more. As of September 30, 2020, our Total Borrowings were ₹ 96,379.0 million. Our average cost of borrowings has reduced from 10.09% as of March 31, 2019 to 8.57% as of September 30, 2020. As of September 30, 2020, the weighted average tenure of our outstanding borrowings, was 107 months. Further, our long-term rating from CARE and Brickworks are AA, our short-term borrowings are rated A1+ by CRISIL, ICRA and India Ratings and our fixed deposits program is rated FAA- by CRISIL.

We have a strong, experienced and dedicated management team, with our senior management having an average of 25 years' experience in the financial services industry in India. Further, our board of directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

Since June 2019, BCP Topco, which is our Promoter, and is an affiliate of funds managed and/or advised by affiliates of Blackstone, currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over $584 billion as of September 30, 2020. Following our acquisition by BCP Topco, we have also implemented a corporate governance framework, with the induction of three independent directors, one of whom serves as Chairman.

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

Sr. No.	Metrics	Financial Year ending March 31, 2018	Financial Year ending March 31, 2019	Financial Year ending March 31, 2020	Six Months ended September 30, 2020
1	Live Accounts (including assigned loans)(1)	108,092	139,249	161,371	166,758
2	Number of branches(2)	270	311	294	292
3	Average ticket size (₹ Mn.)(3)	0.84	0.83	0.84	0.85
4	Retail AUM (₹ Mn.)(4)	78,353.4	99,208.7	113,896.2	121,180.2
5	Gross Retail NPA (%)(5)	0.58%	0.58%	0.82%	0.74%*
6	Net Retail NPA/ Retail AUM (%)(6)	0.46%	0.45%	0.60%	0.45%
7	Net worth(7)	7,177.2	8,588.7	23,472.7	25,066.1
8	PAT(8)	1,142.1	1,618.8	1,893.8	1,563.7
9	Adjusted PAT(9)	1,142.1	1,618.8	2,526.8	1,660.4
10	Adjusted Return on Total Assets (%)(10)	1.76%	1.87%	2.30%	2.61%
11	Adjusted ROE (%)(11)	18.77%	20.53%	15.46%	13.27%
12	Debt to Net Worth ratio(12)	8.80	9.54	4.11	3.84
13	Capital Adequacy Ratio (as per regulatory requirements) (%)	18.76%	18.28%	51.42%	47.84%
14	Average yield on Loan Book (%)(13)	11.67%	13.84%	13.26%	13.41%
15	Average cost of Borrowing (%)(14)	8.75%	10.09%	8.90%	8.57%
16	Net Interest Margin (%)(15)	5.41%	6.18%	5.45%	5.29%
17	Cost to Income Ratio (%)(16)	45.92%	47.39%	42.76%	34.61%

Notes:

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

2) *Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.*

3) *Average ticket size =Total sanctioned amount of the AUM of Live Accounts divided by those accounts.*

4) *Retail AUM represents our AUM that is sourced from our home loans and other mortgage loans.*

5) *Gross Retail NPA:- Represents closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period.*

6) *Net Retail NPA to Retail AUM: Represents the ratio of our Net Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.*

7) *Net worth is the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.*

8) *PAT represents Profit After Tax for the relevant year or period.*

9) *Adjusted PAT represents our profit after tax for the relevant year or period, adding back additional provisions towards the impact of COVID-19 and accelerated provisions / write-offs in our portfolio of loans to developers (net of tax impact).*

10) *Adjusted Return on Total Assets :- Calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Total Assets in such year or period.*

11) *Adjusted Return on Equity is calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Net Worth in such year or period.*

12) *Debt to Net Worth Ratio:- Represents the ratio of our Total Borrowings to our Net Worth as of the last day of the relevant period.*

13) *Average Yield on Gross Loan Book:- Represents the ratio of interest income on loans for a year or period to the average Gross Loan Book for the year or period.*

14) *Average cost of borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year.*

15) *Net Interest Margin: - Represents the ratio of our total income for a year or period, less finance costs for the year or period to the average total assets for the year or period.*

16) *Cost to income ratio represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.*

* *The Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. Based on this interim order, we have not classified eligible accounts as NPA as at September 30, 2020. However, such accounts have been classified as Stage 3 assets and provisions have been recognised accordingly in our restated consolidated financial information. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations".*

For details of our corporate history, please see "*History and Certain Corporate Matters*" on page 148.

Competitive Strengths

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

- Largest affordable housing finance company with best-in-class metrics in the fastest growing sub-segment of the Indian mortgage market;
- Extensive branch network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing;
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality;
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management;
- Social objectives are one of the core components of our business model; and
- Experienced, cycle-tested and professional management team with strong corporate governance

Largest affordable housing finance company with best-in-class metrics in the fastest growing sub-segment of the Indian mortgage market

We are the largest affordable housing finance company in India in terms of AUM, as of March 31, 2020. We are approximately 1.5 times larger than the second largest peer set company based on AUM as on March 31, 2020. (*Source: CRISIL*) Our Gross AUM grew at a CAGR of 20% from ₹79,659.2 million as of March 31, 2018 to ₹114,316.6 million as of March 31, 2020. Our branch network is widely dispersed with no state accounting for more than 16.2% in terms of Gross AUM and the top two states accounting for 30.8% of our Gross AUM as of September 30, 2020. As a result, we have the most geographically diversified AUM as compared to our competitors. (*Source: CRISIL*)

We believe that due to our scale and diversified reach, we are well positioned to meet the specific needs of our target customers across geographies, in urban, semi-urban and rural areas. Affordable housing loans are targeted at the economically weaker and low-to-middle income segments of the Indian economy who have typically been underserved by traditional banks and housing finance companies. This presents a unique opportunity for us to leverage our position as the leading affordable housing finance company to be the lender of choice for customers from this segment. Further, the affordable housing segment also benefits from various government incentives and schemes to promote the construction of affordable housing projects as well as enabling financing for the customers of such projects. The segment has witnessed significant impetus from the Government and other regulators. Government's PMAY scheme provides credit-linked subsidies to stimulate demand. Various other initiatives such as special financing window (for stalled housing projects), tax holiday for affordable housing developers, infrastructure status (to ease financing for affordable housing developers), relaxation of ECB guidelines have also been undertaken to act as an enabler to the segment. For further details, please see "*Industry Overview*".

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

We have an entirely retail customer base, comprising salaried and self-employed customers in both formal and informal segments. 65% of our customer base comprised salaried customers as of September 30, 2020. Further, the average ticket size of our loans has remained stable in the range of ₹ 0.83-0.85 million, which we believe is an attractive range for affordable housing loans. We have traditionally focused on loans to salaried customers, as we believe that these customers are typically more resilient to economic cycles. The average ticket size of our loans was ₹ 0.85 million, with an average loan-to-value of 56.73%, as of September 30, 2020. Within the salaried customer segment, the formal segment (customers who have a documented monthly salary typically credited directly in their bank accounts) contributed 84.15% to our Gross AUM, while the remaining 15.85% of our Gross AUM is derived from the informal segment (customers that receive a monthly salary that is not supported by documentation and may be paid in cash). Further, 36.65% of our salaried customers are government employees. In the self-employed customer segment, 50.84% of our customers belonged to the formal segment (customers that have income tax returns or bank accounts), and 49.16% belonged to the informal segment (customers that do not have formal income documentation) as on September 30, 2020.

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

Metric	**As of and for the financial year ended March 31,**			**As of and for the six months ended September 30, 2020**
	2018	**2019**	**2020**	**2020**
Salaried	65.90%	65.51%	65.49%	64.83%
Formal salaried	85.76%	84.77%	84.49%	84.15%
Informal salaried	14.24%	15.23%	15.51%	15.85%
Self-employed	34.10%	34.49%	34.51%	35.17%
Formal self-employed	75.52%	65.63%	54.61%	50.84%
Informal self-employed	24.48%	34.37%	45.39%	49.16%
Gross AUM (₹ million)	79,659.2	100,517.5	114,316.6	121,586.9

Extensive branch network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing

We have a deep and comprehensive pan-India branch network. We believe that a comprehensive on-the-ground presence is essential for our success and growth in the affordable housing finance segment. As on September 30, 2020, we had 292 branches across India covering 20 states of India. This network of branches is widely dispersed across various states and geographies with 56% of our branches spread across 5 states and the remaining 44% spread across 15 states. Our Gross AUM is spread across India with only 30.8% of our Gross AUM being contributed by the top two states. According to CRISIL, approximately 78% of the affordable housing credit outstanding is generated by 10 states in India. We are present in all these 10 states and have 227 branches located in these states to cater to this demand. According to CRISIL, approximately 76% of the urban housing shortage is generated by the top 10 states in India as per the twelfth five year plan. The migration from rural places to urban places is putting a strain on urban infrastructure and affordable housing could be the way to reduce this housing shortage. (*Source: CRISIL*)

We also engage local channel partners in various locations that complement our branch network and allow us to be present in and serve over 12,000 locations in India with a team of sales personnel that includes relationship managers, direct sales teams, and resident executives. We have modelled our branches to meet the local requirements of the location they are set up in. Our branches in a region are anchored by a main branch with small branches, micro and ultra-micro branches under the umbrella of the main branch. Our model also includes resident executives, who are individuals located in an area where we are evaluating the market potential for a new branch presence. This allows us to cover a wider geographical area and increase customer access while controlling overall costs. See *"– Business – Branch Network"* for further details.

Since 2018, to further our social objectives and with a view to lowering our cost of acquisition for new loans while continuing to widen our customer reach, we launched the 'Aadhar Mitra Programme'. During FY2020, we also launched a new channel called "Digital Aadhar Mitra", under which we have engaged corporates with large customer bases to identify potential leads for our sales teams. In the event a lead results in a loan sanction, we will share a sales commission with these entities. *Please see "Loan sourcing" below for a break up of our disbursements by sales channels.*

Our extensive presence across India through physical locations, sales personnel, digital and technology enabled solution and the Aadhar Mitra program positions us to be the lender of choice for affordable housing loan products amongst our target customers.

Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality

We have implemented a robust and comprehensive credit assessment, risk management and collections framework to identify, monitor and manage risks inherent in our operations. We exclusively finance retail customers, a majority of whom are salaried individuals purchasing residential properties. We have also adopted an internal 'risk appetite statement' that sets out the aggregate level and types of risk we are willing to accept while achieving our business objectives. Under this policy we have adopted a benchmark for business decisions that are based on balancing risk and return and making the best use of our capital. We routinely monitor our performance against various qualitative and quantitative metrics under this policy, these include capital, profitability, asset quality, credit, operational, liquidity and compliance risk.

As of March 31, 2020, our average loan-to-value was 56.73% with a moderate level of loan-to-value ratios across various buckets at the time of the sanctioning of the loan (for further details, please see "*Selected Statistical Information*" on page 176) As on September 30, 2020, all of our outstanding loans are secured in our favour by a mortgage over property or other security.

We have split our underwriting process such that underwriting for salaried customers is undertaken at a centralised processing unit for quick turnaround and processing. For all other customer segments at the branch level we have specialised teams for credit underwriting, technical and legal due diligence and fraud control. We have an experienced team of credit officers across our branches to undertake credit assessment. Our well-defined systems and processes along with proper checks and balances enable credit approvals to be done by appropriate underwriting authority.

We have streamlined sanction, pre-disbursement and post disbursement processes that cover the entire lifecycle of the customer covering lead generation, credit underwriting, legal and technical processes, loan disbursement and monitoring and collections. Our in-house technical team comprises a team of civil engineers that is deployed to assess property valuation which enables us to make accurate valuations of the properties that we are financing. We have implemented digital solutions across our business to efficiently undertake various aspects of our business. Our credit underwriting, risk management and fraud detection teams utilise technology to centrally process loan applications, analyse credit risks, identify fraud and utilise an objective cognitive rule-based policy to make credit decisions.

Overlaid on this is a governance framework which includes an internal audit team, risk management team and a concurrent audit team. We have assigned loan sanctioning authority at various levels of committees at the branch, region and head office levels by specifying pre-determined thresholds on the loan amounts depending on the branch type and product category. This decentralised approach reduces processing times while ensuring prudent risk allocation.

We have an in-house collections team to ensure timely collections. Further, between March to August 2020, pursuant to RBI's directions, we granted moratorium on payment of instalments in the period to all eligible customers who requested the moratorium. In this period, we continued to regularly engage with our customers to inform them about the features of the moratorium and other aspects relating to their loans. This continuous engagement led to gradual improvement in our collection efficiencies from 59% in April 2020 to 83% in August 2020 and 97% in November 2020. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak*".

We manage delinquency by making this a joint responsibility of the sales, credit, risk and collections teams. This joint approach enables us to identify potential delinquencies in advance, put in place remedial measures and ensure smooth collections. We proactively handle and address delinquencies using a range of strategies to monitor such accounts and take active steps to recover dues. During the past several months, as the economy has been impacted by the Covid-19 pandemic, we further refined our disbursements policy, with a view to minimising delinquencies. For instance, we focused more on salaried customers and conducted additional due diligence on customers to assess the impact of Covid-19 on their employment. Such measures help in the improvement of our collection efficiencies.

Once a loan is classified as an NPA we use a combination of legal strategies including SARFAESI, arbitration or reconciliation camps to recover our dues. We believe that our effective credit risk management policies and framework is reflected in our portfolio quality indicators such as high repayment rates, low rates of GNPAs and NNPAs across business and economic cycles. As of March 31, 2020 and September 30, 2020, our Retail GNPAs accounted for 0.82% and 0.74% of our Retail AUM, while our Retail NNPAs accounted for 0.60% and 0.45% of our Retail AUM. For details, see "*Selected Statistical Information*" on page 176.

Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management

Our treasury department is responsible for ensuring that our capital requirements are met alongside asset liability management, managing the cost of our borrowings, liquidity management and control, diversifying fund raising sources, and investing surplus funds in accordance with the criteria set forth in our investment policy. Over the years, we have secured financing from a variety of sources including term loans; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic and foreign financial and development finance institutions to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As on September 30, 2020 we had borrowing relationships with the NHB, 20 banks and six mutual funds (that have invested in our NCDs).

Our short-term borrowings comprises only 2.02% of our Total Borrowings as on September 30, 2020, and 97.98% of our Total Borrowing is long-term borrowings. As of September 30, 2020, our Total Borrowings were ₹ 96,379.0 million. As of September 30, 2020, the weighted average tenure of our outstanding borrowings, including securitization and assignment was 107 months. Our borrowings from NHB constituted 14% of our Total Borrowing as on September 30, 2020. In December 2020, we received a sanction from the NHB for additional facilities up to ₹ 10,000 million, which is undrawn as on January 20, 2021. See – "*Selected Statistical Information – Sources of Funds*".

Our average cost of borrowings reduced from 10.09% in FY2019 to 8.90% in FY2020 and further to 8.57% for the six months ended September 30, 2020. We maintain a balance of cash and liquid investments, in addition to undrawn commitments under our various facilities to provide us with liquidity to combat any unforeseen market event. As on September 30, 2020 we had cash and bank balances (comprising cash and cash equivalents and other bank balances) of ₹ 25,946.0 million and undrawn facilities of ₹ 5,210 million. We aim to ensure that we maintain sufficient liquidity to meet all our repayment obligations and working capital requirements and funding for fresh disbursements. Based on the prevailing economic conditions, we adjust our liquidity levels, as required. For instance, in order to mitigate the impact of the COVID-19 pandemic, we have increased our liquidity levels on account of the uncertain economic environment – the average liquidity that we maintained in the six months ended September 30, 2020 was ₹ 26,784.7 million as compared to ₹ 17,302.8 million for FY 2020.

In addition, we also have in place effective asset liability management strategies. We aim to ensure that we do not have any cumulative asset/ liability mismatches. As of September 30, 2020, we have positive asset-liability mismatch across all the maturity buckets. This allows us to better meet the growing loan demands of our rapidly increasing customer base, even if external borrowings and funding sources face temporary realignment.

Social objectives are one of the core components of our business model

We have adopted and implemented a social objective across all aspects of our business. We believe these social objectives are a key strength and differentiator for our business. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the economic upliftment of our target customers by contributing to an improvement in their standard of living. As of September 2020, 81% of our Gross AUM and 89% of our live accounts was from customers who belonged to the economically weaker and low income group, earning less than ₹ 50,000 per month. Many of our loans are provided under the various affordable housing schemes promoted by the Government of India, such as the Pradhan Mantri Awas Yojana, which benefits economically weaker segment, low income group and medium income group citizens in urban and rural areas. These loans constitute 14.21% of our Live Accounts and 11.53% of our Gross AUM as of September 30, 2020.

In addition to our customer-facing social objectives, we have also implemented social initiatives in other aspects of our business. Our presence in rural and semi urban locations across India results in us providing employment opportunities for people in these locations. For example, in 2018, we launched a sales channel called 'Aadhar Mitra'. Aadhar Mitras are people who are in non-allied industries (for example, hardware owners, property brokers and building material suppliers) act as lead providers to our sales teams. We have enrolled 7,032 Aadhar Mitras as of September 30, 2020 and provided these people with an alternate source of income (i.e., referral fees for referring loans that are paid out on disbursements to customers sourced by them).

Through the provision of loans for purchase of homes to a customer segment that is not serviced by the mainstream financial services sector and our employment of personnel in rural and semi urban locations across India, we are fulfilling an important social objective of economic upliftment for these segments of the Indian economy.

Experienced, cycle-tested and professional management team with strong corporate governance

Our board of directors is comprised of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance industry. Our Managing Director and Chief Executive Officer have 36 years of experience and our Chief Financial Officer has 25 years of experience in the financial services industry. Further, the chairman of our Board is an Independent Director. Our independent directors include our chairman Om Prakash Bhatt (ex-chairman of the State Bank Group, and currently on the board of directors of Tata Steel Limited, Tata Consultancy Services Limited, etc.), Nivedita Haran (Retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala) and Sharmila Karve (previously associated with Price Water House Coopers as a partner). For further information, see "*Our Management*" beginning on page 154.

In addition, we have a strong and experienced management team comprising a 7 member leadership team. Our management team brings a diverse array of backgrounds, with a mix of professionals from the financial services industry. We believe that the diversity and experience of our management gives us the strength to formulate and execute a broad array of strategies, dealing with a wide spectrum of product and customer segments and successfully navigating a wide range of risks inherent in the financial services industry. Our management team has an average experience of 25 years in the financial services industry segment.

Since June 2019, BCP Topco, which is in turn an affiliate of funds managed by affiliates of Blackstone Group Inc (collectively "**Blackstone**"), is our Promoter and currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over $584 billion as of September 30, 2020. Following our acquisition by Blackstone, we implemented a corporate governance framework, with the induction of three independent directors, one of whom serves as Chairman.

Our financial performance has remained consistent and resilient through various external events in the Indian economy. During these periods, the Indian economy and the banking and finance industry in India were adversely impacted by various events such as demonetization and the introduction and roll out of a nationwide GST; defaults involving large non-bank finance companies; and, most recently, the COVID-19 pandemic. Our overall growth, performance of our portfolio, asset quality and continued profitability during these periods despite these negative events demonstrates the strengths of our business and our management team.

Our Strategy

Expand our Distribution Network to Achieve Deeper Penetration in key states

We have a comprehensive pan-India presence covering our target customers. However, with increased urbanization across India, we believe that continuously expanding our physical and digital presence across India will be a key enabler for our growth. We believe that our current operating model is scalable, which will assist us in expanding our operations with lower incremental costs to drive efficiency and profitability.

Our branch expansion is done in a calibrated and systematic manner. We review a number of factors including demographics and competitive landscape before establishing a branch. We have modelled our branches into categories to manage costs and risks while expanding our presence. We have ultra-micro and micro branches that are minimally staffed but have the ability to source customers for certain locations. For other locations we have small branches and main branches to provide higher levels of disbursements and cater to a larger pool of customers. We also test markets before opening any presence by appointing a 'resident executive' in that location. This allows us to gauge the potential of a particular location without incurring the costs of opening a branch location. We are constantly evaluating locations using the above criteria and expect to continue to add branches to grow out network in the near term.

Continue to focus on our target customers and grow our customer base

In FY2020, our customers crossed 150,000 accounts and we have 165,000+ Live Accounts as on September 30, 2020. A majority of our customers are from the economically weaker and low-to-middle income segment of the Indian economy. As of September 30, 2020, 64.83% of our customers are salaried individuals and 35.17% are self-employed individuals. According to CRISIL, the housing shortage in India is estimated to increase to 100 million units by 2022. 95% of household shortage is from lower income group and economic weaker section with the remaining 5% of the shortage coming from middle income group or above. Further, the Indian mortgage market is significantly underpenetrated and has historically being growing on a year on year basis. We intend to focus on growing our share of the affordable housing mortgage market in India and continuing to focus on the salaried and self-employed categories from the economically weaker and low-to-middle income group segment of the Indian economy. We believe our objective of financial inclusion for these categories of customers coupled with our digitally enabled customer centric approach will allow us to continue to grow our customer base and grow our loan portfolio. In addition, we may also explore selective opportunistic acquisitions of affordable housing loan portfolios from banks and financial institutions as means of inorganic growth.

Continue to invest in and roll out digital and technology enabled solutions across our business to improve customer experience and improve cost efficiency

We are currently implementing an enterprise-wide technology upgrade of our systems and processes. These investments are aimed at modernising our technology backbone and digitising operating processes. We believe that these initiatives will assist in streamlining of existing processes and introduction of enhanced features.

Further, we continuously aim to make the process of buying a house for our customers seamless by building a digitally-driven and enabled affordable housing finance company. The key components of this are the simplification of processes, growing our reach, efficient and comprehensive risk management combined with a superior customer experience.

Our credit underwriting, risk management and fraud detection teams utilise technology to centrally process loan applications, analyse credit risks, identify fraud and utilise an objective cognitive rule-based policy to make credit decisions. These technology-enabled initiatives allow us to increase our customer penetration by enabling third parties to source customers while keeping credit appraisals in-house.

Operationally, digitization benefits us through improved underwriting processes, increased productivity, cost reduction and improved collections through data-driven early warning systems.

These measures will improve our customers experience while transacting with us. At the back-end, we are automating various processes and roll out of a lending management system with different technologies. We have engaged Tata Consultancy Services Limited ("**TCS**") for the roll out of this state-of-the-art system. These technologies will further enable our shift to an analytics-based approach across our business. These technological systems and enhancements are expected to be rolled out by the end of FY 2021, which will help us further improve our systems, processes and controls. Our technology initiatives coupled with our physical branch and location expansion will allow us to continue to expand and grow our business, while improving our cost efficiency. See "– *Information Technology*" on page 136.

Optimize our borrowing costs and reduce operating expenses further

Our cost of borrowing has been steadily declining over the last 3 financial years due to our proactive and flexible fundraising strategy. We intend to continue to diversify our funding sources, identify new sources and pools of capital and implement robust asset liability management policies with the aim of further optimising our borrowing costs and help expand/increase our NIM. We intend to increase the share of NHB refinancing in our Total Borrowings and also accessing international sources of funding to reduce our overall cost of borrowings. For example, in December 2020, we received a sanction letter from NHB for a Rs. 10 billion.

Our fully built-out distribution and collections infrastructure is a key source of operating leverage and will help reduce our operating expenses. Further, we expect that our strategic investments in technology and digitisation across our business will further reduce our operating expenses and credit costs over time. We will continue to review and identify means to improving our revenue to operating expenses ratio and improving our overall NIM from current levels.

We believe that as a result of these various initiatives we would be in a position to continue to maintain our low NPA levels and reduce it further, improve our credit ratings for new fund raising, reduce the cost of our borrowing and hence sustainably deliver superior return ratios.

Our Business Operations

We are an affordable housing finance company targeting primarily first-time home buyers in economically weaker and low-to-middle income customers. We serve formal and informal customers in salaried and self-employed segments. As of September 30, 2020, salaried customers accounted for 64.83% of our Gross AUM and self-employed customers account for 35.17% of Gross AUM. As of September 30, 2020, we have 165,000+ loan accounts. Apart from home loans, we also offer loans against property, loans for renovation and property extension and loans for purchase of commercial property. As of September 30, 2020, home loans and non-home loans (including respective insurance portion) accounted for 85% and 15% of our Gross AUM, respectively. Further, for the disbursements made in the six months ended September 30, 2020, approximately 27.60% of our customers are new-to-credit.

The average ticket size of our loans was ₹ 0.85 million, with an average loan-to-value of 56.73%, as of September 30, 2020.

As of September 30, 2019, we had a network of 292 branches covering over 438 districts in 20 states and union territories in India. We are evenly spread across states thereby helping us reduce risk of concentration. We have increased the scale and have strategically expanded to geographies where there is substantial demand for housing finance.

We utilize a diverse range of lead sourcing channels such as Direct Selling Teams, Direct Selling Associates, Aadhar Mitras, , digital channels and call centre with continuous focus on ground level activities such as market combing, loan tents, and various other marketing activities to assist the front end teams reach out to the desired segment.

We have been actively participating in various affordable housing initiatives of the government of India. For example, we participate in the Pradhan Mantri Awas Yojana of the government of India, pursuant to which we provide a subsidy to borrowers from economically weaker segments in the payment of interest. As of the date of this Draft Red Herring Prospectus, we have assisted in providing a subsidy amounting to ₹ 5,817.2 million to 27,671 customers.

The following table sets forth details of our Gross AUM, disbursements and average ticket sizes for our home loans and non-home loans, for the years indicated:

Metric	As of/for the			
	Year ended March 31, 2018	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Six months ended September 30, 2020**
	(₹ in million)			
Gross AUM:				
Home Loans	67,142.4	84,364.7	97,579.1	102,948.3
Non-Home Loans...............	11,211.0	14,844.0	16,317.0	18,232.0
Project Finance	1,305.8	948.8	420.5	406.6
Total.................................	79,659.2	100,157.5	114,316.6	121,586.9
Disbursements:				
Home Loans	33,106.1	27,747.9	28,387.3	10,788.9
Non-Home Loans...............	5,776.9	4,154.7	3,514.1	1,438.4
Project Finance	163.5	15.9	-	-
Total.................................	39,046.5	31,918.5	31,901.4	12,227.3
Average Ticket Size on Retail AUM:				
Home Loans	0.84	0.85	0.87	0.87
Non-Home Loans...............	0.70	0.67	0.69	0.70
Total.................................	0.82	0.82	0.84	0.84

Notes:

(1) *The above AUM and disbursement figures in Home Loans and Non Home Loans include the insurance amount. For regulatory reporting purposes, insurance amount of Home Loans is classified as Non Home Loans.*

Our loan products

We provide the following categories of loans to our customers:

Loan category	End-use/features	Maximum tenure
Loans for purchase and self-construction of residential properties	We provide loans for the purchase of ready residential property to the extent of 90% of the purchase price of the property. Approximately 90% of our annual disbursements for such loans are in ticket sizes of Rs 2,000,000 or lower. In addition, we also provide loans for: • purchase of residential plots, • combination of plot purchase and construction upon the plot; and • residential construction on self-owned plots.	30 years
Loans for home improvement/extension	We provide loans for improvements in the existing house and for extensions in the existing structure. These loans are also subject to a maximum of 80% of the overall market value of the property. Loans for home improvement can be obtained for various purposes, such as flooring or roofing, plumbing, plastering, painting and electrical work. Loans for extension can be obtained for purposes such as the for extension of floors.	30 years

Loan category	End-use/features	Maximum tenure
Loans against residential/commercial property	We provide loans against existing residential and commercial property of customers based on their requirement and the value of the property. The end use of such loans can be investment in their business or personal expenses such as marriage, education and medical expenses.	15 years
Loans for purchase/construction of non-residential property	We provide loans for the purchase/ construction of properties for commercial use.	15 years

Our Branch Network

As of September 30, 2020, we conducted our operations through 292 branches in 438 districts, covering 12,000 locations in 20 states and union territories.

Our portfolio is geographically well diversified, as shown in the following table, which sets forth the state wise distribution of our Gross AUM and branches as of September 30, 2020:

State	Percentage of Total Branches	Percentage of Gross AUM
Uttar Pradesh	14.3%	16.2%
Maharashtra	10.5%	14.7%
Madhya Pradesh	11.9%	11.9%
Gujarat	8.8%	10.0%
Rajasthan	6.8%	9.6%
Tamil Nadu	10.2%	7.3%
Telangana	5.4%	5.8%
Karnataka	6.5%	5.5%
Andhra Pradesh	4.8%	4.0%
Others	20.7%	15.0%
Total	100%	100%

The following table sets forth certain details of the reach of our branch network as of September 30, 2020:

State	Number of Branches	Number of Districts with a Point of Presence	Number of Districts in the State	District Penetration %
Uttar Pradesh	42	64	75	85%
Maharashtra	31	32	36	89%
Madhya Pradesh	35	50	55	91%
Gujarat	26	25	33	76%
Rajasthan	20	29	33	88%
Tamil Nadu	30	31	38	82%
Telangana	16	10	33	30%
Karnataka	19	30	30	100%
Andhra Pradesh	14	13	13	100%
Others	59	154	393	39%
Total	**292**	438	739	59%

The following table shows the split of our branches according to type:

S. No.	Type	Number	Percentage
1.	Main branch	106	36%
2.	Small branch	82	28%
3.	Micro branch	49	17%
4.	Ultra-micro branch	55	19%
Total		292	100%

Our Customer Base

Our target customer segment comprises individuals from the economically weaker and low-to-middle income segments in urban, semi-urban and rural areas who have limited access to formal banking credit. We offer loans to both salaried and self-employed individuals in the formal and informal segments. We cater to customers from informal employment sectors who do not have formal income proofs, payslips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. As a result of our expertise, experience and business model, we believe that we are able to effectively serve such customers and grow our business, while monitoring and mitigating risks. We have developed detailed customer interviews as part of our personal discussion process, which provide us deep insights into behavioural traits and other data points which substitute some of the traditional data.

Key Parameters of our loan products: LTV Ratio, EMI and Tenure of our Home Loans

The NHB Directions prescribe the thresholds of loans that can be provided to housing loan customers. A property with market value of up to ₹ 3.00 million is permitted to have a maximum LTV ratio of up to 90.0%, property with market value between ₹ 3.00 million and ₹7.50 million is permitted to have maximum LTV ratio of up to 80.0% and property with market value above ₹7.50 million is permitted to have maximum LTV ratio of up to 75.0%. We set an LTV ratio range for each of our loan products that is within the relevant range prescribed by the relevant regulatory authorities. As of September 30, 2020, our home loans and non-home loans had an average loan-to-value of 58.94% and 44.77% respectively at the time of the sanctioning of the loan, resulting in our Gross AUM (excluding project finance loans) having an average loan-to-value of 56.73% at the time of the sanctioning of the loan.

While approving a loan application, we review the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income. If applicable, we also review a co-applicant's income, assets and liabilities, and cash flows, as required. The amount of the loan is determined on the basis of our evaluation of the repayment capacity of a customer, the value of the relevant property and is subject to regulatory limits. Loans are required to be repaid in equated monthly instalments ("**EMIs**") over an agreed period. The size of the EMI depends on the size of loan, interest rate and tenure of loan. The tenure of our home loans can be for a period up to 30 years and vary according to the purpose of the loan, the customer's age and the customer segment.

Interest Rates, Fees and Collateral for our Home Loans

The pricing of our loans is linked to our reference rate which we determine from time to time based on market conditions. As of September 30, 2020, our reference rate was 16.25%.

We require our customers to pay certain processing fees and charges prior to the disbursement of the loans at different stages of the loan application. These fees and charges are subject to change from time to time based on market conditions and regulatory requirements.

The underlying collateral for a loan is the house or property towards which the loan is provided. The security for home loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also offer our customers an option to take an insurance cover for the home, with the sum assured cover of at least the home loan amount, which offers an additional cover for any damage to the collateral.

Loan sourcing

We generate loans through both in-house and external sources. We use a combination of in-house sales team, resident executives, direct selling teams ("**DSTs**"), external direct sales agents ("**DSAs**") and 'Aadhar Mitras'. As of September 30, 2020, our direct selling team comprised 1,224 members and 113 resident executives. Further, we utilized 3,341 DSAs and 7,032 Aadhar Mitras.

In 2018, with a view to lowering our cost of acquisition for new loans and to widen our reach, we launched the 'Aadhar Mitra Programme'. Aadhar Mitras are individuals engaged by us who may be in a non-allied industry (for example, hardware store owners, property brokers and building material suppliers) and act as lead providers to our DSTs. We incentivize Aadhar Mitras with a referral fee for every referral that results in a loan disbursal by us. Our onboarding process for Aadhar Mitra involves the verification of documents of a prospective Aadhar Mitra by our local branch, followed by training programmes for the Aadhar Mitra.

Further, we also generate business through corporate channel partners and digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra', program website and social media platforms. The table below sets forth the break-up of disbursements from direct and alternate channels, for the periods indicated:

Channel	For the six months ended September 30, 2020		For the year ended March 31, 2020		For the year ended March 31, 2019		For the year ended March 31, 2018	
(₹ millions, except percentages)								
	Disbursements	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**
Aadhar Mitras	2,998.5	24.52%	6,635.1	20.80%	3,830.5	12.00%	0.0	0.00%
DSAs	3,426.4	28.02%	8,527.7	26.73%	7,660.8	24.00%	7029.0	18.00%
DSTs	5,802.5	47.46%	16,738.6	52.47%	20,427.2	64.00%	32017.5	82.00%
Total	**12,227.4**	**100.00%**	**31,901.4**	**100.00%**	**31,918.5**	**100.00%**	**39046.5**	**100.00%**

Credit Approval and Disbursement Processes

For credit underwriting and verification, we use both technology as well as manual verification methods through our well-trained credit officers. Through a mix of technology and manual verification, our credit team can underwrite customers belonging to both formal and informal employment segments. We process KYC documents and verify the income of customers from the formal employment segment using technology led solutions (for example, the online verification of EPF, TDS, company/employer profile, income tax returns). In case of the informal customer segment, the credit manager visits the customer's residential / business premises and assesses the income of the customer according to pre-defined policies and processes.

We have centralized as well decentralised processing mechanisms:

- *Centralised processing*: We have two centralised credit processing hubs (Mumbai and Bangalore) where all loan applications for formal salaried customers are processed. This ensures standardisation, cost optimization and better turn-around time.

- *Decentralised processing*: For loan applications of customers from informal segments (self-employed customers or customers who receive their salary in cash), we utilise branch led processing through branch credit managers, as such cases require on-ground verification of the business and income assessment.

Upon sourcing a customer and obtaining a loan application along with the relevant documentation, our branch credit manager hands over the application file to the branch operations team. The operations team checks the application for various parameters, including the completeness of the application form, relevant KYC documents, an initial money deposit cheque and income proof. All the documents are then scanned and shared with an outsourced centralised data entry team. Thereafter, the centralised data entry team creates the loan application number and completes the detailed data capture including customer demographics, income and banking details into the Synergy system (for details, see " – *Information Technology*" below) and assigns the application to the credit manager (in our loan origination system). To identify any fraudulent activity at an early stage, our fraud control unit screens every application and document. Any suspicious documents are sampled and verified at the source of the document. The credit manager performs the de-duplication and credit bureau checks. The credit manager checks the complete credit bureau report where the credit score of the applicant is reviewed along with a track record of loan repayments.

Upon the receipt of property documents, which are to be used as collateral, the branch credit manager initiates a legal and technical assessment to verify the authenticity of the documents, the legal title to the collateral property and its market value. We conduct personal discussions over the telephone as well as in-person meetings at the customer's place of business. For customers from the self-employed and informal salaried segments, our credit managers visit the customer's place of business to understand their business, review the proof of salary, revenue streams, expenses and, based on income validation, determine their loan eligibility. The credit manager then prepares the disbursement memorandum and cash flow analysis. For customers from the salaried segment, the credit manager conducts telephonic discussions to prepare the disbursement memorandum. At this stage, if the credit manager receives any additional documents, then these are shared with the fraud containment unit to verify the authenticity of such additional documents. The fraud containment unit also conducts in-person meetings with certain customers. The loan application is then sent to our sanctioning authority for final approval. We seek to mitigate the risk of default by including specific covenants in the loan documentation in addition to our general terms and conditions, on a case-by-case basis.

We have implemented a four-pronged system of credit assessment comprising:

- *Underwriting*: We have a credit team of 362 personnel, comprising credit managers who conduct an independent verification of customers, evaluate the customer's business and financing needs, and analyse their ability to repay loans. Our credit managers also conduct an analysis of the existing and expected cash flow of a customer's business.

- *Legal assessments*: We conduct legal assessments through our in-house team of lawyers and by engaging empanelled vendors (lawyers or law firms) who help us perform functions such as the verification of documents and title to properties. Legal reports prepared by empanelled lawyers are reviewed by our in-house legal team. The regional legal manager is responsible for clearing of collateral. As of September 30, 2020, we had an in-house team of 17 lawyers, and approximately 592 local law firms and lawyers were empanelled with us.

- *Technical assessments*: In relation to loans for construction, home improvement or home extension, we conduct technical assessments primarily through our in-house team of engineers and by engaging empanelled valuers who help us perform functions such as site visits, conducting technical evaluation of properties and the periodical review of construction projects. As of September 30, 2020, we had a team of 201 technical members and approximately 180 technical agencies were empanelled with us. Further, for properties above a certain threshold, we also obtain additional valuation from independent third parties. Additionally, our branch managers or credit managers also visit properties valued above the threshold limits. As an additional measure, 5% of the properties mortgaged in each quarter are re-valued to review the variance in valuation. In cases where there is a variance, the properties are examined for taking necessary remedial measures.

- *Fraud Control Unit*: Our fraud control unit conducts trigger based checks, scrutinizes documents, field investigation, visits certain customers and seeks to identify fraud at early stages. They also conduct geography specific risk assessments, authentication of demand letters and employment certifications. As of September 30, 2020, our fraud control unit comprised 17 personnel. We also engage third party vendors to assist in fraud control.

Loan Collection and Monitoring

We have well established processes and a strong four-tier collections infrastructure comprising tele-calling, field collection, legal recovery and settlement to help us with loan collections. At the outset of loan disbursement, we provide our customers with the option to make their payments using methods such as automated clearing house payment gateways, post-dated cheques and other digital modes of payment. We have also tied up with e-commerce payment systems to augment our digital payment gateways. However, given the limited digital access of our customers in rural areas, we have also entered into an agreement with service providers to provide assisted digital payment services, to facilitate seamless cash payments through their network. As of September 30, 2020, 94% of our customers pay their monthly instalments through automated clearing house modes. Since 2018, we have been collecting pre authorisations from customers for electronic auto debits from their bank accounts and also collect post-dated cheques in advance for use in case of delays in registration of the auto debit facility. For overdue cases, our field executives visit customers to collect instalments. We track loan repayment schedules on a monthly basis by monitoring instalments due and loan defaults. We ensure that all customer accounts are reviewed by our personnel at periodic intervals, particularly for customers who have larger exposures or have missed their payments.

Our field executives are responsible for collecting instalments, with each field executive typically having responsibility for specified number of borrowers, depending on the volume of loan disbursements in the area. We also use services of third party call centres. We believe that our loan recovery procedures are well-suited to the markets that we cater to.

We employ a structured collection process wherein we remind our customers of their payment schedules through text messages, pre-recorded voice calls and calls from our tele-callers. In certain cases, our in-house team also visits our customers. If the customer has not made payment by the due date and despite regular follow-ups for a certain period of time, a senior member of our collections team visits the customer and legal action is initiated if the customer's ability or intent to repay is suspect.

In the event of default under a loan agreement, we may initiate the process for re-possessing collateral. We work with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets. Where appropriate, our collections department coordinates with our legal team and external lawyers to initiate and monitor legal proceedings.

Other Business Initiatives

Distribution of Insurance Products

In March 2019, we received a certificate of registration to act as corporate agent from the IRDAI. Pursuant to this certificate and applicable guidelines, we are permitted to enter into arrangements with insurers for the distribution of life, general and health insurance products.

We facilitate our customers with multiple insurance products linked to their life, health and property. Under life insurance, we provide mortgage reducing term insurance linked to the loan facility. Under general insurance, home, motor and health insurance products are available. These products are optional to the customer.

Treasury Functions

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

As of September 30, 2020, total borrowings comprised 62% of loans from banks, 22% of Non-convertible debentures, 14% of loans from National Housing Bank, 1% of subordinate debt and 1% of commercial paper. Our average cost of borrowings has reduced from 10.09% as of March 31, 2019 to 8.57% as of September 30, 2020. Our incremental cost of borrowings have reduced from 10.00% during year ended March 31, 2019 to 7.36% during half year ended September 30, 2020. Further, as of September 30, 2020, 25.8% of our Total Borrowings and assignment were at fixed rates of interest, while 74.2% were at floating rates. We believe that we have been able to access cost-effective diversified debt financing due to our stable credit history, good credit ratings and conservative risk management policies.

Capital Adequacy Ratios

The NHB Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I and Tier II capital. Under these requirements, HFC's Tier I and Tier II capital should not be less than 13% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable. The CRAR shall be increased to 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, with a minimum requirement of Tier I capital of 10.0% on risk weighted assets. Further, the NHB Directions require that the Tier II capital shall not exceed 100% of the Tier I capital at any point of time.

The following table sets forth certain details of our CRAR and other key metrics as of the dates indicated:

	As at March 31,			**As at September 30,**
	2018	**2019**	**2020**	**2020**
Total assets *(₹ in million)*	78,015.1	94,800.2	1,23,664.3	128,303.8
Risk weighted assets *(₹ in million)*	42,090.4	46,615.1	47,734.4	54,343.5
Net worth *(₹ in million)*	7,177.2	8,588.7	23,472.7	25,066.1
CRAR (%)...	18.76%	18.28%	51.42%	47.84%
CRAR - Tier I capital (%)	16.23%	15.57%	49.08%	45.87%
CRAR - Tier II capital (%)..	2.54%	2.71%	2.35%	1.97%
Amount of subordinated debt qualified as Tier – II capital *(₹ in million)*...	804.0	756.0	708.0	660.0

Credit Ratings

Our current credit ratings are set forth below:

Rating Agency	Instrument	Rating
CARE Ratings	Long-term	AA/Stable
	Subordinate Debt	AA-/ Stable
Brickworks Ratings	Long-term	AA/Stable
	Subordinate Debt	AA/ Stable
CRISIL Ratings	Fixed Deposits	FAA-/Stable
	Short-term	A1+
ICRA Ratings	Short-term	A1+
India Ratings	Short-term	A1+

Risk Management

Risk management forms an integral part of our business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to mitigate and address such risks. Our risk management framework is driven by our Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee and is overseen by our full-time Chief Risk Officer. We accord the necessary importance to prudent lending practices and have implemented adequate measures for risk mitigation, which include verification of credit history from credit information bureaus, multiple verifications of a customer's business and residence, verification of income and KYC documents submitted by the customer, technical and legal verifications, conservative loan to value, and required term cover for insurance.

The major types of risk we face in our businesses are liquidity risk, credit risk, operation risk, interest rate risk, cash management risk, asset risk and inflation risk.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

Our treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, the NHB, other domestic and foreign financial institutions and rating agencies. We continuously seek to diversify our sources of funding to facilitate flexibility in meeting our funding requirements. We maintain adequate liquidity buffers to take care of our working capital requirements and unforeseen market liquidity condition, as on September 30, 2020, we have cash and bank balances of ₹25,946.0 million and had undrawn credit lines amounting to ₹5,210 million. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, we also engage in direct assignment transactions which provide an additional avenue of liquidity.

Credit Risk

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. We manage credit risks by using a set of credit norms and policies, which are approved by our Board and backed by our technology platform. We have 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 at various levels. We have created a robust credit assessment and underwriting practice that enables us to fairly price our credit risks. The process is complemented by strong legal and technical assessment along with a robust fraud control unit.

Operational Risk

Operational risks arise from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, failure of computer systems, software or equipment, fraud, inadequate training or employee errors. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted de-centralized and centralised loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal and process audits to assess adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Interest Rate Risk

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. We adopt 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 our Asset Liability Management Committee prepares an interest rate sensitivity report periodically for assessment of interest rate risks.

Cash Management Risk

Our branches collect cash from customers for amounts that are overdue and deposit it in our bank accounts and we have also engaged certain agencies for their cash management services. To address the cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Further, we have also undertaken insurance policies to mitigate the risk.

Collateral Risk

Collateral risks arise due to the decrease in the value of collateral over time. The realisable price of a re-possessed asset may be lower than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount due from our customers due to such a decrease in the value of collateral. We may also face certain practical and execution difficulties during the process of enforcing the collateral of defaulting customers. We work with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee.

- *Audit Committee*. Our Audit Committee is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. It also conducts a scrutiny of related party transactions, inter-corporate loans and investments and evaluates internal financial controls and risk management systems and procedures periodically.

- *Asset Liability Management Committee*. The Asset Liability Management Committee evaluates liquidity and other risks, devises strategies to mitigate such risks and reports its findings to our Board periodically. It lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them. Its scope includes liquidity risk management, management of market risks, and funding and capital planning.

- *Risk Management Committee*. The Risk Management Committee supervises, guides, reviews and identifies current and emerging risks, develops risk assessment and measurement systems and establishes policies, practices and other control mechanisms to manage risks, develop risk tolerance limits for approval by our Board and senior management, and monitor positions against approved risk tolerance limits.

Information Technology

Our business is dependent on our information technology systems and we intend to continue making necessary investments to upgrade our systems, including our data storage and backup systems, to improve our operational efficiency, customer service and decision making process while improving our business continuity and reducing the risk and negative impacts of system failures.

We are continuously upgrading our IT systems to achieve these objectives. We have implemented digital solutions across various aspects of our business with these objectives in mind. Our credit underwriting, risk management and fraud detection teams utilise technology to centrally process loan applications, analyse credit risks, identify fraud and utilise an objective cognitive rule-based policy to make credit decisions. These technology-led initiatives allow us to increase our customer penetration by allowing us to utilise third parties for sourcing customers (as is the case with our digital Aadhar Mitras) while keeping credit appraisals in-house. Further, these technology solutions ensure data integration across all platforms and reduce manual intervention. The digitization of our work processes and functions improves the customer experience through more convenient accessibility, better customer service and engagement and faster turnaround time driven by faster decision making. Operationally, automation / digitization benefits us through improved underwriting processes, increased productivity, cost reduction and improved collections through data-driven early warning systems.

We currently utilize an enterprise-wide loan management system, Synergy, to provide an integrated platform for loan processing, credit processing, credit management, general ledger, debt management and reporting. The Synergy platform assists in loan processing and enables the automation of loan origination systems, credit underwriting processes, underwriting rules, disbursement processing branch accounting systems and maintaining customer history. We have implemented middleware and unified various internal systems and third-party service providers with Synergy. This integration has enhanced our ability to connect with online/ fintech aggregators for customer sourcing, payments, credit bureau and customer service. We have implemented web portals for field investigation and verification of customer documentations where third-party services are consolidated and automated processing takes place in Synergy. We have implemented a treasury solution for tracking all front end and back end activities towards borrowings and investments of. Further, we have implemented an enterprise document management system and all customer and loan documents are archived in robust and secure manner. In order to improve customer satisfaction, we have implemented CRM service modules which enable our employees to view, capture and respond to customer service-related requests through various channels such as branch walk-ins, call centres and emails.

Further, we have implemented analytics platforms to enable data backed decision making and develop a comprehensive information management system. We have developed a credit risk scoring engine to provide a credit risk score based upon customer demographics and income profile, which supplements our underwriting process. We utilize our analytics platform to improve business while managing risks. Through this platform, several management information system reports are generated, including on an automated basis, which helps us optimize our operations.

We have implemented an online payment gateway on our website to enable our customers to make their payments via modes such as internet banking, UPI and debit cards. In addition to this, we are integrated with banks and online payment aggregators which enables customer to pay at the nearest collection point as well thereby improving collection efficiency. We conduct regular tracking of our collections team and have provided them with mobile applications to enable them to collect payments from our customers. We also capture latitude and longitude of properties that helps us in easy identification and more accurate valuation, which we believe has helped us reduce our turnaround time for approving loans, as well as achieve a higher accuracy in determining the loan-to-value ratio.

Further, all our branches and corporate office are linked through the Synergy platform that enhances data management, strengthens service delivery and serves customers in an efficient manner. At our branches, we have installed a three-layered multiprotocol label switching security, which helps us prevent any unauthorized access to our network, manage network broadcasting and provides security from spoofing attacks. We have also enabled work-from-home for employees through secure VPN access, which has helped ensure continuity of business even during the Covid-19 related lockdown. We have also implemented digital human resources management solutions, with attendance, leave management, reimbursements and online learning management capabilities. We have dedicated IT infrastructure with a data centre that is hosted at Mumbai and data recovery centre hosted in Hyderabad. Our overall infrastructure is designed and deployed with layered security architecture with 24X7 network and security monitoring that assures high up-time for better customer service and acquisition.

Digital Transformation Program

In FY 2020, we launched a Digital Transformation program and have appointed TCS to implement their Lending and Securitisation Platform across our systems. As part of the program, we are implementing technology lead initiatives across the following areas:

Digital Onboarding -Digitising the loan life cycle management with omni-channel inputs, capturing leads from multiple sources, rule-based auto-allocation of these leads, customer onboarding with cognitive document extraction and validation, and loan application processing;

Loan Origination -focusing on straight through processing, enabling the credit team to underwrite applications through rule-based deviations and workflows based on customer profile;

Loan Servicing - Enabling disbursal, repayment schedule management, NPA tracking, interfacing with third-party applications and agencies such as CIBIL, CERSAI, PMAY etc.;

Finance & Accounting – enabling an enterprise wise integrated accounting solution;

GST Integration – enabling capturing and generation of the GST data to be filed in various GST returns;

Collection Management – enabling a real time program with ability to allocate accounts to agents through a rule-based engine and handling the payments and collections from such agents; and

Analytics - enabling monitoring of loan portfolios, as well as the servicing and performance management of pool investments on a continuous basis.

Intellectual Property

We own a combination of trademarks to establish and protect our brands, logos, marketing designs. We have 12 trademarks, registered with the Registrar of Trademarks under the Trademarks Act.

Marketing

Given the demographics and spread of our target audience, we look to connect with prospective customers through our local outreach activities our social media efforts. We undertake activities such as DSA/ Aadhar Mitra branding, local marketing activities, local branding and advertising through wall paintings, branding of our Aadhar Mitra boards; are undertaken to create visibility in our target markets. In addition, we also provide branded merchandise to our partners/ sales force to create a stronger recall with the target audience.

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

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

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, as well as for skilled employees, with our competitors. Our primary competitors include Aavas Financiers Limited, Motilal Oswal Home Finance Limited, Home First Finance Company Limited and Magma Housing Finance Limited.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include directors' and officers' liability insurance, and we also have a combined corporate policy which covers, among others, public liability insurance, fidelity insurance, burglary, fire and allied perils, breakdown of office equipment, and terrorism cover. In addition, we have a money insurance policy pertaining to cash in safes and in transit.

Employees

The following table sets forth our employee details as of September 30, 2020:

Particulars	Number of Employees
Branch Management	182
Business Development	37
Sales	598
Collections	260
Product	6
Marketing	4
Insurance	1
Credit	362
Operations	305
Technical	201
Legal	17
Fraud Control Unit	17
Information Technology	12
Finance	21
Human Resources	18
Corporate Social Responsibility	2
Administration	22
Risk Management	5
Internal Audit	12
Secretarial	4
CEO's office	2
Total	**2,088**

We also employed 1326 personnel in our 100% subsidiary as on September 30, 2020.

Corporate Social Responsibility

Our long-term goal is to be able to contribute to a fair society where everyone can prosper. In addition to the social objectives that are at the core of our business, we also undertake various additional CSR initiatives. Through our CSR initiatives, we have pledged to contribute to the socio-economic development of the society through our philanthropic approach.

We believe that our CSR initiatives contribute to our overall strategy of engaging with communities and we have undertaken various activities towards promoting preventive healthcare and sanitation facilities, providing employment through enhancing vocational skills, and prevention of hunger by providing food and various such other activities that are focused primarily towards the improvement of health and education. We have incurred ₹65.9 million in FY2020, ₹7.9 million in FY19 and ₹2.3 million in FY18 on various CSR activities.

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

Project	Project Focus
Aayushmaan Aadhar………………………	health camps held across various cities.
Aadhar Kaushal………………………	In the first phase, the project focussed on skill development of 1,500 youth from the underserved segment of the society. The second phase of the project will focus on digital skilling of 1,800 adults from the needy section of the society.
Aadhar Aangan………………………	An initiative aimed at ensuring nutrition, early childhood education and care through capacity building of frontline workers.
Aadhar Kishori Kalyan……………………	This menstrual hygiene management project aims to create a friendly environment for adolescent girls & women, to help them manage menstrual hygiene.
Aadhar Swavalamban………………………	This project is focussed at enhancing livelihood through financial literacy in the LIG segment. Financial literacy workshops were conducted in 14 cities.

Properties

Our registered office, which is located at 2nd Floor, No. 3, JVT Towers, 8th ‘A’ Main Road, S.R. Nagar, Bengaluru 560 027, Karnataka, India, is on leased premises, and our corporate office which is located at 201, 2nd Floor, Raheja Point-1, Near SVC Tower Nehru Road, Vakola Santacruz (E), Mumbai 400 055, Maharashtra, India, has been taken on a leave and license basis. As of September 30, 2020, we conducted our operations through 292 branches and the premises of all our branches have been taken on a lease or leave and license basis.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. For details see, "Government and other Approvals" on page 318.

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

Introduction - Registration as an HFC and generally applicable regulations

Our Company, being an HFC registered with the NHB, is primarily engaged in the business of providing loans and advances for housing activities. For details in relation to our registrations obtained from the NHB, see "*Government and other Approvals*" on page 318.

The NHB was set up pursuant to the NHB Act, and as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the primary objectives of the NHB, *inter alia, include* (i) promotion and establishment, or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities; (iii) dealing in bills, promissory notes and other instruments; and (iv) formulating schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB has issued the NHB Directions, which amongst others, set out matters relating to acceptance of deposits by HFCs, prudential norms for income recognition, accounting standards, provision for bad and doubtful assets, capital adequacy and concentration of credit and investments to be observed by the HFCs and matters ancillary and incidental thereto.

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

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

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

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

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

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

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

Definition of housing finance and housing finance company

In terms of the Revised HFC Framework, the RBI has established a revised criterion for defining ‘housing finance companies’ and has also introduced a definition of ‘housing finance’. While under the NHB Directions, the term ‘housing finance company’ was defined as a company which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly, the Revised HFC Framework defines housing finance companies as companies engaged in the business of providing finance having (a) at least 60% of its total assets (netted off by intangible assets) as financial assets and; (b) at least 50% of total assets (netted off by intangible assets) as finance provided for housing to individuals. Further, the Revised HFC Framework also provides a phased manner of compliance with the above requirements for HFCs which were not compliant as on the date of the notification of the Revised HFC Framework and requires such non-compliant HFCs to submit a plan approved by its board of directors for fulfilling the timeline, within three months of the notification of the Revised HFC Framework. Further, in terms of the Revised HFC Framework, HFCs which are not able to meet the timeline will be treated as NBFC – Investment and Credit Companies (“**NBFC-ICC**”) and would be required to approach the RBI for conversion of their certificate of registration from HFC to NBFC-ICC.

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

Net owned fund

In terms of the Revised HFC Framework, HFCs are required to maintain a minimum net owned fund of ₹ 200 million to commence with the business of housing finance or continue as an HFC. The existing HFCs not fulfilling the minimum net owned fund criterion are required to achieve the net owned fund of ₹ 150 million by March 31, 2022 and ₹ 200 million by March 31, 2023.

Capital adequacy

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

Source of funds

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

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

Term Loans:

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

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

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

The PSL Master Directions govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 2 million per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

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

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

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

NHB Refinance

NHB offers refinance assistance to primary lending institutions ("**PLIs**") in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance from the NHB in respect of their direct lending for up to 50% of the individual housing loan portfolio of the PLI and within this limit up to 100% of the housing loan sanctioned and disbursed by HFCs for acquisition or construction of new dwelling units and for upgradation or repairs, in accordance with the Refinance Scheme. The NHB provides such refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Other borrowings:

HFCs may also raise funds by way of a public or private issue of non-convertible debentures ("**NCDs**"). Such issue of NCDs is governed by the NHB NCD Directions, which amongst others, includes eligibility requirements and conditions in relation to the credit rating and maturity of such NCDs, and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

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

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

Raising Equity:

In addition to raising funds though borrowings, HFCs may also raise funds by way of issue of its equity shares. In terms of the Housing Finance Companies - Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016 dated July 1, 2019 issued by the NHB, HFCs are required to comply with restrictions on, amongst others, change in shareholding or management of the HFC. The prior written permission of the NHB would be required for any change in shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% (10%, in case of HFCs, accepting or holding public deposits) or more of the paid-up equity capital. No such prior approval would be required in case such change is caused by buyback of shares or reduction in capital, which has been approved by a competent court and subsequently, reported to the NHB not later than one month from the date of its occurrence.

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

On-boarding of customers and marketing

Advertising, Marketing and Sales:

The Guidelines on Fair Practices Code dated July 1, 2019 issued by the NHB ("**Fair Practices Code**"), seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces to achieve higher operating standards and promote fair and cordial relationship between customer and HFCs, and foster confidence in the housing finance system. HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure and periodicity of repayment.

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

KYC and AML:

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

On May 19, 2020, RBI issued a circular wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended was extended to HFCs and NHB KYC Circular stood repealed. The KYC Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location; (iii) undertake customer identification procedures when, *inter alia*, commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Credit Approval and Disbursement

The granting of housing loans and disbursements of such loans by HFCs is primarily governed by the directions and circulars issued by the NHB and the RBI, such as the NHB Directions, the Fair Practices Code, NBFC-ND-SI Directions and the Revised HFC Framework. In terms of the NHB Directions, amongst others, (i) no HFC may grant housing loans to individuals of up to ₹ 3 million with an LTV ratio exceeding 90%, of between ₹ 3 million to ₹ 7.50 million with LTV ratio exceeding 80%, and above ₹ 7.50 million with LTV ratio exceeding 75%; (ii) no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the NHB has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

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

The Revised HFC Framework also requires HFCs to maintain LTV ratio of 50% for loans against security of listed shares and 75% for loans against collateral of gold jewellery.

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

Asset classification, Provisioning and Income Recognition

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

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

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

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

In terms of circulars issued by the NHB, HFCs are required to comply with the provisions of Ind AS, as notified by the MCA from time to time, including the date of implementation notified by the MCA by its notification dated March 30, 2016. Accordingly, the financial reporting of financial assets, financial liabilities, provisioning and income recognition is primarily governed by Ind AS 109. For further details, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on page 286.

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

However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB, HFCs are required to follow the relevant provisions of NHB Act and NHB Directions including framework on prudential norms and other related circulars issued in this regard by the NHB from time to time. Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged. In terms of the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, in the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the income recognition, asset classification and provisioning norms, then the difference shall be appropriated from the net profit or loss after tax to a separate impairment reserve.

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

Risk Management Framework

Asset Liability Management:

The NHB has, by way of its circular dated October 11, 2010, prescribed guidelines for asset liability management system in HFCs ("**ALM Guidelines**"). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business - credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management ("**ALM**") process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans. In terms of the Revised HFC Framework, the RBI has made paragraph 15A of the NBFC-ND-SI Directions applicable on the HFCs pertaining to liquidity risk management.

Appointment of a Chief Risk Officer:

The NHB has mandated the appointment of a Chief Risk Officer ("**CRO**") vide circular dated May 29, 2019. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management.

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

Corporate Governance:

The Master Circular - Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 dated July 1, 2019 (the "**Corporate Governance Directions**") issued by the NHB apply to every non-public deposit accepting HFC with assets size of ₹ 500 million and above, as per the last audited balance sheet, and all public deposit accepting / holding HFCs ("**Applicable HFC**"). Applicable HFCs are required to constitute, amongst others, an audit committee, an asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

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

Further, the NHB Master Circular - Miscellaneous Instructions to all Housing Finance Companies dated July 1, 2019 consolidates all extant instructions applicable to HFCs including, among others, provisions relating to maintenance of registers, filing of monthly returns, default of regulatory requirements etc.

Recovery of dues

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

SARFAESI Act:

The SARFAES1 Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 0.10 million ticket size.

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

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

*Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("**DRT Act**")*

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt

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

*Insolvency and Bankruptcy Code, 2016, as amended (the "**IBC**")*

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

RBI's COVID-19 related measures for HFCs

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

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

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. For details, see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*" beginning on pages 121, 286 and 92, respectively.

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

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

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

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

Miscellaneous

CLSS and Pradhan Mantri Awas Yojana:

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) issued by the MoHUPA, GoI in March 2016. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from PLIs, including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹0.3 million, and annual income between ₹0.3 million and ₹0.6 million, respectively. NHB been nominated by the MoHUPA as a Central Nodal Agency under the CLSS, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. The CLSS has been implemented through four verticals, namely, (i) "In situ" slum redevelopment; (ii) affordable housing through credit linked subsidy; (iii) affordable housing in partnership; and (iv) subsidy for beneficiary-led individual house construction or enhancement.

Inspection:

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

Reporting:

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

Foreign Investments in HFCs:

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

Other applicable laws:

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

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to the certificate of incorporation dated November 26, 1990, issued by the RoC and commenced operations pursuant to the certificate for commencement of business dated November 27, 1990, issued by the RoC. Our Company was initially promoted by ING Vysya Bank Limited. In 2003, DHFL acquired our Company from ING Vysya Bank Limited. Subsequently, the name of our Company was changed to 'DHFL Vysya Housing Finance Limited' and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC.

DHFL separately incorporated a private company named 'Aadhar Housing Finance Private Limited' on May 3, 2010 under the Companies Act, 1956, with equity participation from International Finance Corporation ("**IFC**"), and commenced its operations in February 2011. Aadhar Housing Finance Private Limited was later converted into a public company and consequently its name was changed to 'Aadhar Housing Finance Limited' ("**Erstwhile Aadhar**") and a fresh certificate of incorporation dated September 3, 2013, was issued by the Registrar of Companies, Maharashtra at Mumbai in this regard.

Before getting merged with our Company pursuant to the Scheme of Amalgamation, Erstwhile Aadhar achieved the following milestones since its incorporation:

- In Fiscal 2011, Erstwhile Aadhar opened its first branch in Lucknow *(the intimation to the NHB on the opening of the Lucknow branch was made by Erstwhile Aadhar on April 9, 2011)*.
- In Fiscal 2012, Erstwhile Aadhar opened its 15th branch and crossed 1,000 home loan disbursements.
- In Fiscal 2014, the AUM of Erstwhile Aadhar crossed ₹ 5 billion.
- In Fiscal 2015, the AUM of Erstwhile Aadhar reached approximately ₹ 10 billion.
- In Fiscal 2016, Erstwhile Aadhar expanded to 10th state and the AUM crossed ₹ 18 billion.
- In Fiscal 2017, Erstwhile Aadhar opened its 100th branch, its customer base reached 49,000 and its AUM crossed ₹ 20 billion.

In 2017, Erstwhile Aadhar was merged into our Company pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru ("**NCLT Bengaluru**"), vide its order dated October 27, 2017. Pursuant to the Scheme of Amalgamation, the name of our Company was changed to 'Aadhar Housing Finance Limited' and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC. For details in relation to the Scheme of Amalgamation, see "*- Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years*" and "*Capital Structure*" on pages 152 and 67, respectively.

In June 2019, WGCL and DHFL, along with other promoter shareholders (collectively, the "**Erstwhile Promoters**") who were holding majority of the Equity Share capital of our Company along with IFC as the other major shareholder, transferred their entire shareholding in our Company to our Promoter. For details in relation to our Promoter, see "*– Our Holding Company*" and "*Our Promoter and Promoter Group*" on pages 151 and 171, respectively.

Changes in the Registered Office

The details of changes in the Registered Office of our Company since incorporation are given below.

Date of change	Details of the address of registered office	Reason
Financial Year 2004*	Change in registered office from 72, St. Mark's Road, Bengaluru 560 001, Karnataka to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka	-*
October 26, 2015	Change in registered office from to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka to No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.	Administrative convenience

* *The secretarial records for changes in the registered office of our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated January 24, 2021 prepared by Roy Jacob & Co, independent practicing company secretary, and certified by their certificate dated January 24, 2021 ("**RoC Search Report**"). In respect of this change of registered office, the exact date of change and the details of the reasons for such change were not available in the RoC Search Report. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our secretarial records are not traceable" on page 42.*

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

1. *"To carry on the business of providing long term financial assistance to any person, individual, companies, corporations, firms, societies or associations for purposes of construction, purchase, acquisition of residential houses or flats on such terms and conditions as the Company may deem fit.*

2. *To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.*

3. *To carry on the business of retail and institutional distribution of the units of mutual funds or other trusts, funds or pooled investment vehicles or any other financial products issued by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on.

Amendments to our Memorandum of Association

The amendments to our Memorandum of Association in the last 10 years are set out below.

Date of Shareholders' resolution	Details of the amendments
July 20, 2013	Clause III of our Memorandum of Association was amended to reflect addition of the following clause: *"2. To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto."*
June 20, 2014	Sub-clause (4) of Clause III of our Memorandum of Association was amended to reflect addition of 'National Housing Bank' in the following manner: *"4. To do any activity as may be permitted by Reserve Bank of India /National Housing Bank from time to time and also to undertake carrying on the business which is explicit or implicit in the furtherance of the main objects."*
December 27, 2014	Clause III of our Memorandum of Association was amended to reflect addition of the following clause: "*3. To carry on the business of retail and institutional distribution of the units of mutual funds or other trusts, funds or pooled investment vehicles or any other financial products issued by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary."*
October 27, 2017(1)	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹ 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 (Twenty Million) Equity Shares of ₹ 10 each to ₹ 2200,000,000 (Rupees Two Thousand Two Hundred Million) divided into 220,000,000 (Two Hundred and Twenty Million) Equity Shares of ₹ 10 each, pursuant to the Scheme of Amalgamation
October 27, 2017(1)	Clause I of our Memorandum of Association was amended to reflect the change in name of our Company from 'DHFL Vysya Housing Finance Limited' to 'Aadhar Housing Finance Limited' pursuant to the Scheme of Amalgamation
January 31, 2018	Clause III, the objects clause of our Memorandum of Association was amended by dividing it into two sub-clauses, namely, '*IIIA – THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION*' and '*IIIB - MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE*', in terms of Sections 4 and 13 of the Companies Act, 2013
January 16, 2021	Amendment to Clause V of our Memorandum of Association to reflect increase authorised share capital from ₹ 2,200,000,000 (Rupees Two Thousand Two Hundred Million) divided into 220,000,000 (Two Hundred and Twenty Million) Equity Shares of ₹ 10 each to ₹ 5,000,000,000

Date of Shareholders' resolution	Details of the amendments
	(Rupees Five Thousand Million) divided into 500,000,000 (Five Hundred Million) equity shares of ₹ 10 each.

(1) *Date of the order passed by the NCLT Bengaluru approving the Scheme of Amalgamation.*

Major events in the history of our Company

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

Fiscal	Particulars
1991	Incorporation of our Company
2018	Merger of Erstwhile Aadhar with our Company. Pursuant to the Scheme of Amalgamation, the name of our Company was changed to Aadhar Housing Finance Limited
	Disbursed loans worth ₹ 6 billion in March 2018
2019	Our AUM crossed ₹ 100 billion
	Raised approximately ₹ 7 billion through a maiden public offering of NCDs
2020	BCP Topco, our Promoter, infused ₹ 13 billion in our Company and consequently acquired majority stake in our Company
	Our customer base crossed 150,000
2021	Our AUM crossed ₹ 120 billion

For details regarding milestones of Erstwhile Aadhar, see " - *Brief history of our Company*" on page 148.

Awards and accreditations

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Particulars
2018	• Our Company was awarded "Affordable Home Loan Provider of the Year 2017" at the Outlook Money Awards. • Our Company was awarded "Housing Finance Company of the Year (Medium and Small)" and "Marketing Campaign of the Year" by the ABP News.
2019	• Our Company was awarded "Finnoviti 2019 Award" by the Banking Frontiers. • Our Company was awarded "Prestigious Brands of India 2019" by the Brand Advertising Research & Consulting Private Limited and ERTC Media Private Limited. • Our Company was awarded "Most Promising Brand for Housing Finance" by the ET Now. • Our Company was awarded "Dream Companies to Work for" (Financial Services) and "Dream Employer of the Year" by the ET Now. • Our Company was included in "India's Leading BFSI Companies 2019" list published by the Dun & Bradstreet Information Services. • Our Company was awarded "Pradhan Mantri Awas Yojana Empowering India Award 2019" by the Ministry of Housing and Affairs, Government of India. • Our Company was awarded "The Affordable Home Loan Provider of the Year 2018" at the Outlook Money Awards. • Our Company was awarded "Best BFSI Brands 2019" by the Economic Times. • Our Company's Annual Report was awarded a "Third Prize" by the Public Relations Society of India. • Our Company was awarded a Silver Award in "Affordable Housing Category- Home Loan (Affordable) Provider of the Year" at the Outlook Money Awards.

Calendar Year	Particulars
2020	• Our Company's Managing Director and Chief Executive Officer was awarded "NBFC Leadership Award 2020" by the Banking and Finance Post. • Our Company's Managing Director and Chief Executive Officer was recognized as one of the "101 Top Most Influential BFSI Leaders" by the ET Now. • Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 121, 154, 286, and 25, respectively.

Time and cost overrun

There have been no time and cost overruns pertaining to our business operations or any projects undertaken by our Company.

Defaults or re-scheduling of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Our Holding Company

BCP Topco, our Promoter, is our holding company. For details, see "*Our Promoter and Promoter Group*" beginning on page 171.

Pursuant to the share purchase agreement dated February 2, 2019 entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter ("**Majority SPA**") and the amendment agreement dated June 10, 2019 to the Majority SPA, entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter ("**Amended Majority SPA**"), our Promoter acquired 20,310,873 Equity Shares from WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, and Aruna Wadhawan at the price of ₹ 711.11 per Equity Share, aggregating to ₹ 14.4 billion. Further, in respect of the transaction, our Promoter was required to pay additional payments, subject to certain conditions and applicable law.

Our Promoter further acquired 4,253,389 Equity Shares from IFC for an aggregate consideration of ₹ 3.86 billion pursuant to a share sale agreement dated March 19, 2019 entered into by and among our Company, our Promoter and IFC. Further, in terms of the Majority SPA, our Promoter further infused ₹ 8 billion into our Company in consideration for additional Equity Shares being issued to our Promoter by our Company pursuant to a preferential allotment. For details, see "*Capital Structure*" on page 67. Our Promoter also acquired 57,687 Equity Shares for an aggregate consideration of ₹ 52.38 million from various shareholders of the Company pursuant to share purchase agreements dated February 24, 2020 and June 12, 2019. Our Promoter further acquired 30,000 Equity Shares for an aggregate consideration of ₹ 27.24 million from Ramco Industries Limited, pursuant to a share purchase agreement dated July 3, 2019 entered into by and among our Company, our Promoter and Ramco Industries Limited.

Our Subsidiary, Associates and Joint Ventures

As of the date of this Draft Red Herring Prospectus, our Company has one wholly owned subsidiary, namely, Aadhar Sales and Services Private Limited ("**ASSPL**"). Our Company does not have any associates or joint ventures as on the date of the of this Draft Red Herring Prospectus.

ASSPL

Corporate Information

ASSPL was incorporated on July 10, 2017 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. Its CIN is U74999MH2017PTC297139 and its registered office is located at 201, Raheja Point-1, near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz, Mumbai 400 055.

Nature of Business

ASSPL is engaged in the business of providing manpower services, recruitment, training, assignment of staff for specific or general purposes, selling, dealing, trading of financial products, arranging all types of loans, dealing in moveable and immovable properties, mutual fund products, financial instruments and providing various other financial services.

Capital Structure

The capital structure of ASSPL is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 10 each	₹ 100,000
Issued, subscribed, and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Shareholding Pattern

The shareholding pattern of ASSPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Aadhar Housing Finance Limited	9,990	99.9
2.	Mr. Deo Shankar Tripathi*	10	0.1

* *As a nominee of our Company.*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of ASSPL that have not been accounted for or consolidated by our Company.

Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last 10 years:

Scheme of Amalgamation

Pursuant to a resolution dated June 9, 2016 adopted by our Board, our Company filed a scheme of amalgamation under Sections 230, 231, and 232 of the Companies Act, 2013, before NCLT Bengaluru for amalgamation of Erstwhile Aadhar ("**Transferor**") with our Company. The purpose of the Scheme of Amalgamation was, *inter alia*, to carry out consolidation of businesses, maximise synergies, simplification of the organisational structure, reduce administrative costs, and achieve operational and management efficiency, including reduction of managerial overlaps. The Scheme of Amalgamation provided for transfer of the entire business of the Transferor as a going concern, including all assets, rights, licenses and powers, debts, outstanding liabilities, duties, obligations and employees as on the appointed date, to our Company and the change of name of our Company. Pursuant to the Scheme of Amalgamation, the authorised share capital of our Company was increased from ₹ 200 million divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 2,200 million divided into 220,000,000 Equity Shares of ₹ 10 each. Pursuant to the Scheme: (a) our Company allotted ten Equity Shares of ₹ 10 each to the then shareholders of the Transferor for every 119 equity shares of ₹ 10 each held by them in the Transferor. For further details, see "*Capital Structure*" on page 67. The appointed date under the Scheme was April 1, 2016. The NCLT Bengaluru approved the Scheme of Amalgamation vide its order dated October 27, 2017 ("**Order**") and the Scheme of Amalgamation came into effect from the date on which the Order was filed with the RoC, that is November 20, 2017.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as of the date of this Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel, Director, Promoter, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Our Company has not entered into any material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

Guarantees given by our Promoter

Our Promoter has not provided any guarantees on behalf of our Company.

OUR MANAGEMENT

In terms of our Articles of Association, the maximum number of Directors that our Company can have shall be in accordance with the provisions of the Companies Act. As on the date of this Draft Red Herring Prospectus, our Board comprises seven Directors, including three Independent Directors (including our Chairman and two women directors), one Executive Director (who is also our Managing Director and Chief Executive Officer), and three Non-Executive (Nominee) Directors.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
1.	**Om Prakash Bhatt** **Designation:** Non-Executive Chairman and Independent Director **Term:** Three years with effect from September 13, 2019 **Period of Directorship:** Director since September 13, 2019 **Address:** Flat No.3, Seagull, Carmichael Road, Mumbai 400 026, Maharashtra, India **Occupation:** Professional **Date of Birth:** March 7, 1951 **DIN:** 00548091 **Age:** 69	1. Hindustan Unilever Limited; 2. Tata Consultancy Services Limited; 3. Tata Steel Limited; 4. Tata Motors Limited; 5. Tata Steel Europe Limited; and 6. Greenko Energy Holdings.
2.	**Nivedita Haran** **Designation:** Independent Director **Term:** One year with effect from June 29, 2020 till the next AGM **Period of Directorship:** Director since September 15, 2018 **Address:** 23, IFS Villas, Gautam Budh Nagar Greater Noida 201 310, Uttar Pradesh, India **Occupation:** Professional **Date of Birth:** November 22, 1954 **DIN:** 06441500 **Age:** 66	1. Guruchandrika Builders and Property Private Limited; 2. NESL Asset Data Limited; and 3. National E- Governance Services Limited.
3.	**Sharmila Karve** **Designation:** Independent Director **Term:** Three years from December 15, 2020 **Period of Directorship:** Director since December 15, 2020 **Address:** 102, Phoenix House, Sayani Road, opposite Ravindra Natya Mandir, Prabhadevi, Mumbai 400 025, Maharashtra, India **Occupation:** Professional **Date of Birth:** April 8, 1965	1. EPL Limited; 2. Essel Packaging (Guangzhou) Limited; 3. Lamitube Technology Limited (Mauritius); 4. Essel Propack America LLC; 5. Syngene International Limited; 6. Vanaz Engineers Limited; 7. CSB Bank Limited; and

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	DIN: 05018751 **Age:** 55	8. School for Social Entrepreneurs India.
4.	**Amit Dixit** **Designation:** Non – Executive (Nominee) Director **Term:** With effect from August 2, 2019; liable to retire by rotation **Period of Directorship:** Director since August 2, 2019 **Address:** Flat No. 2102, The Imperial, South Tower, B.B. Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India **Occupation:** Service **Date of Birth:** January 26, 1973 **DIN:** 01798942 **Age:** 47	1. Jagran Prakashan Limited; 2. MPHASIS Limited; 3. EPL Limited; 4. Midday Infomedia Limited; 5. Sona BLW Precision Forgings Limited; 6. Comstar Automotive Technologies Private Limited; 7. Blackstone Advisors India Private Limited; 8. PGP Glass Private Limited; 9. Aakash Educational Services Limited; 10. IBS Software Pte. Ltd.; 11. TU TopCo Inc.; 12. TU MidCo Inc.; and 13. TU BidCo Inc.
5.	**Mukesh Mehta** **Designation:** Non – Executive (Nominee) Director **Term:** With effect from August 2, 2019; liable to retire by rotation **Period of Directorship:** Director since August 2, 2019 **Address:** 606, A Deep Tower, opposite Jain Mandir, Andheri West, Mumbai 400 053, Maharashtra, India **Occupation:** Service **Date of Birth:** November 30, 1980 **DIN:** 08319159 **Age:** 40	1. PGP Glass Private Limited; 2. TU TopCo Inc.; 3. TU MidCo Inc.; and 4. TU BidCo Inc.
6.	**Neeraj Mohan** **Designation:** Non – Executive (Nominee) Director **Term:** With effect from August 2, 2019; liable to retire by rotation **Period of Directorship:** Director since August 2, 2019 **Address:** 467, Sector 7, Pushp Vihar, New Delhi 110 017, Delhi, India	1. Sona BLW Precision Forgings Limited; 2. Comstar Automotive Technologies Private Limited; 3. Comstar Automotive Hong Kong Limited; and 4. William J. Clinton Foundation.

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	Occupation: Service **Date of Birth:** July 3, 1972 **DIN:** 05117389 **Age:** 48	
7.	**Deo Shankar Tripathi** **Designation:** Managing Director and Chief Executive Officer **Term:** Five years with effect from December 5, 2017 **Period of Directorship:** Director since December 5, 2017 **Address:** 2202, Tower-7, Emerald Isle, Saki Vihar Road, Powai, L&T Business Park, Mumbai 400 072, Maharashtra, India **Occupation:** Service **Date of Birth:** January 1, 1953 **DIN:** 07153794 **Age:** 68	1. Aadhar Sales and Services Private Limited; and 2. Fort Finance Limited.

Relationship between our Directors and our Key Managerial Personnel

None of our Directors are related to each other or to any of the Key Managerial Personnel.

Brief Biographies of Directors

Om Prakash Bhatt is the Non-Executive Chairman and Independent Director of our Company. He holds a bachelor's degree in Science from Meerut University, and a master's degree in English Literature from the same university. He has previously served as the chairman of State Bank of India. He is also serving as a director on the boards of Hindustan Unilever Limited and Tata Group companies, including Tata Motors Limited, Tata Steel Limited, Tata Steel Europe Limited, Greenko Energy Holdings Mauritius and Tata Consultancy Services Limited. He was appointed as the Non-Executive Chairman and Independent Director on the Board of our Company with effect from September 13, 2019.

Nivedita Haran is an Independent Director of our Company. She has a Ph.D. in Humanities and Social Sciences from the Indian Institute of Technology, Delhi. She retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India. She is also on the board of Guruchandrika Builders and Property Private Limited, NESL Asset Data Limited and National E- Governance Services Limited. She serves as the honorary chairperson on the board of directors of Centre for Migration and Inclusive Development. She was appointed as an Additional (Independent) Director on the Board of our Company with effect from September 15, 2018 and has been re-appointed by the Shareholders at the Annual General Meeting held on June 29, 2020.

Sharmila Karve is an Additional Independent Director on the Board of our Company. She holds a bachelor's degree in Commerce from University of Bombay and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Presently, she is a director on the boards of EPL Limited, Essel Packaging (Guangzhou) Limited, Lamitube Technology Limited (Mauritius), Essel Propack America LLC, Syngene International Limited, Vanaz Engineers Limited, CSB Bank Limited and School for Social Entrepreneurs India. She was appointed as an Independent Director on the Board of our Company with effect from December 15, 2020.

Amit Dixit is a Non – Executive (Nominee) Director on the Board of our Company. He is the senior managing director, co-head of Asia acquisitions, and head of India for Blackstone Private Equity. He holds a bachelor's degree in Civil Engineering from the Indian Institute of Technology, Bombay, and was awarded the director's silver medal for graduating at the top of his program. He has two master's degrees, one in Science (Civil Engineering) from Leland Stanford Junior University and the other in Business Administration from Harvard University. Previously, he has worked as an associate at Warburg Pincus. He is serving as a director on the board of several companies including Mphasis Limited, Aakash Educational Services Limited, Sona BLW Precision Forgings Limited, Comstar Automotive Technologies Private Limited, IBS Software Limited, Jagran Prakashan

Limited, Mid-Day Infomedia Limited, EPL Limited, Blackstone Advisors India Private Limited, PGP Glass Private Limited, TU Topco Inc., TU Midco Inc. and TU Bidco Inc. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from August 2, 2019.

Mukesh Mehta is a Non – Executive (Nominee) Director on the Board of our Company. He is the senior managing director within the private equity group of Blackstone Advisors India Private Limited. He has passed the examination for the bachelor's program in Commerce from the University of Mumbai, and has a master's degree in Commerce from the same university. He is a qualified Chartered Financial Analyst (USA) and also Chartered Accountant from the Institute of Chartered Accountants of India. He has 14.5 years of experience in Private Equity. Previously, he worked at Carlyle India Investment Advisors Private Limited and Citicorp Finance (India) Limited. He also worked in the Assurance and Business Advisory Group at Price Waterhouse & Co. He is also serving as a director on the board of PGP Glass Private Limited, TU Topco Inc., TU Midco Inc. and TU Bidco Inc. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from August 2, 2019.

Neeraj Mohan is a Non – Executive (Nominee) Director on the Board of our Company. He holds a bachelor's degree in Commerce from the Guru Nanak Dev University and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has also worked as the vice president of Alembic Limited, vice president of generic strategy and alliances, Clinton Foundation and as an associate of McKinsey & Company, Southeast Asia practice. Presently, he is the operating partner within the portfolio operation business group of Blackstone Advisors India Private Limited. He is also serving as a director on the boards of Sona BLW Precision Forgings Limited, Comstar Automotive Technologies Private Limited, Comstar Automotive Hong Kong Limited and William J. Clinton Foundation. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from August 2, 2019**.**

Deo Shankar Tripathi is the Managing Director and Chief Executive Officer of our Company. He holds a bachelor's and master's degree in Science from Lucknow University and has cleared the examination for a diploma in Public Administration from Awadh University. He has also passed the associate examination of the Indian Institute of Bankers and has completed various certificate courses including International Study Tour on "Energy Efficiency in Residential Buildings" from KFW Entwicklungsbank, Germany, and Strategy and Management in Banking Programme from International Development Ireland Limited. He has worked as a general manager at Union Bank, and president and chief operating officer at DHFL. Prior to joining our Company, he was the chief executive officer of Erstwhile Aadhar. Presently, he is serving as a director on the boards of ASSPL and Fort Finance Limited. He was appointed as the Managing Director and Chief Executive Officer of our Company with effect from December 5, 2017.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Pursuant to the acquisition of control of our Company by our Promoter and in accordance with the terms of the Majority SPA, Amit Dixit, Mukesh Mehta and Neeraj Mohan were appointed on the Board of our Company. For details, see "*History and Certain Corporate Matters*" and "*Our Promoter and Promoter Group*" beginning on pages 148 and 171, respectively.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Director

Deo Shankar Tripathi

Pursuant to the resolution passed by the Board on December 5, 2017, Deo Shankar Tripathi was appointed as the Managing Director and Chief Executive Officer of our Company for a term of five years and his appointment was subsequently approved by the Shareholders at the EGM held on January 31, 2018. Further, pursuant to the provisions of section 161(1) of the Companies Act, 2013, the Shareholders at the AGM held on August 3, 2018, have approved and regularised his appointment from the original date of appointment. In terms of the Board Resolution dated December 5, 2017, Deo Shankar Tripathi is entitled to receive remuneration by way of salary, perquisites and other allowances. Pursuant to the resolution passed by the Board on December 5, 2017 and the Shareholders on August 3, 2018, his remuneration was fixed as per the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with annual increment in remuneration as may be approved by the Nomination and Remuneration Committee of the Board.

Pursuant to the resolution passed by the Board on December 5, 2017, the overall remuneration payable to Deo Shankar Tripathi (capped at 5% of the net profit (as prescribed under section 197 of the Companies Act, 2013) as calculated in accordance with Section 198 of the Companies Act) was fixed as follows:

Particulars	Amount (in ₹)
Monthly Component	
Basic	5,840,000
House Rent Allowance	291,996
Educational Allowance	2,400
Medical-Monthly	15,000
LTA Monthly	486,672
Lunch Allowance	420,000
Special Allowance	2,730,228
Personal Allowance	96,000
Total:	12,510,300
Annual Component	
Gratuity	280,904
Provident fund	700,800
Flexi Reimbursement Components*	1,108,000
Total:	2,089,704
Total Fixed Pay	14,600,004
RETIRAL BENEFITS: PF and Gratuity benefits would be applicable as per the Employees' Provident Funds & Miscellaneous Provision Act, 1952 and Payment of Gratuity Act, 1972 respectively.	

* *To be reimbursed against declarations and bills.*

Further, the Nomination and Remuneration Committee of the Board approved revisions in his remuneration by resolutions dated April 25, 2019 and November 4, 2020, and his remuneration for the Financial Year 2020 is as follows:

Particulars	Remuneration (in ₹ million)
Fixed CTC	18.6
Performance Pay	4.4

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2020 are set forth below.

Remuneration to our Executive Director

Details of the remuneration paid to our Managing Director and Chief Executive Officer in Financial Year 2020 are set forth below:

S. No.	Name of executive Director	Remuneration (in ₹ million)
1.	Deo Shankar Tripathi	27.1

Remuneration to our Non-Executive Directors

(a) *Independent Directors*

Our Independent Directors are entitled to receive sitting fees of ₹ 35,000 per sitting for every meeting of the Board or any Committee that they attend. Details of the remuneration paid to the Independent Directors of our Company in the Financial Year 2020 are set forth below.

S. No.	Name of Independent Director	Number of meetings attended	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total Remuneration (in ₹ million)
1.	Om Prakash Bhatt	4	0.2	-	0.2
2.	Nivedita Haran	24	0.7	0.3	0.1
3.	Sharmila Karve*	-	-	-	-

Appointed to our Board with effect from December 15, 2020.

(b) *Non-Executive (Nominee) Directors*

The Non-Executive (Nominee) Directors are not entitled to receive any sitting fees for attending meetings of the Board and its Committees.

Bonus or Profit-sharing plan of the Directors

Other than our Independent Directors, who receive commission based upon the performance of our Company, none of our Directors are party to any bonus or profit-sharing plan of our Company. For details of commission paid to our Independent Directors in the Financial Year 2020, see "*Remuneration to our Non-Executive Directors*".

Remuneration paid to Directors of our Company by our Subsidiary

None of our Directors receive remuneration or are entitled to receive any remuneration from our Subsidiary in the Financial Year 2020.

Shareholding of Directors in our Company

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

As of the date of filing of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares.

Interests of Directors

(a) All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees and commission, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see "*– Terms of Appointment of our Executive Director*" and " *– Payment or benefit to Directors of our Company*".

(b) None of our Directors have any interests in the promotion or formation of our Company.

(c) None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company in the preceding three years.

(d) Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

(e) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

(f) None of our Directors have any interest in our business.

(g) Our nominee Directors may be deemed to be interested to the extent of the shareholding in our Company of the entities nominating them.

(h) Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. Our Directors may be deemed to be interested to the extent of options or stock appreciation rights granted / Equity Shares, if any, allotted to them pursuant to the ESAR 2018 and the ESOP 2020. For details, see "*Capital Structure*" beginning on page 67.

(i) No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason
Sasikala Varadachari	June 13, 2018	Cessation as Additional Director
Kapil Wadhwan	June 10, 2019	Cessation as Director
G. P. Kohli	June 10, 2019	Cessation as Director
Suresh Mahalingam	June 10, 2019	Cessation as Director
Nivedita Haran	September 15, 2018	Appointment as Independent Director
Amit Dixit	August 2, 2019	Appointment as Non-Executive (Nominee) Director
Neeraj Mohan	August 2, 2019	Appointment as Non-Executive (Nominee) Director
Mukesh Mehta	August 2, 2019	Appointment as Non-Executive (Nominee) Director
Om Prakash Bhatt	September 13, 2019	Appointment as Chairman and Independent Director
V. Sridar	April 1, 2020	Cessation as Independent Director
Sharmila Karve	December 15, 2020	Appointment as Independent Director

Borrowing Powers of Board

Pursuant to a resolution passed by our shareholders in their AGM held on July 30, 2019, our Board is authorised to borrow from time to time all such sums of money together with the monies already borrowed by our Company (apart from the temporary loans, overdrafts obtained or to be obtained from our Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which monies may be borrowed by our Board shall not exceed ₹ 200,000 million or up to 16 times of the net owned fund of our Company or such multiples, whichever is lower, as per the relevant notifications, directions, circulars or guidelines issued by NHB in this regard.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises seven Directors, including three Independent Directors (including our Chairman and two women directors), one Executive Director (who is also our Managing Director and Chief Executive Officer), and three Non-Executive (Nominee) Directors. In compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sharmila Karve	Chairperson
2.	Om Prakash Bhatt	Member
3.	Nivedita Haran	Member
4.	Mukesh Mehta	Member

The Audit Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on December 22, 2020. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on January 16, 2021, *inter alia,* include:

- Recommending for appointment, remuneration and terms of appointment of auditors of the company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties. The Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the rules made under the Companies Act, 2013;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;

- Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to our Board the appointment, remuneration and terms of appointment of the statutory auditor of our Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by our Company;
- Approval or any subsequent modifications of transactions of our Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Examination of the financial statements and the auditors' report thereon; and
- Statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and
    - annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sharmila Karve	Chairperson
2.	Amit Dixit	Member
3.	Om Prakash Bhatt	Member
4.	Nivedita Haran	Member
5.	Mukesh Mehta	Member

The Nomination and Remuneration Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on January 16, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on January 16, 2021, *inter alia*, include:

- Considering and recommending for the appointment and remuneration of directors, managing/executive director, CEO of the Company;
- Considering, reviewing and approving annual salary increment, bonus and promotion to KMPs/ top managerial persons;
- Approving and implementing staff welfare schemes or ESOPs/ ESAR as per the NRC Policy;
- Considering and recommending the criteria for determining qualifications, positive attributes and independence, fit and proper criteria for directors, in compliance with law;
- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority;
- Recommend to our Board, all remuneration, in whatever form, payable to senior management; and
- Any other functions/powers referred/powers delegated to the committee by the Board under the NRC Policy, any regulation/directions of regulators or the statutory or government authorities/bodies and as per the provisions of the Companies Act and rules made thereunder.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Nivedita Haran	Chairperson
2.	Neeraj Mohan	Member
3.	Deo Shankar Tripathi	Member

The Stakeholders' Relationship Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on December 22, 2020. The scope and functions of the Stakeholders' Relationship Committee are in accordance with

Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on January 16, 2021, *inter alia*, include:

- Consider and resolve grievances of security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

- Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

- Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

- To approve, register, refuse to register transfer or transmission of shares and other securities;

- To sub-divide, consolidate and or replace any share or other securities certificate(s) of our Company;

- Allotment and listing of shares;

- To authorise affixation of common seal of our Company;

- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of our Company;

- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

- To dematerialize or rematerialize the issued shares;

- Ensure proper and timely attendance and redressal of investor queries and grievances;

- Carrying out any other functions contained in the Companies Act and/or equity listing agreements (if applicable), as and when amended from time to time; and

- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Nivedita Haran	Chairperson
2.	Neeraj Mohan	Member
3.	Deo Shankar Tripathi	Member

The Corporate Social Responsibility Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on August 2, 2019. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on January 16, 2021, *inter alia*, include:

- To establish and review corporate social responsibility policy;

- To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors as specified in Schedule VII of the Companies Act, 2013;

- To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;

- To oversee the implementation of corporate social responsibility projects/programs/activities;

- To review the annual budgets/expenditure with respect to corporate social responsibility programs;

- To work with the management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;

- To receive reports on the Company's corporate social responsibility programs/projects/activities;

- To establish and review the implementation mechanism for the CSR programs/projects/activities undertaken by the Company;

- To establish and review the monitoring mechanism of CSR projects/programs/activities;

- To review the CSR initiatives and programs/projects/activities undertaken during the year;

- To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;

- To obtain legal or other independent professional advice/assistance;

- To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee;

- To monitor the CSR Policy and its implementation by our Company from time to time; and

- To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the rules framed thereunder.

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Mukesh Mehta	Chairperson
2.	Om Prakash Bhatt	Member
3.	Neeraj Mohan	Member
4.	Sharmila Karve	Member

The Risk Management Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on December 22, 2020. The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on January 16, 2021, *inter alia,*

- ***Operational Risk Management***

    - Operational Risk encompasses all risks arising out of people failure, process failure, system/technology failure, external factors which includes frauds by customer and failure on part of outsourced activities, vendors via suppliers, empanelled advocate/valuer/DSA/verification agencies etc.

    - To discuss all process/policy/schemes/operational changes from business/control/risk angle before putting to competent authority for approval.

- ***Credit Risk Management***

    - Implement process for credit risk identification, assessment measurement, monitoring and control.

    - Ensure credit is dispensed with due process and within the prescribed limits and establish the operating rules and guidelines for the implementation of credit policies.

    - Examine all credit related matters.

    - Monitor risks on a company wide basis and ensure compliance with the board approved risk parameters/prudential limits and monitor risk concentrations.

    - Recommend delegation of sanction powers to CEO / Board for approval.

    - Revision in deviation matrix for proper control and smooth functioning of business.

- Portfolio analysis and highlighting behaviour of demography, geography and other factors like properties, profile & products etc.
- Modification in product offering, funding schemes etc.
- Changes in policy, deviations etc on the basis of any feedback from recovery department for the location or profile etc.
- Ensuring stringent monitoring and management of special situation / problem.
- Setting of risk control unit at corporate office and going forward at regional offices, as and when warranted.
- Analysing causes of frauds / attempted frauds and initiate remedial steps.
- The Company should have scoring matrix for project loans and to be developed.

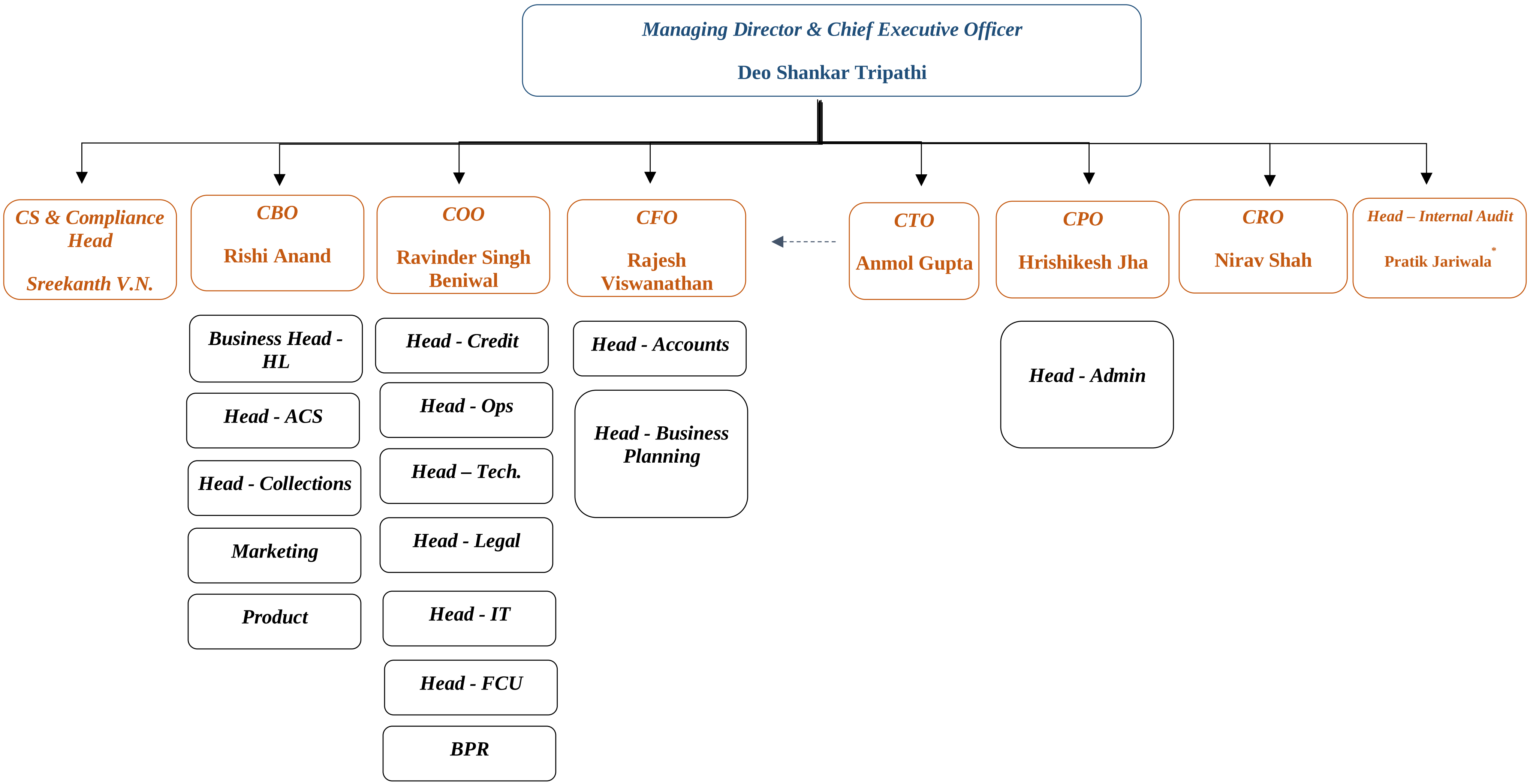
- ***Market and Liquidity Risk Unit***

  Oversees and establishes standards for market, liquidity risk management processes within the Company, including the review and approval of new products, limits, practices and policies for the Company funds management/ treasury activities as per ALM and Investment policies

- ***Risk Management Culture***

  - The business lines are responsible for the development and execution of business plans that are aligned with the Company's risk management framework and are accountable for the risks they incur. Understanding and managing these risks is a fundamental element of each business unit.
  - The Risk Management Committee is responsible for the review, approval of the revision to the Risk Policy within delegated authority and monitoring of transactions and the related risk exposures.
  - Risk Management Committee will take effective steps on regular basis for risk awareness across all functions and cultivate risk culture in company.
  - The flow of information and transactions to Risk Management Committee keep senior and executive management well informed of the risks the Company encounter and ensures that transactions and risks are aligned with the Company's risk appetite framework.

Management Organisation Structure



* *Functional reporting to Audit Committee of the Board.*

Key Managerial Personnel

The details of the Key Managerial Personnel, in terms of the Companies Act, as of the date of this Draft Red Herring Prospectus are as follows:

Deo Shankar Tripathi is the Managing Director and Chief Executive Officer of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him during Financial Year 2020, see "– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*".

Rajesh Viswanathan is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from University of Mumbai. He is a qualified Chartered Accountant from the Institute of Chartered Accountant of India and a qualified Cost and Works Accountant from the Institute of Cost and Works Accountants of India. He has several years of experience in accounting, finance, strategy, planning, taxation, treasury, audit, and managing investor relations. Prior to joining our Company, he has been associated with various organizations, starting with A F Ferguson & Co., Mahindra & Mahindra Limited, DSP Financial Consultants Limited, KPMG Bahrain, Bajaj Allianz Life Insurance Corporation Limited, Bajaj Finance Limited & Capital Float. He joined our Company on December 1, 2019. During the Financial Year 2020, he received a remuneration of ₹ 4.7 million.

Sreekanth V.N. is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in Commerce and Law from Mahatma Gandhi University and has cleared the examination for master's in Business Administration (Finance) from OJPS University. He is also a qualified Company Secretary from the Institute of Company Secretaries of India. He has several years of experience in handling all secretarial functions of the Company including liaison with institutions like registrar of companies, financial institutions, and other bodies with whom the Company has administrative dealings. He has previously worked with the Bureau of Police Research & Development, Ministry of Home Affairs and Department of Supply, Ministry of Commerce. Prior to joining our Company, he has worked with organizations such as ICICI Bank Limited, Firestone International Private Limited, KM Trading Co LLC, Malabar Institute of Medical Science and Ocean Bounty Limited. He was also associated with Erstwhile Aadhar from April 11, 2011 and he joined our Company on November 21, 2017. During the Financial Year 2020, he received a remuneration of ₹ 6.1 million.

In addition to the above, the details of the senior management are as follows:

Rishi Anand is the Chief Business Officer of our Company. He holds a bachelor's degree in Arts (Vocational Studies) from University of Delhi and has completed the Post Graduate Certificate Programme in Business Management from Indian Institute of Management, Kozikhode. He has over 24 years of experience in fields such as sales and personal finance. Prior to joining our Company, he has worked with various organizations such as Shelters, ICICI Bank Limited, GE Countrywide Consumer Financial Services Limited, BHW Birla Home Finance Limited, Reliance Capital & AIG Home Finance India Limited, Indo Pacific Housing Finance Limited and DHFL. He joined our Company on April 1, 2018. During the Financial Year 2020, he received a remuneration of ₹ 15.9 million. Further, in March 2019, he received an extra bonus of ₹ 11.1 million.

Ravinder Singh Beniwal is the Chief Operating Officer of our Company. He holds a bachelor's degree in Science from Kurukshetra University and has cleared the examination for master's in Business Administration from Bundelkhand University. He has several years of experience in banking operations. Prior to joining our Company, he has worked as the president of Retail Banking, Aditya Birla Payments Bank. He has also worked in ICICI Bank Limited, Max New York Life Insurance Corporation limited and Hinduja Finance Private Limited. He joined our Company on November 12, 2018. During the Financial Year 2020, he received a remuneration of ₹ 14.1 million.

Anmol Gupta is Chief Treasury Officer of the Company. He holds a bachelor's degree in Commerce (Hons.) from University of Delhi and is a qualified Chartered Accountant from the Institute of Chartered Accountant of India. He has several years of experience in coordinating financial operations, preparing budgets, and ensuring maintenance of up-to date financial reports, commitments, expenditures and legal records. Previously, he has worked with BHW Birla Home Finance Limited and as the Accounts Officer of CIMMYT- India, headquartered at Mexico. He was Chief Financial Officer of Erstwhile AHFL. He joined our Company on November 21, 2017. During the Financial Year 2020, he received a remuneration of ₹ 11.3 million. Further, in March 2019, he received an extra bonus of ₹ 4.0 million.

Hrishikesh Jha is the Chief Human Resource Officer of our Company. He has cleared the examination for bachelor's in Science (Honours) from Ranchi University. He has a post graduate diploma in Personnel Management and Industrial Relations from XLRI Jamshedpur. He has several years of experience in human resources. Prior to joining our Company, he has worked with ICICI Bank Limited, UTI Asset Management Private Limited, Barclays Bank PLC and Barclays Wealth. He has also worked as the Group Head of Corporate Human Resource at L&T Finance Holdings Limited. He joined our Company on March 9, 2018. During the Financial Year 2020, he received a remuneration of ₹ 10.3 million.

Nirav Shah is Chief Risk Officer of our Company. He holds a bachelor's degree in Commerce from P. D. Lion's College of Commerce and Economics, University of Mumbai. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has also cleared the exam for Certified Information Systems Audit from Information System Audit and Control Association. He has several years of experience in implementing risk management systems across business units and maintaining a strong integrated risk management framework. He has worked with Deloitte Haskins & Sells, ICICI Prudential Life Insurance Company Limited and Tata Capital Housing Finance Limited. He joined our Company on July 5, 2018 and had been the Head Internal Audit of our Company from July 2018 till December 31, 2019. During the Financial Year 2020, he received a remuneration of ₹ 4.7 million.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Shareholding of Key Managerial Personnel in our Company

None of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Relationship between our Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interests of Key Managerial Personnel

None of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may also be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares) which may be held by them. Our Key Managerial Personnel may also be deemed to be interested to the extent of options and stock appreciation rights granted to them pursuant to the ESAR 2018 and ESOP 2020. For details, see "*Capital Structure*" beginning on page 67.

Loans to Key Managerial Personnel

Except the regular staff housing loans availed at concession rates in the normal course of business, no other loans have been availed by our Key Managerial Personnel from our Company.

Changes in our Key Managerial Personnel in the three immediately preceding years:

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below.

Name	Date of change	Reason
Hrishikesh Jha	March 9, 2018	Appointment as Chief Human Resources Officer
Rishi Anand	April 1, 2018	Appointment as Chief Business Officer
Ravinder Singh Beniwal	November 12, 2018	Appointment as Chief Operating Officer
Anmol Gupta	December 17, 2019	Appointment as Chief Treasury Officer*
Rajesh Viswanathan	December 17, 2019	Appointment as Chief Financial Officer
Nirav Shah	January 1, 2020	Appointment as Chief Risk Officer

* *Anmol Gupta was appointed as the Chief Financial Officer of our Company with effect from November 21, 2017, pursuant to appointment letter dated November 22, 2017 and Board resolution dated December 5, 2017. Further, he was re-designated as the Chief Treasury Officer with effect from December 17, 2019, pursuant to redesignation letter dated December 23, 2019 and Board resolution dated December 17, 2019.*

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plans for our Key Managerial Personnel

Other than the performance bonus component of their remuneration, our Key Managerial Personnel are not parties to any bonus or profit sharing plan of our Company.

Employee stock option plan and employee stock appreciation rights plan

For details of our employee stock option and employee stock appreciations rights plans, see "*Capital Structure*" beginning on page 67.

OUR PROMOTER AND PROMOTER GROUP

BCP Topco is the Promoter of our Company. Our Promoter currently holds an aggregate of 389,683,420 Equity Shares, aggregating to 98.72% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure*" on page 67.

Corporate Information

BCP Topco, our Promoter, was incorporated as a private limited company under the laws of Singapore on December 27, 2017 having UEN: 201736996M. The registered office of BCP Topco is located at 77 Robinson Road #13-00, Robinson 77, Singapore 068896. The principal activity of BCP Topco is to serve as an investment holding company.

BCP Topco acquired the Equity Shares of our Company pursuant to the SPAs. For further details, see "*History and Certain Corporate Matters – Our Holding Company*" and "*Capital Structure - Build-up of Promoter's shareholding in our Company*" on pages 151 and 72, respectively.

BCP Topco has not changed its activities from the date of its incorporation.

Board of directors

The board of directors of BCP Topco comprises the following members:

1) Kimmo Benjam Tammela;

2) William Christian Greer Nicholson;

3) See Kwang Yew; and

4) Lee Lai Juan (Alternate Director).

Shareholding pattern

The shareholding pattern of BCP Topco is as follows:

Name of shareholder	Percentage of shareholding (%)
BCP Asia (SG) Holdings Co. Pte. Ltd.	44.74
Singapore VII Holding Co. Pte. Ltd.	43.95
Others	11.31
Total	**100.0**

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where BCP Topco is registered, shall be submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus.

Promoters of our Promoter

The promoters of BCP Topco are:

1) BCP Asia (SG) Holdings Co. Pte. Ltd. ("**BCP Asia**"); and

2) Singapore VII Holding Co. Pte. Ltd ("**Singapore VII Holding**").

BCP Asia

BCP Asia is a private limited company incorporated under the laws of Singapore having UEN: 201725659R. BCP Asia is owned by certain private equity funds which are managed and/or advised by the affiliates of Blackstone . Blackstone (NYSE: BX) is one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over USD$584 billion as of September 30, 2020.

Presently, no natural person holds fifteen percent or more of the voting rights in BCP Asia on an aggregate basis.

Board of directors of BCP Asia

The board of directors of BCP Asia comprise the same persons as the board of directors of our Promoter.

Singapore VII Holding

Singapore VII Holding is a private limited company incorporated under the laws of Singapore having UEN: 201613336Z. Singapore VII Holding is owned by certain private equity funds which are managed and/or advised by the affiliates of Blackstone. For details in relation to Blackstone, see "*– Promoters of our Promoter*" on page 171.

Presently, no natural person holds fifteen percent or more of the voting rights in Singapore VII Holding on an aggregate basis.

Board of directors of Singapore VII Holding

The board of directors of Singapore VII Holding comprise the same persons as the board of directors of our Promoter.

Changes in control of our Promoter

There has been no change in the control of BCP Topco in the last three years preceding the date of this Draft Red Herring Prospectus.

Change in our Promoter

Our Promoter, BCP Topco, is not the original promoter of our Company. In June 2019, the Erstwhile Promoters, who were holding majority of the Equity Share capital of our Company, along with IFC as the other major shareholder, transferred their entire shareholding in our Company to BCP Topco. For further details, see "*History and Certain Corporate Matters – Our Holding Company*" and "*Capital Structure - Build-up of Promoter's shareholding in our Company*" on pages 151 and 72, respectively.

Interests of our Promoter

Our Promoter is interested in our Company to the extent it has invested in our Company and to the extent of its shareholding in our Company and dividends payable by our Company, if any, and other distributions in respect of the Equity Shares held by it. For details of the shareholding of our Promoter in our Company, see "*Capital Structure – Shareholding of our Promoter (also the Promoter Selling Shareholder) and Promoter Group*" on page 74. Our Promoter has no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or is proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to our Promoter or our Promoter Group

No amount or benefit has been paid or given to our Promoter or Promoter Group by our Company during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or Promoter Group, other than any dividends payable by our Company to our Promoter.

Material guarantees given by our Promoter to third parties with respect to Equity Shares

Our Promoter has not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Our Promoter has not disassociated, sold or transferred its stake in any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

Our Promoter does not have any natural persons who are part of our Promoter Group. Other than our Promoter, the entities forming part of the Promoter Group are BCP Asia and Singapore VII Holding.

OUR GROUP COMPANIES

*In terms of the SEBI ICDR Regulations, the term 'group company' includes such companies (other than promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to the above definition and the resolution of our Board dated January 21, 2021, other companies that are a part of the promoter group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year and stub period included in the Draft Red Herring Prospectus ("**Test Period**"), which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period shall be considered as group companies for the purposes of disclosure in connection with the Offer.*

On June 10, 2019, WGCL, DHFL and IFC, along with other shareholders, who were together holding the majority shareholding in our Company, transferred their entire shareholding to the Promoter, which became the controlling shareholder of our Company and presently holds 98.72% of our paid-up Equity Share capital. Pursuant to the aforesaid transfer, our Company disassociated itself from the following entities (which are forming part of the related party transactions as disclosed in the Restated Consolidated Financial Information), i.e. (i) DHFL; (ii) DHFL Pramerica Life Insurance Company Limited (now known as Pramerica Life Insurance Limited); (iii) DHFL General Insurance Limited (now known as Navi General Insurance Limited); (iv) DHFL Pramerica Asset Management Limited; and (v) Avanse Financial Services Limited (collectively, "**Erstwhile Promoter Entities**").

Dissociation with Erstwhile Promoter Entities

Steps taken by our Company to terminate the arrangements and associations with the Erstwhile Promoter Entities are provided below:

- *Credit Rating:* Upon request of our Company, the credit rating agencies have taken a standalone view of our Company without considering any linkages or credit enhancement from the letter of comfort issued by DHFL.

- *Letter of Comfort:* Upon the request of the Company, our lenders have agreed to remove the covenant relating to requirement of letter of comfort to be issued by DHFL to such lenders in relation to loan documents executed with the lenders. Currently, the letter of comfort from DHFL is a part of the loan covenants in respect of only one of our lenders and the Company has made regular representations requesting for removal of such covenant.

- *IT Services:* With effect from December 2019, we appointed Tata Consultancy Services Limited ("**TCS**") to set up a new technology infrastructure and migrate from the shared infrastructure of DHFL to the new infrastructure and implement the TCS platform product. Pursuant to this, the data center and disaster recovery have been moved from the shared infrastructure to the TCS cloud services along with managed services and the Company has notified DHFL to terminate the transitional service agreement with DHFL with effect from October 10, 2020.

- *Investment:* We had purchased investments from DHFL in Fiscal 2019, amounting to ₹ 3,950 million at market quoted rates. Majority of these investments have been subsequently sold off. As at September 30, 2020, we were carrying investments of ₹ 190.1 million from DHFL, which are in compliance with the statutory liquidity ratio requirement for our fixed deposit programme.

- *Loan pool purchase from DHFL:* We took over the collection and servicing of a loan from DHFL and its share in the pool receivables, under a direct assignment transaction. Another loan pool purchase from DHFL is a relatively small pool of loans with aggregate outstanding amount of ₹ 36 million as on August 31, 2020, which was purchased in Fiscal 2011 and is still being serviced by DHFL. We have approached DHFL requesting to take over the collection and servicing of one remaining pool and the same is under process.

- *CSR:* Beginning from Fiscal 2020, we have ceased handling our CSR activity as part of the DHFL group's CSR activity and started handling the CSR activity as a separate entity under the guidance of the CSR Committee of our Board.

- *Rented properties:* We have terminated the leave and license agreement in relation to a processing hub set up in Bhandup, in respect of which, the rent was being paid to Wadhwan Holdings Private Limited. We vacated this property in May 2020. Further, our Corporate Office and our branch office at Surat are located on properties owned by DHFL. We are already in the process of identifying a suitable property on viable terms to shift our Corporate Office. Unless terminated earlier, the leave and license agreements with DHFL in respect of our Corporate Office and our branch office at Surat are due to expire on March 31, 2021 and June 30, 2021, respectively. We are in the process of identifying a new corporate office and we expect to shift the same by the end of this year 2021.

- *Corporate Agency for Life Insurance and General Insurance:* We had executed a corporate agency agreement with Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Limited) ("**PLI**") which has been continuing for the last five years. Similarly, we are also a party to an exclusive distribution agreement entered with DHFL and others in relation to the distribution of life insurance products of PLI. The discussion on removal of exclusivity arrangement with PLI under the corporate agency agreement and the distribution agreement is currently under process.

We had also entered into a corporate agency agreement with Navi General Insurance Company Limited (formerly DHFL General Insurance Limited) ("**NGI**") for providing general insurance products to the customers of our Company. It is pertinent to note that NGI has undergone change in control and management during the last year and is currently not an entity related to the DHFL group.

As of date of this Draft Red Herring Prospectus, there are no common directors or control between our Company and PLI or between our Company and NGI.

- *Project Loan Book:* As at March 31, 2020, the total value of our project finance loan book was ₹ 420.5 million, of which only two loan facilities amounting to ₹ 22.9 million were under specific developer finance with DHFL. Since the majority of the aforesaid loan was held by DHFL, the original title documents of the loans under the specific developer finance are held by DHFL. We are in the process of recovering the loan facilities from our respective customers.

For details of the risk arising out of dissociation with Erstwhile Promoter Entities see *"Risk Factors – We were previously associated with DHFL and its related entities"* on page 42.

The Erstwhile Promoter Entities ceased to be related parties of our Company with effect from June 10, 2019. Upon the request of our Company, SEBI through its letter dated December 16, 2020, has permitted our Company to not identify the Erstwhile Promoter Entities as its group companies in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. For details, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer – SEBI Exemption*" on page 321.

Accordingly, based on the parameters outlined above, our Company does not have any group company, as on the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board on August 18, 2020. The dividend, if any, will depend on a number of internal factors, including but not limited to our Company's net operating profit, capital expenditure and working capital requirements, financial commitment with respect to the outstanding borrowings and interest thereon, financial requirement for business expansion, diversification or acquisition of new businesses, provisioning for financial implications arising out of unforeseen events or contingencies, past dividend trend, and capital adequacy ratio. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, prevalent market practices, and dividend payout ratio and comparison of dividend payout by the competitors.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cashflow available for distribution, inadequacy or absence of profits, and under any other circumstances as may be specified by the Companies Act, applicable regulatory provisions or any contractual obligation entered into with the lenders.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 282.

Our Company may also, from time to time, pay interim dividends. Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to risks involved in this regard, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 40.

Equity Shares

The dividend declared and paid on Equity Shares by our Company during the last three Financial Years and the current Financial Year is set out in the following table:

Particular	From October 1, 2020 to the date of this Draft Red Herring Prospectus	From April 1, 2020 to September 30, 2020	Financial Year 2020	Financial Year 2019	Financial Year 2018
Number of Equity Shares at Financial Year/ period ended	394,754,970	39,475,497	39,464,898	25,148,472	25,148,472
Face Value (₹)	10	10	10	10	10
Rate of dividend (%)	Nil	Nil	Nil	Nil	70%
Amount of Dividend (in ₹million)	Nil	Nil	Nil	Nil	176.0
Corporate dividend tax (in ₹ million)	Nil	Nil	Nil	Nil	36.2
Mode of Payment of dividend	Not applicable	Not applicable	Not applicable	Not applicable	By cash transfer through bank accounts

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Restated Consolidated Financial Information" on page 191 as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 121 and 286, respectively.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. Such non-GAAP financial measures should be read together with the nearest GAAP measure.

The following financial and statistical information relates to our Company and should be read in conjunction with our "*Restated Consolidated Financial Information*" on page 191:

Return on Equity and Assets

The following table sets forth, for the years indicated selected financial information relating to the return on equity and assets for our Company:

	As of/for the			
	FY 2018	**FY 2019**	**FY 2020**	**Six months ended September 30, 2020**
	(₹ in million, except percentages)			
Profit After Tax(1)...	1,142.1	1,618.8	1,893.8	1,563.7
Adjusted Profit After Tax (2)	1,142.1	1,618.8	2,526.8	1,660.4
Total Assets(3)	78,015.1	94,800.2	123,664.3	128,303.8
AUM (4)	79,659.2	100,157.5	114,316.6	121,586.9
Average AUM(5)	65,341.3	89,908.4	107,237.1	117,951.8
Net Worth(6)...	7,177.2	8,588.7	23,472.7	25,066.1
Average Net Worth(7)	6,085.2	7,883.0	16,030.7	24,269.4
Total Borrowings(8)	63,178.6	81,949.7	96,433.4	96,379.0
Average Total Borrowings(9)	52,958.2	72,564.2	89,191.6	96,406.2
Return on Total Assets (%)(10)	1.76%	1.87%	1.73%	2.48%
Adjusted Return on Total Assets (%)(11)	1.76%	1.87%	2.30%	2.61%
Return on Equity (%)(12)	18.77%	20.53%	11.81%	12.85%
Adjusted Return on Equity (%)(13)	18.77%	20.53%	15.46%	13.27%
Basic Earnings Per Equity Share(14)	5.32	6.44	5.86	3.96*
Diluted Earnings Per Equity Share(15)	5.32	6.39	5.83	3.85*
Net Asset Value Per Share(16)	28.54	34.15	59.48	63.50

Figures disclosed in the above table, except "Profit after Tax", "Total Assets" and "Basic and Diluted Earnings Per Share" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

* *Figures not annualized.*

(1) Profit After Tax represents Profit After Tax for the relevant year or period.

(2) Adjusted Profit After Tax represents our profit after tax for the relevant year or period, adding back additional provisions towards the impact of COVID-19 and accelerated provisions / write-offs in our portfolio of loans to developers(net of tax impact).

The table below sets forth the reconciliation of Profit After Tax to Adjusted Profit After Tax:

		FY 2020	Six months ended September 30, 2020
		(₹ in million, except percentages)	
	Reported PAT (A)…………………………………..	**1,893.8**	**1,563.7**
Add:	1) COVID 19 Provision....................................	495.1	-
	2) Accelerated Provision on project finance book	314.2	122.9
	Total Provision…………………………………………	**809.3**	**122.9**
Less:	Tax adjustment	176.3	26.2
	Net Impact of COVID 19 & Accelerated Provisions (B)…..	633.0	96.7
	Adjusted PAT (C= A+B)……………………………………	**2,526.8**	**1,660.4**

(3) *Total Assets represents Total Assets as of the last day of the relevant year or period.*

(4) *AUM:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

(5) *Average AUM:- Represents the simple average of our AUM as of the last day of the relevant year or period and our AUM of the last day of the previous year or period.*

(6) *Net worth is the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.*

(7) *Average Net Worth:- Represents the simple average of our Net Worth as of the last day of the relevant year or period and our Net Worth as of the last day of the previous year or period.*

(8) *Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and deposits as of the last day of the relevant year or period.*

(9) *Average Total Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.*

(10) *Return on Total Assets :- Calculated as the Profit After Tax for the relevant year or period as a percentage of Average total assets in such year.*

(11) *Adjusted Return on Total Assets :- Calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Total Assets in such year or period.*

(12) *Return on Equity is calculated as the Profit After Tax for the relevant year or period as a percentage of Average Net Worth in such year or period.*

(13) *Adjusted Return on Equity is calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Net Worth in such year or period.*

(14) $Basic\ Earnings\ Per\ Share = \frac{Net\ profit\ available\ to\ equity\ shareholders}{Weighted\ average\ number\ of\ equity\ shares\ outstanding\ during\ the\ period}$

(1) $Diluted\ Earnings\ Per\ Share = \frac{Net\ profit\ available\ to\ equity\ shareholders}{Weighted\ average\ number\ of\ equity\ shares\ outstanding\ during\ the\ period\ adjusted\ for\ the\ effect\ of\ all\ dilutive\ potential\ equity\ share}$

(16) $Net\ Asset\ value\ per\ share = \frac{Net\ worth\ excluding\ revaluation\ reserve\ as\ at\ the\ end\ of\ the\ period}{Number\ of\ equity\ shares\ outstanding\ at\ the\ end\ of\ the\ period}$

Financial Ratios

The following table sets forth, for the years or period indicated, certain financial ratios for our Company:

	As of/for the			
	FY 2018	**FY 2019**	**FY 2020**	**Six months ended September 30, 2020**
	(₹ in million, except percentages)			
AUM(1)	79,659.2	100,157.5	114,316.6	121,586.9
AUM Growth (%)(2)	56.12%	25.73%	14.14%	12.72%^
Average AUM(3)	65,341.3	89,908.4	107,237.1	117,951.8
Assigned assets(4)	6,131.5	18,919.7	23,711.6	24,489.9
Loan Book(5)	73,527.0	81,237.8	90,605.0	97,096.9
Total Assets(6)	78,015.1	94,800.2	1,23,664.3	1,28,303.8
Retail AUM(7)	78,353.4	99,208.7	1,13,896.2	1,21,180.2
Disbursements(8)...	39,046.5	31,918.5	31,901.4	12,227.3

	As of/for the			
	FY 2018	**FY 2019**	**FY 2020**	**Six months ended September 30, 2020**
	(₹ in million, except percentages)			
Live Accounts (including assigned loans) [9]....	108,092	139,249	161,371	166,758
Revenue From Operations[10]..........................	8,150.0	12,656.1	13,876.7	7,481.5
Other Income[11]..	1.2	0.2	7.9	2.0
Total Revenue[12]..	8,151.2	12,656.3	13,884.6	7,483.5
Finance Cost[13]..	4,634.4	7,319.4	7,934.9	4,142.4
Operating Expenses[14]	1,615.0	2,529.1	2,544.1	1,156.3
Operating Expenses / Average Total Assets[15] (%)	2.49%	2.93%	2.33%	1.83%^
Credit Cost[16]	293.5	320.0	1,096.5	197.1
Credit Cost to Average Total Assets[17] (%)	0.45%	0.37%	1.00%	0.31%^
Total Expenses (including credit cost) [18]........	6,542.9	10,168.5	11,575.5	5,495.8
Gross Retail NPA [19].....................................	457.2	572.7	937.4	899.6*
Gross Retail NPA to Retail AUM (%)[20]	0.58%	0.58%	0.82%	0.74%
Net Retail NPA[21]..	362.0	444.7	682.5	547.6
Net NPA to Retail AUM (%)[22].....................	0.46%	0.45%	0.60%	0.45%
Provision Coverage Ratio – Retail AUM (%)[23]	20.82%	22.35%	27.19%	39.13%
Cost to Income Ratio[24]%	45.92%	47.39%	42.76%	34.61%

Figures disclosed in the above table, except "Revenue from operations", "Other income", "Total revenue", "Finance cost", "Total expenses" and "Total assets" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

^ *Annualized for year ended September 30, 2020.*

(1) *AUM:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

(2) *AUM Growth:- Represents percentage growth in AUM for the relevant year or period over AUM of the previous year or period.*

(3) *Average AUM:- is the simple average of our AUM as of the last day of the relevant year or period and our AUM of the last day of the previous year or period.*

(4) *Assigned Assets:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for loan assets which have been transferred by our Company by way of assignment and outstanding as of the last day of the relevant year or period.*

(5) *Loan Book:- Represents the sum of receivables under financing activities from our own book of the last day of the relevant year or period.*

(6) *Total Assets represents Total Assets as of the last day of the relevant year or period.*

(7) *Retail AUM represents our AUM that is sourced from our home loans and other mortgage loans.*

(8) *Disbursements:- Represent the aggregate of all loan amounts extended to our customers in the relevant year or period.*

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

(10) *Revenue from operations:- Represents our total revenue from operations for the year or period.*

(11) *Other Income:- Represents our other income for the relevant year or period.*

(12) *Total Revenue:- Represents sum of Revenue from operations and other income for the year or period*

(13) *Finance Cost:- Represents our total finance costs for the year or period.*

(14) *Operating Expenses:- Represents employee benefit expenses, depreciation and amortization expense and other expenses for the relevant year or period.*

(15) *Operating Expenses/Average Total Assets:- Represents the ratio of our operating expenses for a year or period to the average total assets for the year or period, expressed as a percentage.*

(16) *Credit Cost:- Represents impairment on financial instruments for the relevant year or period.*

(17) *Credit Cost/Average Total Assets:- Represents the ratio of our credit cost for a year or period to the average total assets for the year or period, expressed as a percentage. After adjusting for the impact of the COVID-19 provisions and accelerated provisions on loans to developers that we recorded in FY2020 and the six months ended September 30, 2020, this ratio will be 0.26% for FY 2020 and 0.12% for six months ended September 30, 2020, on an annualised basis.*

(18) *Total expenses represents Total Expenses for the relevant year or period. Total expenses include employee benefit expenses, finance cost, impairment on financial instruments, depreciation and amortization expense, other expenses.*

(19) *Gross Retail NPA:- Represents closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period.*

(20) *Gross Retail NPA to Retail AUM: Represents the ratio of our Gross Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.*

(21) *Net Retail NPA:- Represents closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period.*

(22) *Net Retail NPA to Retail AUM: Represents the ratio of our Net Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.*

(23) *Provision Coverage Ratio represents retail provisions for the year or period, as a percentage of total Gross retail NPAs as of the last day of the year or period.*

(24) *Cost to income ratio represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.*

* *The Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. Based on this interim order, we have not classified eligible accounts as NPA as at September 30, 2020. However, such accounts have been classified as Stage 3 assets and provisions have been recognised accordingly in our financial statements. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations".*

YIELDS, SPREADS AND MARGINS

	As of/for the			
	FY 2018	**FY 2019**	**FY 2020**	**Six months ended September 30, 2020**
	(₹ in million, except percentages)			
Interest income[1]..	7,047.4	10,949.5	12,145.2	7,007.4
Finance cost[2]..	4,634.4	7,319.4	7,934.9	4,142.4
Total Interest-earning assets[3]	75,433.2	90,877.6	116,779.5	122,139.1
Average interest-earning assets[4]........................	62,125.4	83,155.4	103,828.6	119,459.3
Average total assets[5]...	65,016.6	86,407.7	109,232.3	125,984.1
Average interest-bearing liabilities[6]	52,958.2	72,564.2	89,191.6	96,406.2
Total Revenue[7]...	8,151.2	12,656.3	13,884.6	7,483.5
Net interest income[8]	3516.8	5336.9	5949.7	3,341.1
Average yield on Loan Book [9]	11.67%	13.84%	13.26%	13.41%
Average cost of borrowings including assignment[10]	8.75%	10.09%	8.90%	8.57%
Spread[11]	2.92%	3.75%	4.36%	4.84%
Net interest Margin (%)[12]..................................	5.41%	6.18%	5.45%	5.29%
Average yield on disbursements[13]......................	12.88%	13.15%	13.33%	13.32%
Incremental cost of borrowings(%)[14].................	8.58%	10.00%	8.89%	7.36%
Incremental borrowings[15]..................................	25,768.0	31,510.0	38,000.0	19,701.1

*Figures disclosed in the above table, except "Finance cost" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. *Figures not annualized.*

(1) *Interest income:- Represents our interest income for the relevant year or period.*

(2) *Finance Cost:- Represents our finance cost for the relevant year or period.*

(3) *Total interest-earning assets:- represents housing and other loans; balances with banks in deposit accounts with original maturity of less than three months; balances with banks in other deposit accounts with an original maturity of more than three months; fixed deposits with banks; and investment in bonds as of the last day of the previous year or period..*

(4) *Average interest-earning assets represent the simple average of total interest-earning assets as of the last day of the relevant year or period and total interest-earning assets outstanding as of the last day of the previous year or period*

(5) *Average total assets:- Simple average of total assets outstanding as of the last day of the relevant year or period and total assets outstanding as of the last day of the previous year or period.*

(6) *Average interest-bearing liabilities:- Simple average of our total interest-bearing liabilities (which comprises Total Borrowings) outstanding as of the last day of the relevant year or period and our total interest-bearing liabilities outstanding as of the last day of the previous year or period.*

(7) *Total Revenue:- represents our total revenue for the relevant year or period.*

(8) *Net Interest Income or "NII" represents total income less finance costs, for the relevant year or period.*

(9) *Average Yield on Gross Loan Book:- Represents the ratio of interest income for a year or period to the average GrossLoan Book for the year or period.*

(10) *Average cost of borrowing including assignment:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year.*

(11) *Spread:- Represents average yield on Gross Loan Book less average cost of borrowings including assignment.*

(12) *Net Interest Margin: - Represents the ratio of our total income for a year or period to the average total assets for the year or period.*

(13) *Average yield on Disbursement:- Represents weighted average yield on Disbursement, weights being sanctioned amount of each loan disbursed during the year or period.*

(14) *Incremental cost of borrowing:- Represents weighted average rate of interest on fresh borrowings in the relevant year or period.*

(15) *Incremental Borrowings:- Represents borrowings during the year/period.*

ASSET QUALITY

Total Loan Book (Housing & other loans and Loans to developers)

	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in million, except percentages)			
Receivables under financing activities				
Stage I Assets	70,269.9	76,491.8	85,823.5	93,845.8
Stage II Assets	2,528.9	3,876.8	3,739.9	1,935.0
Stage III Assets	947.4	1,129.8	1,313.1	1,555.4
Total Receivables under financing activities .	**73,746.2**	**81,498.4**	**90,876.5**	**97,336.2**
Provisions				
Stage I Assets	134.1	150.2	412.6	411.4
Stage II Assets	193.9	260.5	386.9	310.3
Stage III Assets	289.4	372.4	471.4	720.7
Total Provisions..	**617.4**	**783.1**	**1,270.9**	**1,442.4**
Receivables under financing activities (net of provisions)				
Stage I Assets	70,135.8	76,341.6	85,410.9	93,434.4
Stage II Assets	2,335.0	3,616.3	3,353.0	1,624.7
Stage III Assets	658.0	757.4	841.7	834.7
Total Receivables under financing activities(net of provisions)	**73,128.8**	**80,715.3**	**89,605.6**	**95,893.8**

Retail Loan Book: Home Loans and Other Property Loans

	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in million, except percentages)			
Receivables under financing activities				
Stage I Assets	69,559.7	76,224.3	85,798.1	93,822.0
Stage II Assets	2,304.6	3,634.6	3,639.9	1,920.3
Stage III Assets...	510.5	630.1	991.2	1,186.7
Total Receivables under financing activities .	**72,374.8**	**80,489.0**	**90,429.2**	**96,929.0**
Provisions				
Stage I Assets	98.6	132.2	410.0	408.9
Stage II Assets	134.9	191.6	355.1	305.6
Stage III Assets...	95.2	128.0	254.9	352.0
Total Provisions..	**328.7**	**451.8**	**1,020.0**	**1,066.5**
Receivables under financing activities (net of provisions)				
Stage I Assets	69,461.1	76,092.1	85,388.1	93,413.1
Stage II Assets	2,169.7	3,443.0	3,284.8	1,614.7
Stage III Assets...	415.3	502.1	736.3	834.7
Total Receivables under financing activities (net of provisions)	**72,046.1**	**80,037.2**	**89,409.2**	**95,862.5**

Loans to Developers

We have discontinued loans to developers and no fresh loan sanctions were made in this category for Fiscals 2019 and 2020 and the six months ended September 30, 2020.

	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in million, except percentages)			
Receivables under financing activities				
Stage I Assets	710.2	267.5	25.4	23.8
Stage II Assets	224.3	242.2	100.0	14.7
Stage III Assets...	436.9	499.7	321.9	368.7
Total Receivables under financing activities .	**1,371.4**	**1,009.4**	**447.3**	**407.2**
Provisions				
Stage I Assets	35.5	18.0	2.6	2.5
Stage II Assets	59.0	68.9	31.8	4.7
Stage III Assets...	194.2	244.4	216.5	368.7
Total Provisions..	**288.7**	**331.3**	**250.9**	**375.9**
Receivables under financing activities (net of provisions)				
Stage I Assets	674.7	249.5	22.8	21.3
Stage II Assets	165.3	173.3	68.2	10.0
Stage III Assets...	242.7	255.3	105.4	-
Total Receivables under financing activities (net of provisions)	**1,082.7**	**678.1**	**196.4**	**31.3**

PRODUCTIVITY RATIOS

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

	As of/ for the			
	Year ended March 31, 2018	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Six months ended September 30, 2020**
Number of branches[(1)]	270	311	294	292
Number of on-roll employees[(2)]	1,742	2,217	2,097	2,088

	As of/ for the			
	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Number of off-roll employees [(3)]..........	1,210	1,127	584	1,326
Live accounts (including assigned accounts)[(4)]......................................	108,092	139,249	161,371	166,758
AUM per branch[(5)] (₹ in million).........	295.0	322.0	388.8	416.4
AUM per employee[(6)] (₹ in million).....	45.7	45.2	54.5	58.2
Disbursement per branch[(7)] (₹ in million)	144.6	102.6	108.5	41.9
Disbursement per employee[(8)] (₹ in million)	22.4	14.4	15.2	5.9
Live accounts/branch[(9)].......................	400.3	447.7	548.9	571.1
Live accounts/employee[(10)].................	62.1	62.8	77.0	79.9

(1) *Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.*

(2) *Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.*

(3) *Number of off-roll employees represents aggregate number of employees of our Subsidiary as of the last day of relevant period.*

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

(5) *AUM per branch represents AUM as of last day of the relevant period divided by number of branches.*

(6) *AUM per employee represents AUM as of the last day of the relevant period divided by number of on roll employees.*

(7) *Disbursement per branch represents disbursements in the relevant period divided by number of branches.*

(8) *Disbursement per employee represents disbursements in the relevant period divided by number of on roll employees.*

(9) *Live accounts per branch represents live accounts as of the last day of the relevant period divided by number of branches.*

(10) *Live accounts per employee represents live accounts as of the last day of the relevant period divided by number of on roll employees.*

PROVISIONING AND WRITE-OFFS

The classification as per Ind AS is set out:

Asset Category (Loan Book)	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in percentages)			
Stage I Assets[(1)]..	95.29%	93.86%	94.44%	96.41%
Stage II Assets[(2)]	3.43%	4.76%	4.12%	1.99%
Stage III Assets[(3)]	1.28%	1.39%	1.44%	1.60%

(1) *% of Stage I Assets in total of Stage I, Stage II, Stage III in Total Loan Book*

(2) *% of Stage II Assets in total of Stage I, Stage II, Stage III in Total Loan Book*

(3) *% of Stage III Assets in total of Stage I, Stage II, Stage III in Total Loan Book*

CAPITAL ADEQUACY (CRAR)

Particulars	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Tier I Capital..	6,830.3	7,255.7	23,426.6	24,925.7
Tier II Capital	1,067.5	1,263.9	1,120.6	1,071.4
Total Capital	**7,897.8**	**8,519.6**	**24,547.2**	**25,997.1**

Particulars	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Total Risk Weighted Assets	**42,090.4**	**46,615.1**	**47,734.4**	**54,343.5**
CRAR (%)..	**18.76%**	**18.28%**	**51.42%**	**47.84%**
CRAR – Tier I capital (%)..................................	16.23%	15.57%	49.08%	45.87%
CRAR – Tier II capital (%)	2.54%	2.71%	2.35%	1.97%
Debt[(1)] to Net worth[(2)] ratio	**8.80**	**9.54**	**4.11**	**3.84**

Figures disclosed in the above table related to "Debt to Net worth" " are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Debt:- Represents the represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and deposits as of the last day of the relevant year or period.*

(2) *Net worth is the aggregate of our equity share capital and other equity, excluding capital reserve on amalgamation.*

SOURCES OF FUND

Particulars	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Term Loans – Secured	**47,616.1**	**62,894.7**	**77,840.9**	**72,989.6**
Banks (excluding NHB).....................................	42,978.0	54,033.7	69,710.5	59,875.4
NHB..	4,638.1	8,861.0	8,130.4	13,114.2
Non-Convertible Debentures Secured	10,204.1	15,861.0	17,081.4	21,554.7
Non-Convertible Debentures – Unsecured	-	-	-	-
Non-Convertible Debentures – Unsecured - Subordinate Debt (Tier II)	832.8	833.4	830.4	832.1
Cash Credit – Secured	**253.9**	**-**	**0.4**	**-**
Banks	253.9	-	0.4	-
Commercial Paper	3,207.1	961.4	-	490.2
Deposits	**1,064.6**	**1,399.2**	**680.3**	**512.4**
Total	**63,178.6**	**81,949.7**	**96,433.4**	**96,379.0**

Types of Borrowings (Including Assignment)

Type of Borrowings including Assignment	As of September 30, 2020	
	Amount	% Share
	(₹ in million, except percentages)	
Fixed Rate Borrowings..	31,218.8	25.83%
Floating rate borrowings	89,650.6	74.17%
Total borrowings including assignment......................................	**120,869.4**	**100.0%**

Average Cost of Borrowings and Tenure

Particulars	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in months, except percentages)			
Average Tenure of Borrowings (including Assignment)	72	105	108	107
Average Cost of Borrowing....................................	8.75%	10.09%	8.90%	8.57%

ALM (As of September 30, 2020):

	Liabilities[(1)]	Assets[(2)]	Gap
	(₹ in million)		
Years			

	Liabilities[(1)]	Assets[(2)]	Gap
	(₹ in million)		
Up to 1 Year	29,537.5	49,998.3	20,460.8
Up to 3 year	67,654.8	73,812.9	6,158.1
Up to 5 year	86,108.1	92,469.2	6,361.1
Up to 7 year	99,916.5	107,768.7	7,852.2
Up to 10 year	107,569.2	127,415.1	19,845.9
Total (including over 10 year)	**133,798.7**	**134,745.7**	**947.0**

(1) *Liabilities represent trade payables, debt securities, borrowings (other than debt securities), deposits, subordinated liabilities and other financial liabilities*

(2) *Assets represents cash and cash equivalents, other bank balances, housing and other loans, investments, and receivables and other financial assets.*

PRODUCT WISE AUM* (IN TERMS OF AMOUNT)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Home Loan	67,142.4	84,364.7	97,579.1	1,02,948.3
Other Mortgage Loan	11,211.0	14,844.0	16,317.0	18,232.0
Loans to Developers	1,305.8	948.8	420.5	406.6
Total	**79,659.2**	**1,00,157.5**	**114,316.6**	**121,586.9**

* *Including insurance portion*

PRODUCT WISE AUM (IN TERMS OF CASES)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in nos.)			
Home Loan	91,871	116,149	134,956	138,153
Other Mortgage Loan	16,177	23,070	26,399	28,590
Loans to Developers	44	30	16	15
Total	**108,092**	**139,249**	**161,371**	**166,758**

AUM BY SEGMENT* (RETAIL VS. CORPORATE CUSTOMERS)

Segment/Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Retail				
Home Loan	67,142.4	84,364.7	97,579.1	1,02,948.3
Other Mortgage Loan	11,211.0	14,844.0	16,317.0	18,232.0
Corporate				
Home Loan	1,305.8	948.8	420.5	406.6
Other Mortgage Loan	-	-	-	-
Total	**79,659.2**	**1,00,157.5**	**1,14,316.6**	**1,21,586.9**
Retail	98.36%	99.05%	99.63%	99.67%
Corporate	1.64%	0.95%	0.37%	0.33%

* *including insurance portion*

PRODUCT WISE LTV ON GROSS AUM on Outstanding Basis (%)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in percentages)			
Home Loan	57.59%	58.04%	58.65%	58.94%
Other Property Loan	38.01%	40.97%	43.13%	44.77%

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in percentages)			
Loans to Developers..	46.46%	48.09%	34.34%	34.34%
Total	**54.65%**	**55.48%**	**56.35%**	**56.73%**

PRODUCT WISE TENURE OF AUM (IN MONTHS, ON ORIGINATION)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in months)			
Home Loan...	196	199	202	204
Other Mortgage Loan..	153	154	163	164
Loans to Developers..	55	54	56	55

PRODUCT WISE ATS ON AUM (BASED ON SANCTIONED AMOUNT)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million, except percentages)			
Home Loan...	0.84	0.85	0.87	0.87
Other Mortgage Loan..	0.70	0.67	0.69	0.70
Loans to Developers..	50.47	52.72	50.93	53.33
Total	**0.84**	**0.83**	**0.84**	**0.85**

AVERAGE INTEREST YIELD ON AUM BY PRODUCT

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in percentages)			
Home Loan...	12.30%	12.69%	12.91%	12.90%
Other Mortgage Loan..	15.44%	15.39%	15.47%	15.28%
Loans to Developers..	17.28%	18.28%	17.79%	17.74%
Total	**12.79%**	**13.13%**	**13.28%**	**13.26%**

GROSS NPA (AUM)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(₹ in million)			
Home Loan...	386.3	503.2	785.9	734.5
Other Mortgage Loan..	70.9	69.5	151.5	165.1
Loans to Developers..	386.3	449.0	299.7	287.1
Total	**843.5**	**1,021.7**	**1,237.1**	**1,186.7**

NO. OF CASES OF GROSS NPA (AUM)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in No. of cases)			
Home Loan...	517	656	1,034	989
Other Mortgage Loan..	97	123	239	237
Loans to Developers..	9	9	11	10
Total	**623**	**788**	**1,284**	**1,236**

% GROSS NPA (AUM)

Product	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
	(in percentages)			
Home Loan..	0.58%	0.60%	0.81%	0.71%
Other Mortgage Loan..	0.63%	0.47%	0.93%	0.91%
Loans to Developers...	29.58%	47.32%	71.28%	70.61%
% Gross NPA..	**1.06%**	**1.02%**	**1.08%**	**0.98%**

AUM BY RATE METHOD (AS ON SEPTEMBER 30, 2020)

Rate Method	AUM	% Share	Yield
Fixed	7,621.7	6.27%	9.52%
Floating	113,965.2	93.73%	13.54%
Grand Total..	**121,586.9**	**100.00%**	**13.26%**

AUM BY STATE/TERRITORY

AUM BY STATE/TERRITORY	As of							
	March 31, 2018		March 31, 2019		March 31, 2020		September 30, 2020	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)							
Uttar Pradesh	13,671.5	17.2%	16,528.2	16.5%	18,603.4	16.3%	19,637	16.2%
Maharashtra	12,260.8	15.4%	14,799.5	14.8%	16,945.1	14.8%	17,830	14.7%
Madhya Pradesh ...	11,805.7	14.8%	13,243.3	13.2%	13,853.9	12.1%	14,413	11.9%
Gujarat.................	7,166.4	9.0%	8,903.1	8.9%	10,970.3	9.6%	12,152	10.0%
Rajasthan	6,129.4	7.7%	8,463.3	8.4%	10,659.6	9.3%	11,681	9.6%
Tamil Nadu...........	5,036.9	6.3%	6,913.9	6.9%	8,273.2	7.2%	8,918	7.3%
Telangana	3,928.0	4.9%	5,604.0	5.6%	6,658.9	5.8%	7,025	5.8%
Karnataka	5,486.5	6.9%	6,695.3	6.7%	6,605.4	5.8%	6,738	5.5%
Others	14,174.2	17.8%	19,006.9	19.0%	21,746.9	19.0%	23,192	19.1%
Total	**79,659.2**	**100.0%**	**100,157.5**	**100.0%**	**114,316.6**	**100.0%**	**121,586.9**	**100.0%**

GROSS AUM BY INCOME GROUP

Income segment	As of							
	March 31, 2018		March 31, 2019		March 31, 2020		September 30, 2020	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)							
EWS[(1)]	27,737.4	34.82%	34,154.3	34.10%	38,464.9	33.65%	40,710.9	33.48%
LIG[(2)]	35,391.7	44.43%	45,950.6	45.88%	53,565.3	46.86%	57,381.0	47.19%
MIG[(3)]	13,297.1	16.69%	17,277.7	17.25%	20,129.2	17.61%	21,423.3	17.62%
HIG[(4)]	3,233.0	4.06%	2,774.9	2.77%	2,157.2	1.89%	2,071.6	1.71%
Total	**79,659.2**	100.00%	**100,157.5**	100.00%	**114,316.6**	100.00%	**121,586.9**	100.00%

(1) *Economically Weaker Section (EWS): Income up to Rs 0.3 mn p.a.*

(2) *Low Income Group (LIG): Above Rs 0.3 mn to Rs 0.6 mn p.a.*

(3) *Middle Income Group (MIG): Above Rs 0.6 mn to Rs 1.8 mn p.a.*

(4) *High Income Group: Above Rs 1.8 mn p.a.*

AUM BY OCCUPATION

Occupation	As of							
	March 31, 2018		March 31, 2019		March 31, 2020		September 30, 2020	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)							
Salaried.......................	52491.6	65.90%	65609.1	65.51%	74,861.9	65.49%	78,818.7	64.82%

Occupation	As of							
	March 31, 2018		March 31, 2019		March 31, 2020		September 30, 2020	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)							
Self Employed	27167.6	34.10%	34584.4	34.49%	39,454.7	34.51%	42,768.1	35.18%
Total	**79,659.2**	**100.00%**	**100,157.5**	**100.00%**	**114,316.6**	**100.00%**	**121,586.9**	**100.00%**

% Retail GROSS NPA BY OCCUPATION AND ASSOCIATED YIELD (%)

Occupation	As of							
	March 31, 2018		March 31, 2019		March 31, 2020		September 30, 2020	
	Yield	Gross NPA	Yield	Gross NPA	Yield	Gross NPA	Yield	Gross NPA
	(in percentages)							
Salaried.......................	12.30%	0.39%	12.69%	0.38%	12.91%	0.51%	12.90%	0.46%
Self Employed	15.44%	0.98%	15.39%	0.94%	15.47%	1.43%	15.28%	1.27%
Total	**12.72%**	**0.58%**	**13.08%**	**0.58%**	**13.26%**	**0.82%**	**13.25%**	**0.74%**

DISBURSEMENTS

Disbursement by segments

Product	For the			
	FY2018	FY2019	FY2020	Six months ended September 30, 2020
	(₹ in million)			
Home Loan..	33,106.1	27,747.9	28,387.3	10,788.9
Other Mortgage Loan..	5,776.9	4,154.7	3,514.1	1,438.4
Loans to Developers..	163.5	15.9	0.0	0.0
Total	**39,046.5**	**31,918.5**	**31,901.4**	**12,227.3**

No. of fresh sanctions during the year (No. of cases)

Disbursement cases by product	For the			
	FY2018	FY2019	FY2020	Six months ended September 30, 2020
	(in nos.)			
Home Loan..	59,573	51,591	50,151	17,494
Other Mortgage Loan..	6,517	10,068	8,319	2,576
Loans to Developers..	1	0	0	0
Total	**66,091**	**61,659**	**58,470**	**20,070**

Disbursements Yield (in %)

Yield by product	For the			
	FY2018	FY2019	FY2020	Six months ended September 30, 2020
	(in percentages)			
Home Loan..	12.38%	12.78%	12.98%	12.92%
Other Mortgage Loan..	15.61%	15.64%	16.21%	16.27%
Loans to Developers..	17.97%	17.73%	-	-
Total	**12.88%**	**13.15%**	**13.33%**	**13.32%**

Disbursements by sourcing channels

Channel	For the six months ended September 30, 2020		For the year ended March 31, 2020		For the year ended March 31, 2019		For the year ended March 31, 2018	
(₹ millions, except percentages)								
	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %
Aadhar Mitras	2,998.5	24.52%	6,635.1	20.80%	3,830.5	12.00%	0.0	0.00%
DSAs	3,426.4	28.02%	8,527.7	26.73%	7,660.8	24.00%	7,029.0	18.00%
DSTs	5,802.5	47.46%	16,738.6	52.47%	20,427.2	64.00%	32,017.5	82.00%
Total	**12,227.4**	**100.00%**	**31,901.4**	**100.00%**	**31,918.5**	**100.00%**	**39,046.5**	**100.00%**

Average Ticket Size on Disbursement

Disbursement (ATS)	For the			
	FY2018	FY2019	FY2020	Six months ended September 30, 2020
	(₹ in million)			
Home Loan..	0.92	0.93	0.94	0.99
Other Mortgage Loan...	0.80	0.65	0.78	0.81
Loans to Developers...	30.75	37.83	-	-
Total	**0.91**	**0.89**	**0.93**	**0.96**

GOVERNMENT SANCTIONED PRADHAN MANTRI AWAS YOJANA (PMAY) SUBSIDY

Particular	For the			
	FY2018	FY2019	FY2020	Six months ended September 30, 2020
	(₹ in million, except sanction count)			
Total Sanction Count by GOI as PMAY Subsidy (in numbers)..	342	7,751	10,272	4,974
EWS/LIG Sanction Count by GOI (in numbers) .	319	6,718	10,076	4,742
Amount Sanctioned as PMAY Subsidy (₹ in million)	67.8	1,706.4	2,211.5	960.4
EWS/LIG Amount Sanctioned (₹ in million)	**63.1**	**1,504.6**	**2,175.0**	**921.3**

NON-GAAP RECONCILIATIONS

Below are the reconciliations of the non-GAAP measures presented in this section:

	As of/for the			
	Six months ended September 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	(₹ in million, except percentages)			
Average Cost of Borrowing				
Finance costs (A)	4,142.4	7,934.9	7,319.4	4,634.4
Debt securities	22,044.9	17,081.4	16,822.4	13,411.2
Borrowings (other than debt securities)	72,989.6	77,841.3	62,894.7	47,870.0
Deposits...	512.4	680.3	1,399.2	1,064.6
Subordinated liabilities.......................	832.1	830.4	833.4	832.8
Total Borrowing (B)...........................	96,379.0	96,433.4	81,949.7	63,178.6
Average Borrowing (C)......................	96,406.2	89,191.6	72,564.2	52,958.2
Average Cost of Borrowing (D=C/A*100)	8.57%*	8.90%	10.09%	8.75%
* Annualised (multiply 365 days and divide by 183 days)				

	As of/for the			
	Six months ended September 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	(₹ in million, except percentages)			
Net Retail NPA on AUM and Retail NPA Provision Coverage Ratio				
Gross NPA -Retail -AUM (A)	899.6	937.4	572.7	457.2
Less : Provision against Retail NPA (Stage 3 Assets (Housing and Other Property Loan)) (B)..............	352.0	254.9	128.0	95.2
Net Retail NPA (C=A-B)	547.6	682.5	444.7	362.0
Retail AUM (D)................................	121,180.2	113,896.2	99,208.7	78,353.4
Net Retail NPA/AUM (E=C/D*100) ...	0.45%	0.60%	0.45%	0.46%
Retail Provision Coverage Ratio %......	39.13%	27.19%	22.35%	20.82%
Net Worth and Average Net Worth				
Equity share capital (A)......................	394.8	394.6	251.5	251.5
Other equity (B)................................	24,671.9	23,078.7	8,337.8	6,926.3
Total equity (C).................................	25,066.7	23,473.3	8,589.3	7,177.8
Capital Reserve on Amalgamation (D)	0.6	0.6	0.6	0.6
Net Worth (E=C-D)	25,066.1	23,472.7	8,588.7	7,177.2
Average Net Worth...........................	24,269.4	16,030.7	7,883.0	6,085.2
Return on Equity				
Net profit after tax, as restated (A).......	1,563.7	1,893.8	1,618.8	1,142.1
Average Total Equity (B)	24,270.0	16,031.3	7,883.6	6,085.4
Return on Equity (C=A/B*100)..........	12.85%*	11.81%	20.53%	18.77%
* Annualised (multiply 365 days and divide by 183 days)				
Debt to Equity Ratio				
Borrowing (A)	96,379.0	96,433.4	81,949.7	63,178.6
Total Equity (B)................................	25,066.7	23,473.3	8,589.3	7,177.8
Debt to Equity Ratio (A/B).................	3.84	4.11	9.54	8.80
Cost to Income Ratio				
Finance costs (A)	4,142.4	7,934.9	7,319.4	4,634.4
Total Income (B)...............................	7,483.5	13,884.6	12,656.3	8,151.2
Employees benefits expense (C)	813.5	1,675.6	1,778.4	1,060.5
Depreciation and amortisation expense (D)	56.7	115.8	85.5	60.0
Other expenses (E)............................	286.1	752.7	665.2	494.5
Operating Expenses (F=C+D+E)	1,156.3	2,544.1	2,529.1	1,615.0
Cost to Income Ratio (G=F/(B-A)*100)	34.61%	42.76%	47.39%	45.92%
Return on total average asset				
Net profit after tax, as restated (A).......	1,563.7	1,893.8	1,618.8	1,142.1
Total Assets (B)	128,303.8	123,664.3	94,800.2	78,015.1
Average total assets (C)......................	125,984.1	109,232.3	86,407.7	65,016.6
Return on total average asset (D=A/C*100)	2.48%*	1.73%	1.87%	1.76%
* Annualised (multiply 365 days and divide by 183 days)				
Return on Equity Adjusted Basis				
Net profit after tax, as restated (A).......	1,563.7	1,893.8	1,618.8	1,142.1
Additional Provision on Covid-19 (B) .	-	495.1	-	-
Accelerated Provision on Loans to Developers (C)	122.9	314.2	-	-
Tax Adjustment on B and C above (D)	26.2	176.3	-	-
Adjusted net profit after tax (E=A+B+C-D)	1,660.4	2,526.8	1,618.8	1,142.1
Total Equity (F)	25,066.7	23,473.3	8,589.3	7,177.8
Cumulative Additional Provision on Covid-19 (G)	495.1	495.1	-	-
Cumulative Accelerated Provision on Loans to Developers (H)	437.1	314.2	-	-
Cumulative Tax Adjustment on B and C above (I) (Effective tax rate 21.79% for Fiscal 2020 and 21.32% for six month ended September 30, 2020)	202.5	176.3	-	-
Adjusted Total Equity (J)	25,796.4	24,106.3	8,589.3	7,177.8

	As of/for the			
	Six months ended September 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	(₹ in million, except percentages)			
Average Adjusted Total Equity (K)	24,951.4	16,347.8	7,883.6	6,085.2
Return on Equity Adjusted basis (L=E/K*100)	13.27%*	15.46%	20.53%	18.77%
Total Assets (M)	**1,28,303.8**	**1,23,664.3**	**94,800.2**	**78,015.1**
Adjustment of Cumulative Additional Provision on Covid-19 and Cumulative Accelerated Provision on Loans to Developers (N=G+H)...	932.2	809.3	-	-
Adjusted Total Asset (O).....................	1,29,236.0	1,24,473.6	94,800.2	78,015.1
Adjusted Average total assets (P)	1,26,854.8	1,09,636.9	86,407.7	65,016.6
Return on Total Assets on Adjusted basis (Q=E/P*100)	2.61%*	2.30%	1.87%	1.76%
* Annualised (multiply 365 days and divide by 183 days)				
Operating expenses to average total assets				
Operating expenses (A).........................	1,156.3	2,544.1	2,529.1	1,615.0
Average total assets (B)........................	125,984.1	109,232.3	86,407.7	65,016.6
Operating expenses to average total assets (C=A/B*100)	1.83%*	2.33%	2.93%	2.48%
* Annualised (multiply 365 days and divide by 183 days)				
Credit Cost to Average Total Assets				
Impairment on financial instruments (Credit Cost) (A)	197.1	1,096.5	320.0	293.5
Average Total Assets (B)	125,984.1	109,232.3	86,407.7	65,016.6
Credit Cost to Average Total Assets (C=A/B)	0.31%*	1.00%	0.37%	0.45%
* Annualised (multiply 365 days and divide by 183 days)				
Average Yield on Loan Book				
Interest on Loans (A)	6,294.7	11,365.9	10,681.0	7,022.8
Housing and other loans (B)..................	95,442.2	89,090.3	80,255.9	72,729.6
Impairment loss allowance (C)..............	1,442.4	1,270.9	783.1	617.4
Housing and other loans - Gross (D=B+C)	96,884.6	90,361.2	81,039.0	73,347.0
Average Housing and other loans (E)	93,622.9	85,700.1	77,193.0	60,158.0
Average Yield (F=A/E*100)	13.41%*	13.26%	13.84%	11.67%
* Annualised (multiply 365 days and divide by 183 days)				
Net Interest Margin				
Total Income (A)	7,483.5	13,884.6	12,656.3	8,151.2
Finance Cost (B)..................................	4,142.4	7,934.9	7,319.4	4,634.4
Net Interest Income (C=A-B)	3,341.1	5,949.7	5,336.9	3,516.8
Average total asset (D)..........................	125,984.1	109,232.3	86,407.7	65,016.6
Net Interest Margin (E=C/D*100)	5.29%*	5.45%	6.18%	5.41%
* Annualised (multiply 365 days and divide by 183 days)				

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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DELOITTE HASKINS & SELLS LLP
Chartered Accountants
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CHATURVEDI SK & FELLOWS
Chartered Accountants
402, Dev Plaza,
Swami Vivekanand Road,
Andheri (West),
Mumbai 400058

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited)

Dear Sirs,

1. We have jointly examined (as appropriate, refer paragraph 5 below) the attached Restated Consolidated Financial Information of Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the "Company" or the "Issuer") and its subsidiary (together referred to as "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020 and as at March 31, 2020, 2019 and 2018, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flow, the Restated Consolidated Statement of Changes in Equity for the six month period ended September 30, 2020 and for the years ended March 31, 2020, 2019 and 2018, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on January 16, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1.1 to the Restated Consolidated Financial Information. Responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors of the Company are responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 5, 2021 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   a) the audited Special Purpose Interim Consolidated Financial Statements of the Group as at and for the six month period ended September 30, 2020 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable (the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on January 16, 2021.

   b) the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2020 and 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with relevant rules issued thereunder, as amended, and other accounting principles generally accepted in India (the "Consolidated Financial Statements"), which have been approved by the Board of Directors at their meetings held on May 29, 2020 and April 30, 2019 respectively. The comparative information for the year ended March 31, 2018 included in financial statements for the year ended March 31, 2019, have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2018 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Consolidated Indian GAAP Financial Statements") which was approved by the Board of directors at their meeting held on April 24, 2018.

5. For the purpose of our examination, we have relied on:

   a. Auditors' report issued by us dated January 16, 2021 on the Special Purpose Interim Consolidated Financial Statements as at and for the six month period ended September 30, 2020 as referred to in paragraph 4(a) above, which includes the following Emphasis of Matter paragraph (also refer Note 6(vi) of the Restated Consolidated Financial Information):

   "Impact of COVID-19 pandemic:
   We draw attention to Note 6(vi) to the Special Purpose Interim Consolidated Financial Statements, which describes the possible effects of uncertainties relating to COVID-19 on operations of the Group and results as assessed by the management.

   Our opinion is not modified with respect to this matter."

b. Auditors' report issued by us dated May 29, 2020 and April 30, 2019 on the Consolidated Financial Statements as at and for the years ended March 31, 2020, March 31, 2019 respectively and Auditors' report dated April 24, 2018 on the Consolidated Indian GAAP Financials Statements as at and for the year ended March 31, 2018 as referred to in paragraph 4(b) above.

   The auditors' report on the Consolidated Financial Statements of the Company as at and for the year ended March 31, 2020 includes the following Emphasis of Matter paragraph (also refer Note 6(vi) of the Restated Consolidated Financial Information):

   "We draw attention to Note 6 to the consolidated financial statements which fully describes that the Group has recognised provision on loans to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

   Our opinion is not modified in respect of this matter."

6. As indicated in our reports referred above:

   We did not audit the financial statements of a subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the Special Purpose Interim Consolidated Financial Statements as at and for the six month period ended September 30, 2020 and included in the Consolidated Financial Statements as at and for the years ended March 31, 2020, 2019 and 2018, is tabulated below, which have been audited by other auditor, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor:

(Rs in million)

Particulars	**As at / for the six month period ended September 30, 2020**	**As at / for the year ended March 31, 2020**	**As at / for the year ended March 31, 2019**	**As at / for the year ended March 31, 2018**
Total assets	25.6	31.8	37.9	16.7
Total revenue	106.8	197.5	291.5	91.3
Net cash inflow/ (outflows)	7.3	(0.7)	(1.2)	7.4

   Our opinion on the Special Purpose Interim Consolidated Financial Statements and the Consolidated Financial Statements is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by other auditor on their audit of financial statements of the subsidiary mentioned in paragraph 6 above, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, 2019 and 2018 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six month period ended September 30, 2020;

b. do not require any adjustment for modification as there is no modification in the underlying audit reports. There are items relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

c. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

8. 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.

9. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Consolidated Financial Statements, audited consolidated financial statements and audited consolidated Indian GAAP financial statements mentioned in paragraph 5 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Neville M. Daruwalla
Partner
(Membership No. 118784)
UDIN: 21118784AAAAAF4916
Mumbai, January 16, 2021

Abhinav Chaturvedi
Partner
(Membership No. 143376)
UDIN: 21143376AAAAAC3709
Mumbai, January 16, 2021

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of assets and liabilities

(₹ in Million)

	Particulars	Note No.	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Assets					
1.	**Financial assets**					
a)	Cash and cash equivalents	4	4,303.7	13,648.8	9,433.5	1,890.9
b)	Other bank balances	4	21,642.3	17,766.4	1,105.8	101.5
c)	Receivables	5	37.2	40.8	38.6	25.3
d)	Housing and other loans	6	95,442.2	89,090.3	80,255.9	72,729.6
e)	Investments	7	3,824.6	239.6	1,496.6	2,102.4
f)	Other financial assets	8	2,000.9	1,902.2	1,778.2	606.5
			1,27,250.9	**1,22,688.1**	**94,108.6**	**77,456.2**
2.	**Non-financial assets**					
a)	Current tax assets (Net)	9	255.4	278.7	136.1	21.7
b)	Property, plant and equipment	10	171.3	175.1	236.2	182.9
c)	Right to use assets	35	234.8	258.1	176.1	144.4
d)	Other intangible assets	11	16.4	9.5	4.4	8.3
e)	Deferred tax assets (Net)	21	2.3	1.7	0.9	0.4
f)	Other non-financial assets	12	372.7	253.1	137.9	201.2
			1,052.9	**976.2**	**691.6**	**558.9**
	Total assets		**1,28,303.8**	**1,23,664.3**	**94,800.2**	**78,015.1**
	Liabilities and equity					
	Liabilities					
1.	**Financial liabilities**					
a)	Trade payables					
i)	Total outstanding dues to micro enterprises and small enterprises		-	-	-	-
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	13	298.8	288.1	157.6	138.1
b)	Debt securities	14	22,044.9	17,081.4	16,822.4	13,411.2
c)	Borrowings (other than debt securities)	15	72,989.6	77,841.3	62,894.7	47,870.0
d)	Deposits	16	512.4	680.3	1,399.2	1,064.6
e)	Subordinated liabilities	17	832.1	830.4	833.4	832.8
f)	Other financial liabilities	18	5,862.0	3,018.1	3,612.2	7,109.6
			1,02,539.8	**99,739.6**	**85,719.5**	**70,426.3**
2.	**Non-financial liabilities**					
a)	Current tax liabilities (Net)	19	66.5	-	-	33.3
b)	Provisions	20	114.1	96.8	71.5	43.1
c)	Deferred tax liabilities (Net)	21	149.7	186.5	308.5	182.7
d)	Other non-financial liabilities	22	367.0	168.1	111.4	151.9
			697.3	**451.4**	**491.4**	**411.0**
3.	**Equity**					
a)	Equity share capital	23	394.8	394.6	251.5	251.5
b)	Other equity	24	24,671.9	23,078.7	8,337.8	6,926.3
			25,066.7	**23,473.3**	**8,589.3**	**7,177.8**
	Total liabilities and equity		**1,28,303.8**	**1,23,664.3**	**94,800.2**	**78,015.1**

The accompanying notes form an integral part of the restated consolidated financial information

In terms of our report of even date attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

For and on behalf of the Board of Directors

Abhinav Chaturvedi
Partner
ICAI MN: 143376

Neville M. Daruwalla
Partner
ICAI MN: 118784

O P Bhatt
Chairman
DIN 00548091

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Mukesh G Mehta
Director
DIN 08319159

Rajesh Viswanathan
Chief Financial Officer
Place: Mumbai
Dated: January 16, 2021

Sreekanth VN
Company Secretary

Place: Mumbai
Dated: January 16, 2021

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of profit and loss

(₹ in Million)

Particulars	Note No.	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
1 Income					
Revenue from operations	25				
a) Interest income		7,007.4	12,145.2	10,949.5	7,047.4
b) Net gain on fair value changes		15.2	236.1	248.5	144.7
c) Net gain on derecognition of financial instruments under amortised cost category		204.8	840.1	918.5	363.5
d) Fees and commission Income		254.1	655.3	539.6	594.4
Total revenue from operations		7,481.5	13,876.7	12,656.1	8,150.0
Other income	26	2.0	7.9	0.2	1.2
Total income		**7,483.5**	**13,884.6**	**12,656.3**	**8,151.2**
2 Expenses					
Finance costs	27	4,142.4	7,934.9	7,319.4	4,634.4
Impairment on financial instruments	28	197.1	1,096.5	320.0	293.5
Employees benefits expense	29	813.5	1,675.6	1,778.4	1,060.5
Depreciation and amortisation expense	10&11&35	56.7	115.8	85.5	60.0
Other expenses	30	286.1	752.7	665.2	494.5
Total expenses		**5,495.8**	**11,575.5**	**10,168.5**	**6,542.9**
3 Profit before tax and exceptional items		**1,987.7**	**2,309.1**	**2,487.8**	**1,608.3**
4 Exceptional item	45	-	-	138.6	-
5 Profit before tax		**1,987.7**	**2,309.1**	**2,349.2**	**1,608.3**
6 Tax expense	31				
Current tax		461.7	540.7	603.2	567.3
Deferred tax		(37.7)	(125.4)	127.2	(101.1)
		424.0	**415.3**	**730.4**	**466.2**
7 Profit for the period		**1,563.7**	**1,893.8**	**1,618.8**	**1,142.1**
8 Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss					
i Remeasurements of the defined employee benefit plans		1.4	(10.8)	(5.3)	(22.4)
ii Income tax relating to items that will not be reclassified to profit or loss		(0.3)	2.7	1.9	7.8
Total other comprehensive income for the period (i + ii)		**1.1**	**(8.1)**	**(3.4)**	**(14.6)**
9 Total comprehensive income		**1,564.8**	**1,885.7**	**1,615.4**	**1,127.5**
10 Earnings per equity share	32				
Basic earnings per equity share (₹)		3.96*	5.86	6.44	5.32
Diluted earnings per equity share (₹)		3.85*	5.83	6.39	5.32
* Not Annualised					

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

For and on behalf of the Board of Directors

Abhinav Chaturvedi
Partner
ICAI MN: 143376

Neville M. Daruwalla
Partner
ICAI MN: 118784

O P Bhatt
Chairman
DIN 00548091

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Mukesh G Mehta
Director
DIN 08319159

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Place: Mumbai
Dated: January 16, 2021

Place: Mumbai
Dated: January 16, 2021

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of cash flow

(₹ in Million)

	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**				
	Net profit before tax	1,987.7	2,309.1	2,349.2	1,608.3
	Adjustments for:				
	Depreciation and amortisation expense	56.7	115.8	85.5	60.0
	Loss on sale of fixed assets (Net)	0.2	27.2	0.6	-
	Interest on lease liabilities	10.4	20.1	14.3	11.7
	Gain on modification in lease	(0.2)	(1.4)	-	-
	Provision for contingencies & write offs	197.4	1,099.1	324.2	293.5
	Profit on sale of investment in mutual fund and other investments	(15.2)	(236.1)	(248.5)	(144.8)
	Provision for Employee share based payments	28.4	3.1	8.3	-
	Operating profit before working capital changes	**2,265.4**	**3,336.9**	**2,533.6**	**1,828.7**
	Adjustments for:				
	Increase /(decrease) in other financial and non-financial liabilities and provisions	3,125.1	(530.9)	(3,747.6)	3,377.5
	Decrease / (increase) in trade receivables	3.6	(2.2)	(13.3)	(24.7)
	Increase in other financial and non-financial assets	(250.2)	(435.2)	(833.3)	(117.1)
	Cash generated from / (used in) operations during the period	**5,143.9**	**2,368.6**	**(2,060.6)**	**5,064.4**
	Tax paid	(371.9)	(683.3)	(750.9)	(544.7)
	Net cash flow generated from / (used in) operations before movement in housing and other loans	**4,772.0**	**1,685.3**	**(2,811.5)**	**4,519.7**
	Housing and other property loans disbursed	(12,227.3)	(31,901.4)	(35,707.9)	(39,046.5)
	Housing and other property loans repayments	3,661.1	12,368.2	12,984.2	8,911.5
	Net cash used in operating activities [A]	**(3,794.2)**	**(17,847.9)**	**(25,535.2)**	**(25,615.3)**
B.	**Cash flow from investing activities**				
	Proceeds received on sale / redemption of investments	2,820.1	1,29,246.0	1,45,349.1	71,425.7
	Payment towards purchase of investments	(6,389.9)	(1,27,502.7)	(1,44,744.8)	(71,635.0)
	Investment in fixed deposits (net of maturities)	(3,875.9)	(16,660.6)	(1,004.3)	184.9
	Payment towards purchase of fixed assets	(30.0)	(34.2)	(86.8)	(90.3)
	Proceeds received on sale of fixed assets	0.1	0.2	0.9	1.9
	Net cash used in investing activities [B]	**(7,475.6)**	**(14,951.3)**	**(485.9)**	**(112.8)**
C.	**Cash flow from financing activities**				
	Proceeds on Issue of Equity Shares	0.2	13,000.0	-	1,150.0
	Expenses related to allotment of equity shares	-	(14.6)	-	-
	Proceeds from loans from banks/institutions	11,551.1	35,000.4	24,750.0	23,169.5
	Proceeds from NCDs	7,650.0	3,000.0	6,764.0	4,850.0
	Repayment of loans to banks/institutions	(16,405.5)	(19,976.4)	(9,631.6)	(6,340.8)
	Repayment of NCDs	(3,188.3)	(1,820.0)	(1,000.0)	(880.0)
	Net Proceeds / (repayment) of short term Loan	487.3	(961.4)	(2,245.7)	(502.7)
	Proceeds from deposits	-	93.3	706.6	387.8
	Repayment of deposits	(184.9)	(793.7)	(359.1)	(219.6)
	Proceeds from assignment of portfolio	2,047.3	9,546.7	14,831.1	3,534.1
	Payment of lease liabilities	(32.5)	(59.8)	(39.4)	(27.7)
	Dividend paid	-	-	(176.0)	(77.6)
	Tax paid on dividend	-	-	(36.2)	(15.8)
	Net cash generated from financing activities [C]	**1,924.7**	**37,014.5**	**33,563.7**	**25,027.2**
	Net (decrease) / increase in cash and cash equivalents [A+B+C]	**(9,345.1)**	**4,215.3**	**7,542.6**	**(700.9)**
	Cash and cash equivalents at the beginning of the period	**13,648.8**	**9,433.5**	**1,890.9**	**2,591.8**
	Cash and cash equivalents at the end of the period (refer note 4)	**4,303.7**	**13,648.8**	**9,433.5**	**1,890.9**

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

For and on behalf of the Board of Directors

Abhinav Chaturvedi
Partner
ICAI MN: 143376

Neville M. Daruwalla
Partner
ICAI MN: 118784

O P Bhatt
Chairman
DIN 00548091

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Mukesh G Mehta
Director
DIN 08319159

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Place: Mumbai
Dated: January 16, 2021

Place: Mumbai
Dated: January 16, 2021

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of changes in equity

a) Equity Share Capital

Particulars	(₹ in Million)
Balance as at April 01, 2017	**212.1**
Changes in equity share capital during the year	
Share issued on Preferential Allotment	39.4
Balance as at March 31, 2018	**251.5**
Changes in equity share capital during the year	
Balance as at March 31, 2019	**251.5**
Changes in equity share capital during the year	
Share issued on Preferential Allotment	88.1
Share issued on Right Issue Allotment	55.0
Balance as at March 31, 2020	**394.6**
Changes in equity share capital during the period	
Share issued on ESOP/ESAR Allotment	0.2
Balance as at September 30, 2020	**394.8**

b) Other Equity

(₹ in Million)

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General reserve	Retained earnings	Employees stock option outstanding	Total
Balance as at April 01, 2017	**0.6**	**2,980.7**	**935.4**	**-**	**226.7**	**638.2**	**-**	**4,781.6**
Profit for the year	-	-	-	-	-	1,142.1	-	1,142.1
Other comprehensive income	-	-	-	-	-	(14.6)	-	(14.6)
Securities premium on allotment of equity share	-	1,110.6	-	-	-	-	-	1,110.6
Transferred to statutory reserve	-	-	281.4	-	-	(281.4)	-	-
Final dividend	-	-	-	-	-	(77.6)	-	(77.6)
Dividend distribution tax	-	-	-	-	-	(15.8)	-	(15.8)
Balance as at March 31, 2018	**0.6**	**4,091.3**	**1,216.8**	**-**	**226.7**	**1,390.9**	**-**	**6,926.3**
Profit for the year	-	-	-	-	-	1,618.8	-	1,618.8
Other comprehensive income	-	-	-	-	-	(3.4)	-	(3.4)
Transferred to general reserve	-	-	-	-	300.0	(300.0)	-	-
Transferred to statutory reserve	-	-	324.5	-	-	(324.5)	-	-
Transferred to debenture redemption reserve	-	-	-	563.7	-	(563.7)	-	-
Employee stock option outstanding	-	-	-	-	-	-	8.3	8.3
Final dividend	-	-	-	-	-	(176.0)	-	(176.0)
Dividend distribution tax	-	-	-	-	-	(36.2)	-	(36.2)
Balance as at March 31, 2019	**0.6**	**4,091.3**	**1,541.3**	**563.7**	**526.7**	**1,605.9**	**8.3**	**8,337.8**
Transition to Ind AS 116 (refer note 50)	-	-	-	-	-	9.9	-	9.9
Balance as at April 01, 2019	**0.6**	**4,091.3**	**1,541.3**	**563.7**	**526.7**	**1,615.8**	**8.3**	**8,347.7**
Profit for the year	-	-	-	-	-	1,893.8	-	1,893.8
Other comprehensive income	-	-	-	-	-	(8.1)	-	(8.1)
Securities premium on allotment of equity share	-	12,856.8	-	-	-	-	-	12,856.8
Expenses on allotment of equity shares	-	(14.6)	-	-	-	-	-	(14.6)
Transferred to general reserve	-	-	-	-	200.0	(200.0)	-	-
Transferred to statutory reserve	-	-	385.1	-	-	(385.1)	-	-
Transferred to debenture redemption reserve	-	-	-	1,127.3	-	(1,127.3)	-	-
Employee stock option outstanding	-	-	-	-	-	-	3.1	3.1
Balance as at March 31, 2020	**0.6**	**16,933.5**	**1,926.4**	**1,691.0**	**726.7**	**1,789.1**	**11.4**	**23,078.7**
Profit for the period	-	-	-	-	-	1,563.7	-	1,563.7
Other comprehensive income	-	-	-	-	-	1.1	-	1.1
Securities premium on allotment of equity share	-	0.4	-	-	-	-	(0.4)	-
Transferred to general reserve	-	-	-	-	0.2	-	(0.2)	-
Employee stock option outstanding	-	-	-	-	-	-	28.4	28.4
Balance as at September 30, 2020	**0.6**	**16,933.9**	**1,926.4**	**1,691.0**	**726.9**	**3,353.9**	**39.2**	**24,671.9**

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

Abhinav Chaturvedi
Partner
ICAI MN: 143376

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

Neville M. Daruwalla
Partner
ICAI MN: 118784

Place: Mumbai
Dated: January 16, 2021

For and on behalf of the Board of Directors

O P Bhatt
Chairman
DIN 00548091

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Mukesh G Mehta
Director
DIN 08319159

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Place: Mumbai
Dated: January 16, 2021

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Summary of Significant accounting policies and other explanatory information

Corporate information

Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) (the "Parent Company") and its subsidiary company (collectively referred to as "the Group" or "the "Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited (VBHFL) on 26th November, 1990. VBHFL was taken over by Dewan Housing Finance Corporation Limited in 2003 and renamed as DHFL Vysya Housing Finance Limited (DVHFL). The erstwhile Aadhar Housing Finance Limited which was established in 2010 and commenced operation in February ,2011 was merged into DVHFL on 20th November 2017 and renamed as Aadhar Housing Finance Limited on 4th December 2017 with permission of National Housing Bank ("NHB") and Registrar of Companies ("ROC"). The Company is carrying business of providing loans to customers including individuals, Companies, Corporations, Societies or Association of Persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Parent Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Parent Company is a subsidiary of BCP Topco VII Pte. Ltd. ("Holding Company").

During the year ended March 31, 2020, the Wadhawan Global Capital Ltd and Dewan Housing Finance Corporation Limited, along with promoter shareholders and International Finance Corporation (collectively "sellers") transferred their entire shareholding to BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone").

The Company's Restated consolidated financial information for the six months ended September 30, 2020 and year ended March 31, 2020, March 31, 2019 and March 31, 2018 are approved for issue in accordance with a resolution of the directors on January 16, 2021.

1. Significant Accounting Policies

1.1 Basis of Preparation and Presentation

The Restated Consolidated Financial Information of the Company and its subsidiary (together known as the "Group") comprise of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of changes in equity for the six month periods ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019, and March 31, 2018, and the Summary of Significant Accounting Policies and other explanatory notes and notes to restated consolidated financial information (collectively, the 'Restated Consolidated Financial Information'). These restated consolidated Financial information have been prepared by the management of the Company for the purpose of inclusion in the draft red herring prospectus (the "DRHP" or the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

Summary of Significant accounting policies and other explanatory information

These Restated Consolidated Financial Information have been compiled by the Management from:

a) audited special purpose interim consolidated financial statements of the Group as at and for the six month periods ended September 30, 2020 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable (together, the "Special Purpose interim Consolidated Financial Statements"), which have been approved by the Board of directors of the Company at their meetings held on January 16, 2021; and

b) audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2020 and 2019 which includes the comparative Ind AS financial information as at and for the year ended March 31, 2018 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 29, 2020 and April 30, 2019 respectively. The Comparative Ind AS financial statements as at and for the year ended March 31, 2018 have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 (the "Consolidated Indian GAAP Financial Statements"), which was approved by the Board of directors of the Company at their meeting held on April 24, 2018.

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Statements and are consistent with those adopted in the preparation of financial statements for the six month period ended September 30, 2020. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Special Purpose Interim Consolidated Financial Statements / audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, 2019 and 2018 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six month period ended September 30, 2020.

b) do not require any adjustment for modification as there is no modification in the underlying audit reports.
   i. The auditor's reports dated January 16, 2021 on the Special Purpose Interim Consolidated Financial Statements as at and for the six month period ended September 30, 2020 includes the following Emphasis of Matter paragraph:
   "Impact of COVID-19 pandemic:
   We draw attention to Note 6(vi) to the Special Purpose Interim Consolidated Financial Statements, which describes the possible effects of uncertainties relating to COVID-19 on operations of the Group and results as assessed by the management.
   Our opinion is not modified with respect to this matter."

ii. The auditor's report dated May 29, 2020 on the Consolidated Financial Statements as at and for the year ended March 31, 2020 includes the following Emphasis of Matter paragraph:
"We draw attention to Note 6 to the consolidated financial statements which fully describes that the Group has recognised provision on loans to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.
Our opinion is not modified in respect of this matter."

The above emphasis of matters do not require any adjustment to the Restated Consolidated Financial Information.

1.2 Going Concern

These consolidated financial statements have been prepared on a going concern basis.

1.3 Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these consolidated financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 116 and Ind AS 36, respectively.

1.4 Basis of Consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent Company.

Summary of Significant accounting policies and other explanatory information

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at September 30, 2020	Holding As at March 31, 2020
Aadhar Housing Finance Limited	Parent Company	India	Parent Company	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%	100%

1.5 Presentation of financial statements

Amounts in the consolidated financial statements are presented in Indian Rupees in Million. Per share data is presented in Indian Rupee.

2.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. Interest Income

The main source of revenue for the Group is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (“EIR”) applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at Fair Value through Statement of Profit and Loss (“FVTPL”), transaction costs are recognised in Statement of Profit and Loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. Fee and Commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend Income

Dividend income is recognised when the Group’s right to receive dividend is established by the reporting date.

d. Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.2 Property, plant and equipment and Intangible Assets

Property Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Estimated useful life considered by the Group are:

Asset	Estimated Useful Life
Office Equipment	5 – 10 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Deemed Cost of PPE on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 01, 2017 (transition date) measured as per the IGAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of assets

As at the end of each financial period, the Group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.3 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Group's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each period using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the period. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements
The share appreciation rights / stock options granted to employees pursuant to the Group's Stock appreciation rights scheme / stock options policy are measured at the fair value of the rights at the grant date. The fair value of the rights / options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each period is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.4 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

For the purpose of preparation of Restated Consolidated Financial Statements, management has evaluated the impact of change in accounting policies due to adoption of Ind AS 116 for each of the year ended March 31, 2019 and March 31, 2018 following modified retrospective method. Impact of adoption of Ind AS 116 has been adjusted in the respective years for the purpose of restatement. Refer note 50 for details.

2.5 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial Assets Classification of Financial Assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Group has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured 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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current reporting period and previous financial year there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Impairment

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Group 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.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Group transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities shall be recognised in Statement of Profit and Loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is

a) a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or
b) a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or
c) a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.7 Borrowing Costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.8 Foreign currencies

a. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group has been determined based on the primary economic environment in which the Group operate considering the currency in which funds are generated, spent and retained.
b. Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the period-end, Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.9 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.10 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the period. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.11 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

The tax currently payable is based on the estimated taxable profit for the complete financial year for each entity of the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. 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. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and each entity of the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.12 Special Reserve

The Parent Company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.13 Impairment Reserve

As per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020, in the event of the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms , then the difference shall be appropriated from the Net Profit or loss after tax to a separate “Impairment Reserve”.

2.14 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised but disclosed in the consolidated financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.16 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.17 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.18 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.19 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 38.

EIR

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument

Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 42.

3. Explanation to the transition to Ind-AS

The transition as at April 1, 2017 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First–time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

3.1 First-time adoption

Summary of Significant accounting policies and other explanatory information

Overall principle:
The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2019 and March 31, 2020 and for the six months ended September 30, 2020, the information presented in these consolidated financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed:
We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:
Deemed cost for property, plant and equipment and other intangible assets
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments
Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to IndAS. The Company has designated certain investments in equity share as held at FVTPL on the basis of the facts and circumstances that existed at the transition date.

Derecognition of financial assets and financial liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 retrospectively.

Business Combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Ind AS Mandatory Exceptions:
Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in

error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

Impairment of financial assets:
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

3.2 First-time adoption Reconciliation with previous GAAP –

a) Reconciliation of total equity between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Million)

Particulars	Note	As at March 31, 2018
Total equity (Shareholder's Fund as reported in previous GAAP)		**6,994.9**
Adjustment on account of :		
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	i,ii and iii	(284.1)
Net gain on derecognition of financial instruments under amortised cost category	iii	566.9
Expected credit loss (Impairment on financial instruments)	v	(93.6)
Fair value of investment	vi	2.4
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	viii	(3.7)
Transition to Ind AS 116 (refer note 50)	2.4	5.0
Total equity as per Ind AS		**7,177.8**

b) Reconciliation of net profit between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Million)

Particulars	Note	For the year ended March 31, 2018
Net profit after tax as per previous GAAP		996.2
Adjustment on account of :		

Particulars	**Note**	**For the year ended March 31, 2018**
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	i,ii and iii	(294.7)
Net gain on derecognition of financial instruments under amortised cost category	iii	363.5
Expected credit loss (Impairment on financial instruments)	v	(63.0)
Fair value of investment	vi	(1.1)
Reclassification of actuarial gain losses (net of tax) to OCI	iv	14.6
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	viii	131.6
Transition to Ind AS 116 (refer note 50)	2.4	5.0
Net profit after tax as per Ind AS		**1,142.1**
Other comprehensive income (Net of taxes)	iv	(14.6)
Total comprehensive income as per Ind AS		**1,127.5**

Reconciliation of cash flows between the figures reported under previous GAAP and Ind AS is given below :

There is no change in cash flow items under Ind AS and IGAAP.

Notes :

i. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

ii. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

iii. Under Previous GAAP, gain on derecognition of financial assets on account of assignment transactions is recognised over the contractual tenure of the loan asset. However, as per Ind AS – 109 gain on derecognition of financial assets (i.e difference between sale consideration and carrying value) is recognised in the statement of profit & loss in the year of sale.

iv. Under the previous GAAP, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.

v. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

vi. Under previous GAAP, the investment in equity shares and mutual funds other than subsidiaries were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.

vii. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2017, thus not having any impact on total equity as on that date.

viii. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 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. It also includes impact of deferred tax arising on account of transition to IND AS.

Notes to restated consolidated financial information

4. Cash and bank balance (₹ in Million)

	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents				
a)	Cash on hand	57.0	9.5	59.9	63.6
b)	Balances with banks in current accounts	3,016.2	3,955.5	1,353.6	1,327.0
c)	Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	1,230.5	9,683.8	8,020.0	500.3
		4,303.7	**13,648.8**	**9,433.5**	**1,890.9**
	Other bank balances				
a)	In other deposit accounts				
	- Original maturity of more than three months (refer note (ii) & (iii) below)	21,641.8	17,765.8	1,105.1	100.9
b)	Earmarked balances with banks				
	- Unclaimed dividend account	0.5	0.6	0.7	0.6
		21,642.3	**17,766.4**	**1,105.8**	**101.5**
	Total	**25,946.0**	**31,415.2**	**10,539.3**	**1,992.4**

i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit and other balances with banks earns interest at fixed rate.

iii) Other bank balances includes deposits which are under lien including lien towards unutilized bank overdraft :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deposits under lien	2,146.1	1,695.0	801.0	69.4
Floating charge in favour of depositors of Fixed Deposits	-	-	-	31.5

5. Receivables (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade receivables				
Unsecured, considered good	37.2	40.8	38.6	25.3
Total	**37.2**	**40.8**	**38.6**	**25.3**

i) Trade receivables includes amounts due from the related parties :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Dues from Related Parties	-	-	32.8	23.9

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iv) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

6. Housing and other loans (₹ in Million)

	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	At amortised cost				
i)	Housing and other property loan	96,238.0	89,667.0	79,827.3	71,820.9
ii)	Loans to developers	406.6	420.5	948.8	1,251.2
iii)	Loan given to Dewan Housing Finance Corporation Limited under joint syndication for project Loan	-	-	-	54.6
iv)	Loan against fixed deposits	1.0	2.1	1.8	1.1
v)	Interest accrued on above loans	239.0	271.6	261.1	219.2
	Total gross	**96,884.6**	**90,361.2**	**81,039.0**	**73,347.0**
	Less: Impairment loss allowance	1,442.4	1,270.9	783.1	617.4
	Total net	**95,442.2**	**89,090.3**	**80,255.9**	**72,729.6**

Notes to restated consolidated financial information

i) All Housing and other loans are originated in India.

ii) Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Oustanding balance in pool	24,489.9	23,711.6	18,919.7	6,131.5

The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no Outstanding loan to Public institution.

v) Housing loan and other property loan includes given to employees of the Company under the staff loan :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Staff Loans	657.6	498.1	260.4	108.5

vi) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Company had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers classified as standard. For all such accounts, where the moratorium was granted, the asset classification remained at a standstill during the moratorium period.

The extent to which the COVID-19 pandemic will ultimately impact the Company's results and carrying value of assets will depend on future developments, which are highly uncertain. The Company's impairment loss allowance estimates are subject to a number of management judgments and estimates, which could undergo changes over the entire duration of the pandemic. Given the uncertainty over the potential macro-economic condition and related judicial decisions on matters arising from the regulatory guidelines, the impact of the COVID pandemic on the financial performance may be different from that estimated as at the date of approval of these financial statements. Such changes will be prospectively recognized. The Company continues to closely monitor any anticipated material changes to future economic conditions. The company has maintained an impairment provision as given below :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Additional Provision	495.1	495.1	-	-

vii) Assets repossessed under SARFAESI are included in Housing and other loans alongwith corrosponding provisions.

7. Investments

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Number of Units / Shares				Amount			
At amortised cost								
Investments in bonds								
6.05% GOI Bonds 2019 (Face Value of Rs 100/- each)	-	-	-	5,00,000	-	-	-	50.2
6.57% GOI Bonds 2033 (Face Value of Rs 100/- each)	5,00,000	5,00,000	5,00,000	5,00,000	49.3	49.1	49.4	49.4
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of Rs 1,00,000/- each)	2,000	2,000	2,000	-	190.1	189.8	190.2	-
					239.4	**238.9**	**239.6**	**99.6**
Investment in inter-corporate deposits (refer note (iv) below)								
Investment in inter-corporate deposit					-	-	-	30.0
Less : Provision for diminution in the value of investment					-	-	-	(30.0)
					-	-	-	-

Notes to restated consolidated financial information

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Number of Units / Shares				Amount			
At fair value through profit and loss								
Investments in mutual funds								
HSBC Cash Fund	-	-	1,34,392	1,15,683	-	-	250.2	200.1
SBI Liquid Fund Direct	1,58,130	-	-	-	501.5	-	-	-
HDFC Liquid Fund Direct Growth	2,01,493	-	-	-	802.6	-	-	-
Invesco India Liquid Fund Direct Growth	1,26,194	166	97,262	83,712	351.1	0.5	255.6	200.3
Axis Liquid Fund - Direct Growth	89,100	-	1,20,713	-	200.4	-	250.3	
BOI AXA Liquid Fund	-	-	1,16,180	1,24,997	-	-	250.3	250.4
SBI Magnum Insta Cash Plus Fund - Direct Growth	-	-	85,473	52,129	-	-	250.3	200.3
IDBI Liquid Fund	-	-	-	80,701	-	-	-	150.1
Peerless Liquid Fund	-	-	-	52,292	-	-	-	100.1
L&T Mutual Fund - Liquid	-	-	-	84,030	-	-	-	200.2
LIC Mutual Fund - Liquid Fund	-	-	-	47,665	-	-	-	150.2
M & M Liquid Find - Direct Growth	-	-	-	88,984	-	-	-	100.1
Principal Cash Management Fund - Direct Growth	-	-	-	1,18,258	-	-	-	200.3
Mirae Assets Cash Management Liquid Fund	1,17,435	-	-	54,607	250.9	-	-	100.1
Nippon India Overnight Fund Direct Growth	4,60,284	-	-	-	50.1	-	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	7,68,908	-	-	-	230.6	-	-	-
SBI Overnight Fund Direct Growth	76,241	-	-	-	251.8	-	-	-
Reliance Liquid Fund Treasure Plan - Direct Growth	-	-	-	35,431	-	-	-	150.2
Axis Overnight Fund Direct Plan Growth	5,81,917	-	-	-	623.6	-	-	-
ICICI Prudential Overnight Fund Direct Plan Growth	29,49,466	-	-	-	322.4	-	-	-
					3,585.0	**0.5**	**1,256.7**	**2,002.4**
Investments in quoted equity instruments								
Reliance Power Limited Equity Shares of Face value of Rs 10 each	222	222	222	222	0.0	0.0	0.0	0.1
IDFC First Bank Limited Equity Shares of Face value of Rs 10 each	2,390	2,390	2,390	172	0.1	0.1	0.2	0.1
Mangalore Refinery and Petrochemical Limited Equity Shares of Face value of Rs 10	3,000	3,000	3,000	3,000	0.1	0.1	0.1	0.2
					0.2	**0.2**	**0.3**	**0.4**
Total					**3,824.6**	**239.6**	**1,496.6**	**2,102.4**

Notes :

i) Amount "0" represent value less than Rs 50,000/-.

ii) All investments are made within India.

Notes to restated consolidated financial information

iii) Investment in bonds carry a floating charge in favour of fixed deposits holder read with note no 16 :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investment in Bonds	190.1	189.8	190.2	99.6

iv) Investment in inter-corporate deposit is written off during the year ended March 31, 2019 by utilising the provision for an amount of ₹ 30 Million.

8. Other financial assets (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good				
Receivable from related parties				
Security deposits	-	-	1.6	1.6
Receivable on Assigned Loans (net of servicing fee)	-	-	92.6	1.9
Others				
Receivable from assigned portfolio	1,956.8	1,856.7	1,363.4	566.9
Receivable on Assigned Loans (net of servicing fee)	-	0.4	-	-
Receivable from mutual fund	-	-	250.2	-
Security deposits	44.1	44.3	69.4	34.9
Advances to employees	-	0.8	1.0	1.2
Total	**2,000.9**	**1,902.2**	**1,778.2**	**606.5**

9. Current tax assets (Net) (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Income tax paid in advance (net of provisions)	255.4	278.7	136.1	21.7
Total	**255.4**	**278.7**	**136.1**	**21.7**

Notes to restated consolidated financial information

10. Property, plant and equipment

(₹ in Million)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Cost or deemed cost							
Balance as at April 1, 2017	**2.7**	**1.3**	**77.8**	**27.1**	**2.1**	**35.8**	**146.8**
Additions during the year	-	-	23.3	10.6	3.6	34.5	72.0
Deduction / adjustments	-	-	-	-	(1.8)	(0.2)	(2.0)
Balance as at March 31, 2018	**2.7**	**1.3**	**101.1**	**37.7**	**3.9**	**70.1**	**216.8**
Balance as at April 1, 2018	**2.7**	**1.3**	**101.1**	**37.7**	**3.9**	**70.1**	**216.8**
Additions during the year	-	-	44.1	33.3	-	26.3	103.7
Deduction / adjustments	-	-	(1.1)	(0.2)	(0.6)	(0.1)	(2.0)
Balance as at March 31, 2019	**2.7**	**1.3**	**144.1**	**70.8**	**3.3**	**96.3**	**318.5**
Balance as at April 1, 2019	**2.7**	**1.3**	**144.1**	**70.8**	**3.3**	**96.3**	**318.5**
Additions during the year	-	-	4.9	5.7	-	12.3	22.9
Deduction / adjustments	-	-	(33.1)	(1.0)	(0.5)	(1.3)	(35.9)
Balance as at March 31, 2020	**2.7**	**1.3**	**115.9**	**75.5**	**2.8**	**107.3**	**305.5**
Balance as at April 1, 2020	**2.7**	**1.3**	**115.9**	**75.5**	**2.8**	**107.3**	**305.5**
Additions during the period	-	-	15.6	1.9	-	3.7	21.2
Deduction / adjustments	-	-	(0.2)	(0.8)	-	(0.1)	(1.1)
Balance as at September 30, 2020	**2.7**	**1.3**	**131.3**	**76.6**	**2.8**	**110.9**	**325.6**
Accumulated depreciation							
Balance as at April 1, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	0.1	10.5	5.5	0.4	17.4	33.9
Deduction / adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2018	**-**	**0.1**	**10.5**	**5.5**	**0.4**	**17.4**	**33.9**
Balance as at April 1, 2018	**-**	**0.1**	**10.5**	**5.5**	**0.4**	**17.4**	**33.9**
Depreciation for the year	-	0.1	12.8	9.6	0.6	25.8	48.9
Deduction / adjustments	-	-	-	-	(0.5)	-	(0.5)
Balance as at March 31, 2019	**-**	**0.2**	**23.3**	**15.1**	**0.5**	**43.2**	**82.3**
Balance as at April 1, 2019	**-**	**0.2**	**23.3**	**15.1**	**0.5**	**43.2**	**82.3**
Depreciation for the year	-	-	19.3	11.3	0.4	25.6	56.6
Deduction / adjustments	-	-	(6.7)	(0.5)	(0.5)	(0.8)	(8.5)
Balance as at March 31, 2020	**-**	**0.2**	**35.9**	**25.9**	**0.4**	**68.0**	**130.4**
Balance as at April 1, 2020	**-**	**0.2**	**35.9**	**25.9**	**0.4**	**68.0**	**130.4**
Depreciation for the period	-	-	7.0	5.6	0.2	11.9	24.7
Deduction / adjustments	-	-	(0.1)	(0.6)	-	(0.1)	(0.8)
Balance as at September 30, 2020	**-**	**0.2**	**42.8**	**30.9**	**0.6**	**79.8**	**154.3**
Net book value							
As at September 30, 2020	**2.7**	**1.1**	**88.5**	**45.7**	**2.2**	**31.1**	**171.3**
As at March 31, 2020	**2.7**	**1.1**	**80.0**	**49.6**	**2.4**	**39.3**	**175.1**
As at March 31, 2019	**2.7**	**1.1**	**120.8**	**55.7**	**2.8**	**53.1**	**236.2**
As at March 31, 2018	**2.7**	**1.2**	**90.6**	**32.2**	**3.5**	**52.7**	**182.9**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition (April 1, 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

Particulars	Building - Owned	Furniture & Fixture	Office Equipment's	Vehicles	Computer	Total
Gross Block	**1.3**	**89.8**	**34.2**	**2.8**	**51.7**	**179.8**
Accumulated Depreciation	-	12.0	7.1	0.7	15.9	35.7
Net Block	**1.3**	**77.8**	**27.1**	**2.1**	**35.8**	**144.1**

AADHAR HOUSING FINANCE LIMITED
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Notes to restated consolidated financial information

11. Other intangible asset

(₹ in Million)

Particulars	**Software**
Cost or deemed cost	
Balance as at April 1, 2017	**5.1**
Additions during the year	5.6
Deduction / adjustments	-
Balance as at March 31, 2018	**10.7**
Balance as at April 1, 2018	**10.7**
Additions during the year	0.1
Deduction / adjustments	-
Balance as at March 31, 2019	**10.8**
Balance as at April 1, 2019	**10.8**
Additions during the year	10.1
Deduction / adjustments	(0.1)
Balance as at March 31, 2020	**20.8**
Balance as at April 1, 2020	**20.8**
Additions during the Period	10.3
Deduction / adjustments	-
Balance as at September 30, 2020	**31.1**
Accumulated depreciation	
Balance as at April 1, 2017	**-**
Depreciation for the year	2.4
Deduction / adjustments	-
Balance as at March 31, 2018	**2.4**
Balance as at April 1, 2018	**2.4**
Depreciation for the year	4.0
Deduction / adjustments	-
Balance as at March 31, 2019	**6.4**
Balance as at April 1, 2019	**6.4**
Depreciation for the year	5.0
Deduction / adjustments	(0.1)
Balance as at March 31, 2020	**11.3**
Balance as at April 1, 2020	**11.3**
Depreciation for the period	3.4
Deduction / adjustments	-
Balance as at September 30, 2020	**14.7**
Net book value	
As at September 30, 2020	**16.4**
As at March 31, 2020	**9.5**
As at March 31, 2019	**4.4**
As at March 31, 2018	**8.3**

Notes to restated consolidated financial information

12. Other non-financial assets

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Asset held for sale	43.2	62.8	87.5	101.7
Less : Provision for diminution in the value of asset held for sale	(19.5)	(21.3)	(28.5)	-
	23.7	41.5	59.0	101.7
Prepaid expenses	71.3	23.7	23.9	34.5
Capital advance	0.4	1.9	0.7	17.7
Advance for expenses and other advances	32.9	163.8	29.6	5.5
Receivable from Government (Ex-gratia) [Refer Note 46]	212.4	-	-	-
Balance with government authorities	32.0	22.2	24.7	41.8
Total	**372.7**	**253.1**	**137.9**	**201.2**

i) Advance for expenses includes amounts given as advance to the related parties :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Advance given to Related Parties	-	-	6.2	4.2

13. Trade payables

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	298.8	288.1	157.6	138.1
Total	**298.8**	**288.1**	**157.6**	**138.1**

a) Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.
There are no overdue amounts to Micro, Small and Medium Enterprises as at September 30, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables includes due to related parties [Refer Note 44] :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Dues to related parties	6.0	7.5	27.4	12.0

14. Debt securities

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
At amortised cost				
Secured				
Redeemable non convertible debentures	21,554.7	17,081.4	15,861.0	10,204.1
Unsecured				
Commercial paper	490.2	-	961.4	3,207.1
Total	**22,044.9**	**17,081.4**	**16,822.4**	**13,411.2**

i) All debt securities are issued in India

Notes to restated consolidated financial information

ii) Terms of repayment and rate of interest in case of Debt Securities.

(₹ in Million)

	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1.	**Secured**				
	Redeemable non convertible debentures				
	Interest Rate	7.35% - 9.80%	8.83% - 9.80%	8.40% - 10.25%	8.30% - 10.25%
	0-3 Years	19,379.7	10,972.0	11,691.9	5,690.0
	3-5 Years	580.0	4,537.7	2,387.7	2,045.0
	>5 Years	1,698.3	1,698.3	1,948.4	2,529.0
	Total	**21,658.0**	**17,208.0**	**16,028.0**	**10,264.0**
2.	**Unsecured**				
	Commercial paper				
	Interest Rate	5.25%	-	9.40%	9.40%
	0-3 Years	500.0	-	1,000.0	3,250.0
	3-5 Years	-	-	-	-
	>5 Years	-	-	-	-
	Total	**500.0**	**-**	**1,000.0**	**3,250.0**

Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount and EIR	113.1	126.6	205.6	102.8

List of Redeemable debentures (₹ in Million)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1	INE538L07387	8.99%	25-06-2018	-	-	-	300.0
2	INE538L07387	8.99%	25-06-2018	-	-	-	150.0
3	INE538L07387	8.99%	25-06-2018	-	-	-	50.0
4	INE538L07395	8.97%	29-06-2018	-	-	-	250.0
5	INE538L07437	8.30%	04-02-2019	-	-	-	250.0
6	INE538L07452	8.40%	06-05-2019	-	-	110.0	110.0
7	INE538L07452	8.40%	06-05-2019	-	-	140.0	140.0
8	INE538L07452	8.40%	06-05-2019	-	-	250.0	250.0
9	INE538L07452	8.40%	06-05-2019	-	-	250.0	250.0
10	INE538L07452	8.40%	06-05-2019	-	-	100.0	100.0
11	INE538L07452	8.40%	06-05-2019	-	-	150.0	150.0
12	INE538L07429	8.85%	24-07-2019	-	-	500.0	500.0
13	INE538L07023	10.25%	09-01-2020	-	-	100.0	100.0
14	INE538L07023	10.25%	09-01-2020	-	-	50.0	50.0
15	INE538L07023	10.25%	09-01-2020	-	-	20.0	20.0
16	INE538L07023	10.25%	09-01-2020	-	-	100.0	100.0
17	INE538L07023	10.25%	09-01-2020	-	-	50.0	50.0
18	INE538L07403	8.88%	12-06-2020	-	200.0	200.0	200.0
19	INE538L07445	8.83%	23-06-2020	-	1,500.0	1,500.0	1,500.0
20	INE538L07411	9.05%	03-07-2020	-	500.0	500.0	500.0
21	INE538L07130	9.70%	09-11-2020	100.0	100.0	100.0	100.0
22	INE538L07148	9.65%	11-12-2020	100.0	100.0	100.0	100.0
23	INE538L07239	9.55%	03-03-2021	100.0	100.0	100.0	100.0
24	INE538L07247	9.40%	21-03-2021	70.0	70.0	70.0	70.0
25	INE538L07247	9.40%	21-03-2021	50.0	50.0	50.0	50.0
26	INE538L07460	8.90%	26-03-2021	100.0	100.0	100.0	100.0
27	INE538L07460	8.90%	26-03-2021	50.0	50.0	50.0	50.0
28	INE538L07262	9.50%	29-03-2021	100.0	100.0	100.0	100.0
29	INE538L07338	9.40%	27-05-2021	45.0	45.0	45.0	45.0
30	INE883F07033	9.60%	05-07-2021	20.0	20.0	20.0	20.0
31	INE883F07082	9.35%	17-08-2021	20.0	20.0	20.0	20.0
32	INE883F07090	9.35%	25-08-2021	10.0	10.0	10.0	10.0

Notes to restated consolidated financial information

Sr No.	ISIN	Rate of interest	Date of Redemption	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
33	INE538L07486	9.60%	29-09-2021	294.3	294.3	294.3	-
34	INE538L07494	9.60%	29-09-2021	5,762.7	5,762.7	5,762.7	-
35	INE538L07353	9.20%	18-10-2021	500.0	500.0	500.0	500.0
36	INE883F07108	9.37%	20-10-2021	20.0	20.0	20.0	20.0
37	INE883F07116	9.36%	25-10-2021	10.0	10.0	10.0	10.0
38	INE883F07132	9.36%	27-10-2021	20.0	20.0	20.0	20.0
39	INE538L07361	9.00%	11-11-2021	100.0	100.0	100.0	100.0
40	INE538L07064	9.80%	27-03-2022	200.0	200.0	200.0	200.0
41	INE538L07072	9.80%	03-06-2022	100.0	100.0	100.0	100.0
42	INE538L07072	9.80%	03-06-2022	100.0	100.0	100.0	100.0
43	INE538L07080	9.80%	07-08-2022	80.0	80.0	80.0	80.0
44	INE538L07080	9.80%	07-08-2022	10.0	10.0	10.0	10.0
45	INE538L07080	9.80%	07-08-2022	10.0	10.0	10.0	10.0
46	INE538L07098	9.80%	03-09-2022	100.0	100.0	100.0	100.0
47	INE538L07106	9.80%	10-09-2022	100.0	100.0	100.0	100.0
48	INE538L07122	9.70%	04-11-2022	200.0	200.0	200.0	200.0
49	INE538L07155	9.60%	28-12-2022	200.0	200.0	200.0	200.0
50	INE538L07171	9.60%	07-01-2023	200.0	200.0	200.0	200.0
51	INE538L07296	9.30%	28-04-2023	100.0	100.0	100.0	100.0
52	INE538L07296	9.30%	28-04-2023	13.0	13.0	13.0	13.0
53	INE883F07017	9.40%	05-05-2023	300.0	300.0	300.0	300.0
54	INE538L07304	9.50%	13-05-2023	50.0	50.0	50.0	50.0
55	INE883F07165	9.15%	20-06-2023	2,000.0	3,000.0	-	-
56	INE538L07502	9.25%	29-09-2023	305.1	305.1	305.1	-
57	INE538L07510	9.65%	29-09-2023	189.6	189.6	189.6	-
58	INE883F07124	9.36%	27-10-2023	40.0	40.0	40.0	40.0
59	INE883F07140	9.40%	21-11-2023	180.0	180.0	180.0	180.0
60	INE883F07140	9.40%	21-11-2023	20.0	20.0	20.0	20.0
61	INE883F07157	9.40%	22-11-2023	90.0	90.0	90.0	90.0
62	INE538L07056	9.80%	23-03-2025	250.0	250.0	250.0	250.0
63	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0
64	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0
65	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0
66	INE538L07189	9.60%	19-01-2026	100.0	100.0	100.0	100.0
67	INE538L07197	9.60%	19-01-2026	10.0	10.0	10.0	10.0
68	INE538L07197	9.60%	19-01-2026	17.0	17.0	17.0	17.0
69	INE538L07205	9.60%	25-01-2026	100.0	100.0	100.0	100.0
70	INE538L07205	9.60%	25-01-2026	100.0	100.0	100.0	100.0
71	INE538L07213	9.55%	29-01-2026	50.0	50.0	50.0	50.0
72	INE538L07213	9.55%	29-01-2026	10.0	10.0	10.0	10.0
73	INE538L07213	9.55%	29-01-2026	50.0	50.0	50.0	50.0
74	INE538L07213	9.55%	29-01-2026	10.0	10.0	10.0	10.0
75	INE538L07221	9.55%	01-03-2026	100.0	100.0	100.0	100.0
76	INE538L07254	9.55%	22-03-2026	200.0	200.0	200.0	200.0
77	INE538L07270	9.55%	31-03-2026	100.0	100.0	100.0	100.0
78	INE538L07270	9.55%	31-03-2026	25.0	25.0	25.0	25.0
79	INE883F07025	9.40%	05-05-2026	200.0	200.0	200.0	200.0
80	INE883F07041	9.35%	08-07-2026	20.0	20.0	20.0	20.0
81	INE883F07058	9.40%	13-07-2026	12.0	12.0	12.0	12.0
82	INE883F07066	9.28%	18-07-2026	20.0	20.0	20.0	20.0
83	INE883F07074	9.15%	05-08-2026	12.0	12.0	12.0	12.0
84	INE538L07379	9.00%	16-11-2026	50.0	50.0	50.0	50.0
85	INE538L07528	9.35%	29-09-2028	95.5	95.5	95.5	-
86	INE538L07536	9.75%	29-09-2028	116.8	116.8	116.8	-
87	INE883F07173	8.00%	05-05-2023	2,000.0	-	-	-
88	INE883F07181	8.20%	17-08-2023	3,000.0	-	-	-
89	INE883F07199	8.20%	01-09-2023	1,650.0	-	-	-
90	INE883F07207	7.35%	28-02-2022	1,000.0	-	-	-

Notes to restated consolidated financial information

3. The Company has raised funds from Secured Redeemable Non Convertible Debentures (NCDs) as mentioned below :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
NCDs issued during the period	7,650.0	3,000.0	6,764.0	4,850.0

NCDs are long term and are secured by way of pari passu first charge by way of (present & future obligations) hypothecation on all standard book debts / outstanding moneys current assets / receiveables, current assets, Cash & Bank balances & Investments except for those book debts charged or to be charged in favour of NHB for refinance availed or to be availed from them. NCDs including current maturities are redeemable at par on various periods.

There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Self prospectus document dated September 03, 2018.

15. Borrowings (other than debt securities) (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Secured				
At amortised cost				
Term Loans				
from banks	59,875.4	69,710.5	54,033.7	42,978.0
from National Housing Bank	13,114.2	8,130.4	8,861.0	4,638.1
Cash credit facilities				
from banks	-	0.4	-	253.9
Total	**72,989.6**	**77,841.3**	**62,894.7**	**47,870.0**

i) All borrowings are issued in India

ii) Terms of repayment and rate of interest in case of Borrowings.

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1. **Term loan from banks**				
Interest Rate	Floating*	Floating*	Floating*	Floating*
0-3 Years	29,111.4	38,326.4	31,191.2	21,762.7
3-5 Years	14,733.5	14,794.8	11,710.0	11,475.2
>5 Years	16,253.0	16,814.6	11,280.0	9,793.8
Total	**60,097.9**	**69,935.8**	**54,181.2**	**43,031.7**
2. **Term Loan from National Housing Bank**				
Interest Rate	3.40% - 9.30%	4.86% - 9.30%	4.86% - 9.75%	4.86% - 9.75%
0-3 Years	6,912.6	4,128.0	2,948.4	1,706.7
3-5 Years	3,056.8	2,232.6	2,026.1	1,115.9
>5 Years	3,144.8	1,769.8	3,886.5	1,815.5
Total	**13,114.2**	**8,130.4**	**8,861.0**	**4,638.1**

*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount and EIR	222.5	225.3	147.5	53.7

iii) The secured term loans from banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between October 2020 and October 2031. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between October 2020 and July 2032. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding Statutory Liquid Ratio assets .

v) Cash credit facilities from banks and are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

Notes to restated consolidated financial information

16. Deposits

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deposit				
At amortised cost				
Public deposits	512.4	680.3	1,149.2	814.6
From others	-	-	250.0	250.0
Total	**512.4**	**680.3**	**1,399.2**	**1,064.6**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

17. Subordinated liabilities

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Unsecured				
Redeemable non convertible debentures	832.1	830.4	833.4	832.8
Total	**832.1**	**830.4**	**833.4**	**832.8**

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities.

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1. **Redeemable non convertible debentures**				
Interest Rate	9.75% - 10.00%	9.75% - 10.00%	9.75% - 10.00%	9.75% - 10.00%
0-3 Years	240.0	180.0	-	-
3-5 Years	-	60.0	240.0	180.0
>5 Years	600.0	600.0	600.0	660.0
Total	**840.0**	**840.0**	**840.0**	**840.0**

Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount and EIR	7.9	9.6	6.6	7.2

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

18. Other financial liabilities

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Book overdraft	3,624.2	1,030.3	1,766.3	5907.5
Lease liabilities (refer note 35)	212.2	229.2	191.3	152.1
Accrued employee benefits	302.4	285.8	276.3	92.1
Payable to insurance companies towards disbursements	18.2	-	-	140.4
Interest accrued but not due - Deposits	15.8	14.0	11.6	7.4
Interest accrued but not due - Others	952.0	863.1	917.0	606.5
Amount payable under assignment of receivables	720.7	562.1	434.5	179.5
Unpaid dividend (refer note below)	0.5	0.6	0.7	0.6
Unpaid matured deposits and interest accrued thereon	16.0	33.0	14.5	23.5
Total	**5,862.0**	**3,018.1**	**3,612.2**	**7,109.6**

Notes to restated consolidated financial information

The Company has transferred Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013 :

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Unclaimed Dividend Transferred to Investor Education and Protection Fund	-	0.01	0.02	0.04

19. Current tax liabilities (Net) (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Provision for Income tax (net of advance tax)	66.5	-	-	33.3
Total	**66.5**	**-**	**-**	**33.3**

20. Provisions (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for compensated absences	72.8	67.1	61.3	42.3
Provision for gratuity (refer note 41)	41.3	29.7	10.2	0.8
Total	**114.1**	**96.8**	**71.5**	**43.1**

21. Deferred tax balances (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (Net)				
Deferred tax liabilities	617.7	607.3	736.5	530.5
Deferred Tax Assets	468.0	420.8	428.0	347.8
	149.7	**186.5**	**308.5**	**182.7**
Deferred tax assets (Net)				
Deferred Tax Assets (net)	2.3	1.7	0.9	0.4
	2.3	**1.7**	**0.9**	**0.4**
Total	**147.4**	**184.8**	**307.6**	**182.3**

Deferred tax assets and liabilities in relation to:

(₹ in Million)

Particulars	As at April 1, 2020	Charged to Profit and Loss	Charged to OCI	As at September 30, 2020
Deferred tax liabilities				
Fair value on Amalgamation	156.0	(22.3)	-	133.7
Net gain on derecognition of financial instruments under amortised cost category	451.3	32.7	-	484.0
	607.3	**10.4**	**-**	**617.7**
Deferred tax assets				
On difference between book balance and tax balance of assets	8.5	4.8	-	13.3
On account of impairment on financial instruments	297.7	47.8	-	345.5
On account of provision for employee benefits	22.4	9.0	(0.3)	31.1
Others	93.9	(13.5)	-	80.4
	422.5	**48.1**	**(0.3)**	**470.3**
Net deferred tax (assets)/liabilities	**184.8**	**(37.7)**	**0.3**	**147.4**

Notes to restated consolidated financial information

(₹ in Million)

Particulars	As at April 01, 2019	Charged to Profit and Loss	Charged to OCI	As at March 31, 2020
Deferred tax liabilities				
On difference between book balance and tax balance of assets	4.9	(4.9)	-	-
Fair value on Amalgamation	270.3	(114.3)	-	156.0
Net gain on derecognition of financial instruments under amortised cost category	461.3	(10.0)	-	451.3
	736.5	**(129.2)**	**-**	**607.3**
Deferred tax assets				
On difference between book balance and tax balance of assets	-	8.5	-	8.5
On account of impairment on financial instruments	217.6	80.1	-	297.7
On account of provision for employee benefits	20.0	(0.3)	2.7	22.4
Others	186*	(92.1)	-	93.9
	423.6*	**(3.8)**	**2.7**	**422.5**
Net deferred tax (assets)/liabilities	**312.9***	**(125.4)**	**(2.7)**	**184.8**

* Includes Adjustments of ₹ 5.3 million on account of Ind AS 116 transition in opening deferred tax liability(refer note 50)

(₹ in Million)

Particulars	As at April 1, 2018	Charged to Profit and Loss	Charged to OCI	As at March 31, 2019
Deferred tax liabilities				
On difference between book balance and tax balance of assets	7.5	(2.6)	-	4.9
Fair value on Amalgamation	324.9	(54.6)	-	270.3
Net gain on derecognition of financial instruments under amortised cost category	198.1	263.2	-	461.3
	530.5	**206.0**	**-**	**736.5**
Deferred tax assets				
On difference between book balance and tax balance of assets	-	-	-	-
On account of impairment on financial instruments	180.7	36.9	-	217.6
On account of provision for employee benefits	10.7	7.4	1.9	20.0
Others	156.8	34.5	-	191.3
	348.2	**78.8**	**1.9**	**428.9**
Net deferred tax (assets)/liabilities	**182.3**	**127.2**	**(1.9)**	**307.6**

(₹ in Million)

Particulars	As at April 1, 2017	Charged to Profit and Loss	Charged to OCI	As at March 31, 2018
Deferred tax liabilities				
On difference between book balance and tax balance of assets	3.6	3.9	-	7.5
Fair value on Amalgamation	375.5	(50.6)	-	324.9
Net gain on derecognition of financial instruments under amortised cost category	120.3	77.8	-	198.1
	499.4	**31.1**	**-**	**530.5**
Deferred tax assets				
On account of impairment on financial instruments	135.4	45.3	-	180.7
On account of provision for employee benefits	5.6	(3.1)	7.8	10.3
Others	67.2	90.0	-	157.2
	208.2	**132.2**	**7.8**	**348.2**
Net deferred tax (assets)/liabilities	**291.2**	**(101.1)**	**(7.8)**	**182.3**

22. Other non-financial liabilities (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Advance from Customers	52.3	47.6	39.6	35.5
Statutory remittance	29.6	26.1	31.8	91.9
Others (refer note 46)	285.1	94.4	40.0	24.5
Total	**367.0**	**168.1**	**111.4**	**151.9**

Notes to restated consolidated financial information

23. Equity share capital (₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Authorised share capital				
Equity shares of Rs 10 each	2,200.0	2,200.0	2,200.0	2,200.0
Issued share capital				
Equity shares of Rs 10 each	394.8	394.6	251.5	251.5
Subscribed and paid up capital				
Equity shares of Rs 10 each	394.8	394.6	251.5	251.5
Total	**394.8**	**394.6**	**251.5**	**251.5**

Number of Shares

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Authorised share capital				
Equity shares of Rs 10 each	22,00,00,000	22,00,00,000	22,00,00,000	22,00,00,000
Issued share capital				
Equity shares of Rs 10 each	3,94,75,497	3,94,64,898	2,51,48,472	2,51,48,472
Subscribed and paid up capital				
Equity shares of Rs 10 each	3,94,75,497	3,94,64,898	2,51,48,472	2,51,48,472

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity shares at the beginning of the period	**3,94,64,898**	**2,51,48,472**	**2,51,48,472**	**1,10,80,705**
Add: Shares issued during the period				
On Amalgamation	-	-	-	1,01,25,360
Preferential Allotment during the period	-	88,10,088	-	39,42,407
Right Issue Allotment during the period	-	55,06,338	-	
Allotment under ESOP/ESAR during the period	10,599	-	-	-
Equity shares at the end of the period	**3,94,75,497**	**3,94,64,898**	**2,51,48,472**	**2,51,48,472**

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The Company has not proposed any dividend for the period ended September 30, 2020.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	% of Holding				Number of shares			
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	98.74%	-	-	3,89,68,342	3,89,68,342	-	-
Wadhawan Global Capital Ltd	-	-	69.98%	69.98%	-	-	1,75,97,715	1,75,97,715
Dewan Housing Finance Corporation Ltd	-	-	9.15%	9.15%	-	-	23,01,090	23,01,090
International Finance Corporation (IFC Washington)	-	-	16.91%	16.91%	-	-	42,53,389	42,53,389

Notes to restated consolidated financial information

24. Other equity

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Capital reserve on amalgamation	0.6	0.6	0.6	0.6
Securities premium	16,933.9	16,933.5	4,091.3	4,091.3
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	1,926.4	1,926.4	1,541.3	1,216.8
Debenture redemption reserve (refer note (ii) below)	1,691.0	1,691.0	563.7	-
General reserve	726.9	726.7	526.7	226.7
Employee Stock Option Outstanding	39.2	11.4	8.3	-
Retained earnings	3,353.9	1,789.1	1,605.9	1,390.9
Total	**24,671.9**	**23,078.7**	**8,337.8**	**6,926.3**

Notes :

i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period				
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	70.8	70.8	70.8	60.4
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,855.6	1,470.5	1,146.0	875.0
c) Total	1,926.4	1,541.3	1,216.8	935.4
Additions during the period				
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-*	-	-	10.4
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-*	385.1	324.5	271.0
c) Total	-	385.1	324.5	281.4
Utilised during the period				
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-*	-	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-*	-	-	-
c) Total	-	-	-	-
Balance at the end of the period				
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	70.8	70.8	70.8	70.8
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,855.6	1,855.6	1,470.5	1,146.0
c) Total	1,926.4	1,926.4	1,541.3	1,216.8

*Transfer to statutory reserve & special reserve will be made at the year end

ii) Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR towards its public issue of Secured Redeemable Non-Convertible Debentures :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Debenture redemption reserve	1,691.0	1,691.0	563.7	-

Notes to restated consolidated financial information

25. Revenue from operations (₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest income				
On financial assets measured at amortised cost				
Interest on Loans	6,294.7	11,365.9	10,681.0	7,022.8
Interest on fixed deposits	700.8	756.8	123.8	17.1
Interest on bonds and debentures	11.8	22.2	73.6	7.0
Other interest	0.1	0.3	71.1	0.5
	7,007.4	12,145.2	10,949.5	7,047.4
b) Net gain on fair value changes				
Measured at FVTPL				
Equity investment measured at FVTPL				
Realised	-	-	-	-
Unrealised	0.0	(0.2)	(0.1)	(0.1)
	0.0	(0.2)	(0.1)	(0.1)
Investment in mutual fund measured at FVTPL				
Realised	3.1	236.3	247.2	142.4
Unrealised	12.1	-	1.4	2.4
	15.2	236.3	248.6	144.8
	15.2	236.1	248.5	144.7
c) Net gain on derecognition of financial instruments under amortised cost category				
On assignment of portfolio	204.8	840.1	918.5	363.5
	204.8	840.1	918.5	363.5
d) Fees and commission Income				
Loan processing fee and other charges (net of business sourcing expenses)	97.0	485.3	365.8	531.6
Intermediary services	157.1	170.0	173.8	62.8
	254.1	655.3	539.6	594.4
Total	**7,481.5**	**13,876.7**	**12,656.1**	**8,150.0**

i) Amount "0" represent value less than Rs 50,000/-.

26. Other income (₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Miscellaneous income	2.0	7.9	0.2	1.2
Total	**2.0**	**7.9**	**0.2**	**1.2**

27. Finance costs (₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expenses on financial liabilities measured at amortised cost				
Interest on borrowings (other than debt securities)	3,118.5	6,044.8	5,198.7	3,189.6
Interest on deposits	26.6	86.4	91.5	74.0
Interest on non convertible debentures	820.0	1,401.6	1,208.1	828.8
Interest on subordinated liabilities	41.5	83.2	82.9	86.2
Interest on others	3.4	44.3	470.3	356.4
Interest on lease liabilities (refer note 35)	10.4	20.1	14.3	11.7
Finance charges	122.0	254.5	253.6	87.7
Total	**4,142.4**	**7,934.9**	**7,319.4**	**4,634.4**

Notes to restated consolidated financial information

28. Impairment on financial instruments

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial instruments measured at Amortised Cost				
Impairment allowance on Loans (Refer note 28.1 & 28.2 below)	171.6	1,006.5	245.2	260.3
Bad-debts written off	27.3	97.2	46.3	33.2
Others				
Asset held for sale	(1.8)	(7.2)	28.5	-
Total	**197.1**	**1,096.5**	**320.0**	**293.5**

28.1 The Company has made an additional impairment provision of below mentioned amount towards Covid-19 (Refer note 6(vi)).

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Additional Provision	-	495.1	-	-

28.2 Impairment allowance on Loans (including write off) towards Loan to Developers :

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance on Loans including write off	130.3	399.9	42.8	106.1

Net carrying value of Loans to developers are given below :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net Carrying Value	31.3	196.4	678.1	1,082.7

The Company has not made any fresh loan sanctions under Loans to developers during the year ended March 31, 2019 , March 31, 2020 and six months ended September 30, 2020.

29. Employee benefits expense

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and other allowances	700.0	1,510.0	1,608.5	951.5
Contribution to provident fund and other funds (refer note 41)	73.9	124.8	128.6	80.1
Share Based Payments to employees (refer note 42)	28.4	3.1	8.3	-
Staff welfare expenses	11.2	37.7	33.0	28.9
Total	**813.5**	**1,675.6**	**1,778.4**	**1,060.5**

30. Other expenses

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent (refer note 35)	25.1	55.1	74.8	52.9
Rates and taxes	-	0.1	0.2	0.4
Travelling expenses	31.4	115.6	125.5	99.7
Printing and stationery	11.1	23.9	41.0	25.6
Advertisement and business promotion	11.0	38.1	40.1	57.3
Insurance	22.5	45.1	37.3	26.9
Legal and professional charges	28.5	57.8	67.0	45.1
Auditors remuneration (refer note below 30.2)	3.8	6.8	6.3	6.6
Postage, telephone and other communication expenses	16.3	50.9	53.2	43.1
General repairs and maintenance	52.7	105.0	44.5	23.5
Loss on sale of asset held for sale	0.3	2.6	4.2	-
Electricity charges	11.5	26.7	25.5	18.9
Directors sitting fees and commission (refer note below 30.3)	6.6	5.6	8.2	4.7
Corporate social responsibility expenses (refer note below 30.1)	10.0	65.9	7.9	2.3
Goods and service tax	26.9	82.6	77.5	50.9
Loss on sale of fixed assets	0.2	27.2	0.6	-
Other expenses	28.2	43.7	51.4	36.6
Total	**286.1**	**752.7**	**665.2**	**494.5**

Notes to restated consolidated financial information

30.1 Details of Corporate Social Responsibility

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Amount required to be spend during the period*	41.7	31.8	18.8	11.0
b) Amount spend during the period	9.4	31.0	7.9	2.3
c) Amount provided during the period	10.0	34.9	-	-

* Amount disclosed is for full financial year

Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / purchase of assets.

30.2 Details of auditors remuneration :

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fee (including regulatory certificates)	2.5	5.3	5.4	5.8
Tax audit fee	0.3	0.8	0.8	0.8
Others	0.6	0.1	0.1	-
GST on Above	0.4	0.6	-	-
	3.8	**6.8**	**6.3**	**6.6**
Services towards NCD IPO (including fees paid to previous auditors)	-	-	10.4	-
Total	**3.8**	**6.8**	**16.7**	**6.6**

30.3 Directors sitting fee and commission is net off reversal :

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Reversals	-	4.7	-	-
Provision as at respectived period end date	6.0	7.5	6.0	1.5

31. Tax expenses

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	461.7	540.7	603.2	567.3
Deferred tax	(37.7)	(125.4)	127.2	(101.1)
Total	**424.0**	**415.3**	**730.4**	**466.2**

ii) Other comprehensive income section

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	-	-	-	-
Deferred tax	0.3	(2.7)	(1.9)	(7.8)
Total	**0.3**	**(2.7)**	**(1.9)**	**(7.8)**

b) Reconciliation of tax expenses

(₹ in Million)

	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
(A)	Profit before income taxes	1,989.1	2,298.3	2,343.9	1,585.9
(B)	Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%	34.944%	34.608%
(C)	Expected tax expenses	500.6	578.4	819.0	548.8
(D)	Other than temporary difference				
	Special reserve	82.9	96.9	98.6	97.6
	Merger Expenses	-	-	-	2.5
	Effect of change in rate (refer note below)	-	87.8	-	(2.1)
	Expenses disallowed / (allowed)	(6.6)	(18.9)	(8.0)	(7.6)
(E)	Tax expense recognised in profit and loss	424.0	415.3	730.4	466.2
(F)	Tax expense recognised in other comprehensive income	0.3	(2.7)	(1.9)	(7.8)

Note : The recently promulgated Taxation Laws (Amendment) Ordinance 2019 has inserted section 115BAA in the Income Tax Act. 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. Consequently, the opening deferred tax Liability (net) has been measured at the lower rate with a one-time corresponding credit of ₹ 87.8 million to the Statement of Profit and Loss for the year ended March 31, 2020.

Notes to restated consolidated financial information

32. Earnings per equity share

The following is the computation of earnings per equity share on basic and diluted earnings per equity share:

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after tax attributable to equity shareholders (₹ In Million)	1,563.7	1,893.8	1,618.8	1,142.1
Weighted average number of equity shares outstanding during the period (Nos)	3,94,67,446	3,23,39,767	2,51,48,472	2,14,65,292
Adjustment for Bonus Issue (refer note below)	35,52,07,014	29,10,57,903	22,63,36,248	19,31,87,628
Weighted average number of equity shares outstanding during the period (Nos) after adjustment for Bonus Issue	39,46,74,460	32,33,97,670	25,14,84,720	21,46,52,920
Add: Effect of potential issue of shares / stock rights outstanding during the period*	11,86,114	1,53,197	1,78,724	-
Adjustment for Bonus Issue (refer note below)	1,06,75,026	13,78,773	16,08,516	-
Effect of potential issue of shares / stock rights outstanding during the period* after adjustment for Bonus Issue	1,18,61,140	15,31,970	17,87,240	-
Weighted average number of equity shares outstanding during the period including potential shares outstanding (Nos)	40,65,35,600	32,49,29,640	25,32,71,960	21,46,52,920
Face value per equity share (₹)	10	10	10	10
Basic earnings per equity share (₹)	3.96**	5.86	6.44	5.32
Diluted earnings per equity share (₹)	3.85**	5.83	6.39	5.32

* not considered when anti-dilutive
** Not Annualised`
Note: (1) The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 on 16th January 2021 in extraordinary general meeting (EGM). Consequently, earnings per share has been restated for all the periods presented.

33. Contingent liabilities

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Income tax matters of earlier years	2.1	11.3	13.6	12.7

The aforementioned contingent liabilities towards income tax have been paid under protest.

Notes to restated consolidated financial information

34. Commitments

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	89.1	106.3	11.4	10.0
Undisbursed amount of loans sanctioned and partly disbursed	3,215.6	3,567.3	4,043.1	4,905.8

35. Operating lease

Following are the changes in the carrying value of right of use assets:

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening	**258.1**	**176.1**	**144.4**	**116.2**
Ind AS 116 transition adjustment (refer note 50)	-	15.2	-	-
Addition during the period	6.6	143.9*	64.3	51.9
Deletion during the period	(1.3)	(22.9)	-	-
Depreciation charge for the period	(28.6)	(54.2)	(32.6)	(23.7)
Closing	**234.8**	**258.1**	**176.1**	**144.4**

*** Includes ₹ 42.0 Million of Right to use asset which are under development.**

The following is the movement in lease liabilities:

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening	**229.2**	**191.3**	**152.1**	**116.2**
Addition during the period	6.6	101.9	64.3	51.9
Finance cost accrued during the period	10.4	20.1	14.3	11.7
Deletion during the period	(1.5)	(24.3)	-	-
Payment made during the period	(32.5)	(59.8)	(39.4)	(27.7)
Closing	**212.2**	**229.2**	**191.3**	**152.1**

The table below provides details regarding the contractual maturities of lease liabilities as of September 30, 2020 on an undiscounted basis:

Particulars	**₹ in Million**
Less than one year	68.9
One to five years	196.0
More than five year	30.1
Total	**295.0**

Notes to restated consolidated financial information

Rental expense recorded for short-term leases was as mentioned below :

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental expenses	25.1	55.1	74.8	52.9

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

36. Financial instruments

(i) Fair value hierarchy

The Group uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the period.

The Group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation process

The management of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to restated consolidated financial information

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	**Reference Price**
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

(₹ in Million)

As at September 30, 2020

Particulars	**Fair Value Hierarchy**	**Fair Value**			**Carrying Value**		
		FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.2	-	-	0.2	-	-
- Mutual funds	**Level 1**	3,585.0	-	-	3,585.0	-	-
- Government securities	**Level 2**	-	-	50.8	-	-	49.3
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000/- each	**Level 1**	-	-	202.8	-	-	190.1
Financial liabilities							
Debt securities	**Level 1**	-	-	6,814.0	-	-	6,705.0
Debt securities	**Level 3**	-	-	15,125.8	-	-	14,849.7

(₹ in Million)

As at March 31, 2020

Particulars	**Fair Value Hierarchy**	**Fair Value**			**Carrying Value**		
		FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets							
Investments							

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
- Equity instruments	**Level 1**	0.2	-	-	0.2	-	-
- Mutual funds	**Level 1**	0.5	-	-	0.5	-	-
- Government securities	**Level 2**	-	-	49.7	-	-	49.1
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000/- each	**Level 1**	-	-	199.0	-	-	189.8
Financial liabilities							
Debt securities	**Level 1**	-	-	6,435.4	-	-	6,684.4
Debt securities	**Level 3**	-	-	10,495.8	-	-	10,397.0

(₹ in Million)

As at March 31, 2019

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.3	-	-	0.3	-	-
- Mutual funds	**Level 1**	1,256.7	-	-	1,256.7	-	-
- Government securities	**Level 2**	-	-	47.0	-	-	49.4
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000/- each	**Level 1**	-	-	189.4	-	-	190.2
Financial liabilities							
Debt securities	**Level 1**	-	-	6,486.1	-	-	6,643.5
Debt securities	**Level 3**	-	-	9,370.9	-	-	9,217.5

(₹ in Million)

As at March 31, 2018

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							

Notes to restated consolidated financial information

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
- Equity instruments	**Level 1**	0.4	-	-	0.4	-	-
- Mutual funds	**Level 1**	2,002.4	-	-	2,002.4	-	-
- Government securities	**Level 2**	-	-	98.2	-	-	99.6
Financial liabilities							
Debt securities	**Level 3**	-	-	10,831.5	-	-	10,652.2

The Group considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, borrowings (other than debt securities) , trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values.

37. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Million)

Particulars	September 30, 2020		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	4,303.7	-	4,303.7
Other bank balances	21,597.8	44.5	21,642.3
Receivables	37.2	-	37.2
Housing and other loans	13,883.0	81,559.2	95,442.2
Investments	3,585.0	239.6	3,824.6
Other financial assets	799.1	1,201.8	2,000.9
Non-financial assets			
Current tax assets (Net)	255.4	-	255.4
Property, plant and equipment	-	171.3	171.3
Right to use assets	-	234.8	234.8
Other intangible assets	-	16.4	16.4
Deferred tax assets (net)	-	2.3	2.3
Other non-financial assets	363.6	9.1	372.7
Total Assets	**44,824.8**	**83,479.0**	**1,28,303.8**
LIABILITIES			
Financial Liabilities			
Trade Payables	298.8	-	298.8
Debt Securities	7,208.8	14,836.1	22,044.9
Borrowings (Other than debt securities)	10,902.5	62,087.1	72,989.6
Deposits	248.8	263.6	512.4
Subordinated liabilities	(7.9)	840.0	832.1
Other financial liabilities	5,693.6	168.4	5,862.0
Non-Financial Liabilities			
Current tax liabilities (Net)	66.5	-	66.5

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Particulars	**September 30, 2020**		
	Within 12 months	**After 12 months**	**Total**
Provisions	41.9	72.2	114.1
Deferred tax liabilities (Net)	-	149.7	149.7
Other non-financial liabilities	367.0	-	367.0
Total liabilities	**24,820.0**	**78,417.1**	**1,03,237.1**
Net	**20,004.8**	**5,061.9**	**25,066.7**

(₹ in Million)

Particulars	**March 31, 2020**		
	Within 12 months	**After 12 months**	**Total**
ASSETS			
Cash and cash equivalents	13,648.8	-	13,648.8
Other bank balances	16,711.6	1,054.8	17,766.4
Receivables	40.8	-	40.8
Housing and other loans	6,506.7	82,583.6	89,090.3
Investments	0.5	239.1	239.6
Other financial assets	744.8	1,157.4	1,902.2
Non-financial assets			
Current tax assets (Net)	278.7	-	278.7
Property, plant and equipment	-	175.1	175.1
Right to use assets	-	258.1	258.1
Other intangible assets	-	9.5	9.5
Deferred tax assets (Net)	-	1.7	1.7
Other non-financial assets	251.2	1.9	253.1
Total Assets	**38,183.1**	**85,481.2**	**1,23,664.3**
LIABILITIES			
Financial Liabilities			
Trade Payables	288.1	-	288.1
Debt Securities	2,743.4	14,338.0	17,081.4
Borrowings (Other than debt securities)	12,928.4	64,912.9	77,841.3
Deposits	257.9	422.4	680.3
Subordinated liabilities	(9.6)	840.0	830.4
Other financial liabilities	2,832.5	185.6	3,018.1
Non-Financial Liabilities			
Provisions	27.5	69.3	96.8
Deferred tax liabilities (Net)	-	186.5	186.5
Other non-financial liabilities	168.1	-	168.1
Total liabilities	**19,236.3**	**80,954.7**	**1,00,191.0**
Net	**18,946.8**	**4,526.5**	**23,473.3**

(₹ in Million)

Particulars	**March 31, 2019**		
	Within 12 months	**After 12 months**	**Total**
ASSETS			
Cash and cash equivalents	9,433.5	-	9,433.5

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Particulars	March 31, 2019		
	Within 12 months	After 12 months	Total
Other bank balances	1,095.5	10.3	1,105.8
Receivables	38.6	-	38.6
Housing and other loans	13,309.8	66,946.1	80,255.9
Investments	1,257.0	239.6	1,496.6
Other financial assets	853.6	924.6	1,778.2
Non-financial assets			
Current tax assets (Net)	136.1	-	136.1
Property, plant and equipment	-	236.2	236.2
Right to use assets	-	176.1	176.1
Other intangible assets	-	4.4	4.4
Deferred tax assets (Net)	-	0.9	0.9
Other non-financial assets	137.2	0.7	137.9
Total Assets	**26,261.3**	**68,538.9**	**94,800.2**
LIABILITIES			
Financial Liabilities			
Trade Payables	157.6	-	157.6
Debt Securities	2,614.4	14,208.0	16,822.4
Borrowings (Other than debt securities)	15,374.3	47,520.4	62,894.7
Deposits	697.2	702.0	1,399.2
Subordinated liabilities	(6.6)	840.0	833.4
Other financial liabilities	3,456.2	156.0	3,612.2
Non-Financial Liabilities			
Provisions	26.1	45.4	71.5
Deferred tax liabilities (Net)	-	308.5	308.5
Other non-financial liabilities	111.4	-	111.4
Total liabilities	**22,430.6**	**63,780.3**	**86,210.9**
Net	**3,830.7**	**4,758.6**	**8,589.3**

(₹ in Million)

Particulars	March 31, 2018		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	1,890.6	-	1,890.6
Other bank balances	83.4	18.4	101.8
Receivables	25.3	-	25.3
Housing and other loans	12,402.8	60,326.8	72,729.6
Investments	2,053.0	49.4	2,102.4
Other financial assets	208.5	398.0	606.5
Non-financial assets			
Current tax assets (Net)	21.7	-	21.7
Property, plant and equipment	-	182.9	182.9

Notes to restated consolidated financial information

Particulars	March 31, 2018		
	Within 12 months	After 12 months	Total
Right to use assets	-	144.4	144.4
Other intangible assets	-	8.3	8.3
Deferred tax assets (net)	-	0.4	0.4
Other non-financial assets	183.5	17.7	201.2
Total Assets	**16,868.8**	**61,146.3**	**78,015.1**
LIABILITIES			
Financial Liabilities			
Trade Payables	138.1	-	138.1
Debt Securities	4,147.2	9,264.0	13,411.2
Borrowings (Other than debt securities)	7,434.6	40,435.4	47,870.0
Deposits	555.2	509.4	1,064.6
Subordinated liabilities	(7.2)	840.0	832.8
Other financial liabilities	6,979.5	130.1	7,109.6
Non-Financial Liabilities			
Current tax liabilities (Net)	33.3	-	33.3
Provisions	43.1	-	43.1
Deferred tax liabilities (Net)	-	182.7	182.7
Other non-financial liabilities	151.9	-	151.9
Total liabilities	**19,475.7**	**51,361.6**	**70,837.3**
Net	**(2,606.9)**	**9,784.7**	**7,177.8**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

38. Financial risk management

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity Analysis of Financial assets and Financial Liabilities
As at September 30, 2020

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	4,303.7	4,303.7	-	-	-
Other bank balances	21,642.3	21,597.8	-	22.1	22.4
Housing and other loans	95,442.2	13,883.0	22,886.5	18,128.5	40,544.2
Investments	3,824.6	3,585.0	-	-	239.6
Receivables & Other financial assets	2,038.1	836.3	768.4	288.7	144.7
Total	**1,27,250.9**	**44,205.8**	**23,654.9**	**18,439.3**	**40,950.9**
Financial Liabilities					
Trade payables	298.8	298.8	-	-	-
Debt securities	22,044.9	7,208.8	12,557.7	580.0	1,698.4
Borrowings (other than debt securities)	72,989.6	10,902.5	24,898.9	17,790.3	19,397.9
Deposits	512.4	248.8	238.1	19.5	6.0
Subordinated liabilities	832.1	(7.9)	240.0	-	600.0
Other financial liabilities	5,862.0	5,693.6	77.6	63.5	27.3
Total	**1,02,539.8**	**24,344.6**	**38,012.3**	**18,453.3**	**21,729.6**
Net	**24,711.1**	**19,861.2**	**(14,357.4)**	**(14.0)**	**19,221.3**

As at March 31, 2020

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	13,648.8	13,648.8	-	-	-
Other bank balances	17,766.4	16,711.6	1,011.6	21.3	21.9
Housing and other loans	89,090.3	6,506.7	19,171.6	16,152.2	47,259.8
Investments	239.6	0.5	-	-	239.1
Receivables & Other financial assets	1,943.0	785.6	739.3	278.5	139.6
Total	**1,22,688.1**	**37,653.2**	**20,922.5**	**16,452.0**	**47,660.4**
Financial Liabilities					
Trade payables	288.1	288.1	-	-	-
Debt securities	17,081.4	2,743.4	8,102.0	4,537.7	1,698.3
Borrowings (other than debt securities)	77,841.3	12,928.4	29,301.1	17,027.4	18,584.4
Deposits	680.3	257.9	389.0	26.8	6.6
Subordinated liabilities	830.4	(9.6)	180.0	60.0	600.0
Other financial liabilities	3,018.1	2,832.5	77.1	72.7	35.8
Total	**99,739.6**	**19,040.7**	**38,049.2**	**21,724.6**	**20,925.1**
Net	**22,948.5**	**18,612.5**	**(17,126.7)**	**(5,272.6)**	**26,735.3**

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As at March 31, 2019

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	9,433.5	9,433.5	-	-	-
Other bank balances	1,105.8	1,095.5	10.3	-	-
Housing and other loans	80,255.9	13,309.8	19,002.5	15,490.6	32,453.0
Investments	1,496.6	1,257.0	-	-	239.6
Receivables & Other financial assets	1,816.8	892.2	544.5	250.1	130.0
Total	**94,108.6**	**25,988.0**	**19,557.3**	**15,740.7**	**32,822.6**
Financial Liabilities					
Trade payables	157.6	157.6	-	-	-
Debt securities	16,822.4	2,614.4	9,871.9	2,387.7	1,948.4
Borrowings (other than debt securities)	62,894.7	15,374.3	18,617.8	13,736.1	15,166.5
Deposits	1,399.2	697.2	642.3	47.9	11.8
Subordinated liabilities	833.4	(6.6)	-	240.0	600.0
Other financial liabilities	3,612.2	3,456.3	62.4	53.5	40.1
Total	**85,719.5**	**22,293.2**	**29,194.4**	**16,465.2**	**17,766.8**
Net	**8,389.1**	**3,694.8**	**(9,637.1)**	**(724.5)**	**15,055.8**

As at March 31, 2018

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	1,890.9	1,890.9	-	-	-
Other bank balances	101.5	83.1	18.4	-	-
Housing and other loans	72,729.6	12,402.8	22,382.6	17,788.1	20,156.1
Investments	2,102.4	2,053.0	-	-	49.4
Receivables & Other financial assets	631.8	233.8	227.5	107.0	63.5
Total	**77,456.2**	**16,663.6**	**22,628.5**	**17,895.1**	**20,269.0**
Financial Liabilities					
Trade payables	138.1	138.1	-	-	-
Debt securities	13,411.2	4,147.2	4,690.0	2,045.0	2,529.0
Borrowings (other than debt securities)	47,870.0	7,434.6	16,235.0	12,591.1	11,609.3
Deposits	1,064.6	555.2	410.3	86.6	12.5
Subordinated liabilities	832.8	(7.2)	-	180.0	660.0
Other financial liabilities	7,109.6	6,979.46	48.4	34.1	47.6
Total	**70,426.3**	**19,247.4**	**21,383.7**	**14,936.8**	**14,858.4**
Net	**7,029.9**	**(2,583.8)**	**1,244.8**	**2,958.3**	**5,410.6**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

Notes to restated consolidated financial information

b. Interest Risk

The core business of the Group is providing housing and other mortgage loans. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Group's statement of profit and loss (before taxes)

(₹ in Million)

Particulars	Basis Points	For the six month ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase by basis points	50	76.9	79.1	73.5	114.2
Decrease by basis points	50	(76.9)	(79.1)	(73.5)	(114.2)

c. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Group. In its lending operations, the Group is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Group measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and other property loans. The Group has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Group's customers for retail loans are primarily lower and middle income, salaried and self-employed individuals. The loans are secured by the mortgage of the borrowers' property.

The Group's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Group monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired assets	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - 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. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Additional provision due to Covid-19 -

Based on management overlay the additional provision amount of ₹ 495.1 Million has been carried as of September 30, 2020.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

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(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	93,822.0	408.9	93,413.1
Stage 2 – Assets for which there is significant increase in credit risk	Loan	1,920.3	305.6	1,614.7
Stage 3 - Credit-impaired assets	Loan	1,186.7	352.0	834.7

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 3.8 Million.
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and moratorium amounting to ₹ 495.1 Million

As at March 31, 2020

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	85,798.1	410.0	85,388.1
Stage 2 – Assets for which there is significant increase in credit risk	Loan	3,639.9	355.1	3,284.8
Stage 3 - Credit-impaired assets	Loan	991.2	254.9	736.3

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 3.7 Million.
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and moratorium amounting to ₹ 495.1 Million

As at March 31, 2019

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	76,224.3	132.2	76,092.1
Stage 2 – Assets for which there is significant increase in credit risk	Loan	3,634.6	191.6	3,443.0
Stage 3 - Credit-impaired assets	Loan	630.1	128.0	502.1

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 4.6 Million.

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As at March 31, 2018

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	69,559.7	98.6	69,461.1
Stage 2 – Assets for which there is significant increase in credit risk	Loan	2,304.6	134.9	2,169.7
Stage 3 - Credit-impaired assets	Loan	510.5	95.2	415.3

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 6.1 Million.

Reconciliation of Loan balances is given below:

(₹ in Million)

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**85,798.1**	**3,639.9**	**991.2**	**90,429.2**
New assets added during the period	12,227.3	-	-	12,227.3
Assets derecognised under direct assignment	(2,047.3)	-	-	(2,047.3)
Repayment of Loans (excluding write offs)	(3,632.6)	12.0	(38.9)	(3,659.5)
Transfers to / from Stage 1	1,838.8	(1,824.1)	(9.9)	4.8
Transfers to / from Stage 2	(323.6)	338.4	(14.9)	(0.1)
Transfers to / from Stage 3	(31.2)	(240.5)	269.3	(2.4)
Amounts written off	(7.5)	(5.4)	(10.1)	(23.0)
Gross carrying amount closing balance	**93,822.0**	**1,920.3**	**1,186.7**	**96,929.0**

(₹ in Million)

Particulars	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**76,224.3**	**3,634.6**	**630.1**	**80,489.0**
New assets added during the year	31,901.4	-	-	31,901.4
Assets derecognised under direct assignment	(9,546.7)	-	-	(9,546.7)
Repayment of Loans (excluding write offs)	(11,645.6)	(548.1)	(99.5)	(12,293.2)
Transfers to / from Stage 1	1,004.4	(984.3)	(22.5)	(2.4)
Transfers to / from Stage 2	(1,933.6)	1,946.1	(13.8)	(1.3)
Transfers to / from Stage 3	(189.2)	(360.3)	588.3	38.8
Amounts written off	(16.9)	(48.1)	(91.4)	(156.4)
Gross carrying amount closing balance	**85,798.1**	**3,639.9**	**991.2**	**90,429.2**

(₹ in Million)

Particulars	March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**69,559.7**	**2,304.6**	**510.5**	**72,374.8**
New assets added during the year	35,707.9	-	-	35,707.9
Assets derecognised under direct assignment	(14,830.5)	-	-	(14,830.5)
Repayment of Loans (excluding write offs)	(12,184.4)	(399.3)	(84.6)	(12,668.3)
Transfers to / from Stage 1	332.8	(585.3)	(21.8)	(274.3)

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Particulars	March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 2	(2,212.4)	2,517.2	(39.8)	265.0
Transfers to / from Stage 3	(136.0)	(181.8)	341.6	23.8
Amounts written off	(12.8)	(20.8)	(75.8)	(109.4)
Gross carrying amount closing balance	**76,224.3**	**3,634.6**	**630.1**	**80,489.0**

(₹ in Million)

Particulars	March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**44,144.0**	**1,100.3**	**404.4**	**45,648.7**
New assets added during the year	39,021.9	-	-	39,021.9
Assets derecognised under direct assignment	(3,305.1)	-	-	(3,305.1)
Repayment of Loans (excluding write offs)	(8,676.5)	(204.0)	(61.4)	(8,941.9)
Transfers to / from Stage 1	(23.4)	(244.1)	(21.3)	(288.8)
Transfers to / from Stage 2	(1,461.1)	1,762.6	(31.1)	270.4
Transfers to / from Stage 3	(128.8)	(96.7)	256.9	31.4
Amounts written off	(11.3)	(13.5)	(37.0)	(61.8)
Gross carrying amount closing balance	**69,559.7**	**2,304.6**	**510.5**	**72,374.8**

Note: Gross carrying amount disclosed above excludes EIR adjustments :

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
EIR Amount	452.5	517.4	461.2	400.3

Reconciliation of ECL balance is given below:

(₹ in Million)

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**410.0**	**355.1**	**254.9**	**1,020.0**
New assets added during the period	18.3	-	-	18.3
Assets derecognised under direct assignment	(3.1)	-	-	(3.1)
Repayment of Loans (excluding write offs)	(5.1)	0.7	(11.6)	(16.0)
Transfers to / from Stage 1	2.8	(100.1)	(3.0)	(100.3)
Transfers to / from Stage 2	(0.5)	18.9	(4.5)	13.9
Transfers to / from Stage 3	-	(13.2)	81.6	68.4
Impact on period end ECL of exposures transferred between stages during the period	(13.5)	65.3	73.2	125.0
Additional Provision	-	-	-	-
Amounts written off	-	(21.1)	(38.6)	(59.7)
Gross carrying amount closing balance	**408.9**	**305.6**	**352.0**	**1,066.5**

(₹ in Million)

Particulars	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**132.2**	**191.6**	**128.0**	**451.8**
New assets added during the year	44.7	-	-	44.7
Assets derecognised under direct assignment	(13.4)	-	-	(13.4)
Repayment of Loans (excluding write offs)	(16.3)	(26.6)	(22.3)	(65.2)

Notes to restated consolidated financial information

Particulars	March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Transfers to / from Stage 1	1.4	(47.7)	(5.0)	(51.3)
Transfers to / from Stage 2	(2.7)	94.4	(3.1)	88.6
Transfers to / from Stage 3	(0.3)	(17.5)	132.0	114.2
Impact on year end ECL of exposures transferred between stages during the year	(19.8)	3.6	31.4	15.2
Additional Provision (refer note 2 below)	284.2	178.4	32.5	495.1
Amounts written off	-	(21.1)	(38.6)	(59.7)
Gross carrying amount closing balance	**410.0**	**355.1**	**254.9**	**1,020.0**

(₹ in Million)

Particulars	March 31, 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**98.6**	**134.9**	**95.2**	**328.7**
New assets added during the year	42.3	-	-	42.3
Assets derecognised under direct assignment	(17.6)	-	-	(17.6)
Repayment of Loans (excluding write offs)	(14.5)	(21.1)	(17.4)	(53.0)
Transfers to / from Stage 1	0.4	(30.9)	(4.5)	(35.0)
Transfers to / from Stage 2	(2.6)	132.7	(8.2)	121.9
Transfers to / from Stage 3	(0.2)	(9.6)	67.1	57.3
Impact on year end ECL of exposures transferred between stages during the year	25.8	(14.4)	55.7	67.1
Additional Provision (refer note 2 below)	-	-	-	-
Amounts written off	-	-	(59.9)	(59.9)
Gross carrying amount closing balance	**132.2**	**191.6**	**128.0**	**451.8**

(₹ in Million)

Particulars	March 31, 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**64.8**	**65.7**	**72.6**	**203.1**
New assets added during the year	51.9	-	-	51.9
Assets derecognised under direct assignment	(4.4)	-	-	(4.4)
Repayment of Loans (excluding write offs)	(11.5)	(11.9)	(13.2)	(36.6)
Transfers to / from Stage 1	-	(14.3)	(4.6)	(18.9)
Transfers to / from Stage 2	(1.9)	103.1	(6.7)	94.5
Transfers to / from Stage 3	(0.2)	(5.7)	52.5	46.6
Impact on year end ECL of exposures transferred between stages during the year	(0.1)	(2.0)	23.2	21.1
Amounts written off	-	-	(28.6)	(28.6)
Gross carrying amount closing balance	**98.6**	**134.9**	**95.2**	**328.7**

Note: Above includes Expected Credit Loss provision on Loan commitment :

(₹ in Million)

Particulars	**As at September 30, 2020**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Provision towards Loan Commitments	3.8	3.7	4.6	6.1

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

Notes to restated consolidated financial information

As at September 30, 2020

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	23.8	2.5	21.3
Stage 2 – Assets for which there is significant increase in credit risk	Loan	14.7	4.7	10.0
Stage 3 - Credit-impaired assets	Loan	368.7	368.7	-

As at March 31, 2020

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	25.4	2.6	22.8
Stage 2 – Assets for which there is significant increase in credit risk	Loan	100.0	31.8	68.2
Stage 3 - Credit-impaired assets	Loan	321.9	216.5	105.4

As at March 31, 2019

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	267.5	18.0	249.5
Stage 2 – Assets for which there is significant increase in credit risk	Loan	242.2	68.9	173.3
Stage 3 - Credit-impaired assets	Loan	499.7	244.4	255.3

As at March 31, 2018

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	710.2	35.5	674.7
Stage 2 – Assets for which there is significant increase in credit risk	Loan	224.3	59.0	165.3
Stage 3 - Credit-impaired assets	Loan	436.9	194.2	242.7

Reconciliation of Loan balances is given below:

(₹ in Million)

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**25.4**	**100.0**	**321.9**	**447.3**
New assets added during the period	-	-	-	-
Repayment of Loans (excluding write offs)	(1.6)	(3.7)	(7.3)	(12.6)
Transfers to / from Stage 1	-	-	-	-

Notes to restated consolidated financial information

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	(81.6)	59.4	(22.2)
Amounts written off	-	-	(5.3)	(5.3)
Gross carrying amount closing balance	**23.8**	**14.7**	**368.7**	**407.2**

(₹ in Million)

Particulars	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**267.5**	**242.2**	**499.7**	**1,009.4**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(57.5)	(39.2)	(9.4)	(106.1)
Transfers to / from Stage 1	24.2	(25.4)	-	(1.2)
Transfers to / from Stage 2	(79.0)	100.0	(21.0)	-
Transfers to / from Stage 3	(28.3)	(49.1)	103.3	25.9
Amounts written off	(101.5)	(128.5)	(250.7)	(480.7)
Gross carrying amount closing balance	**25.4**	**100.0**	**321.9**	**447.3**

(₹ in Million)

Particulars	March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**710.2**	**224.3**	**436.9**	**1,371.4**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(185.4)	(37.2)	(123.6)	(346.2)
Transfers to / from Stage 1	167.1	(114.3)	(52.8)	-
Transfers to / from Stage 2	(227.8)	227.8	-	-
Transfers to / from Stage 3	(196.6)	(58.4)	257.1	2.1
Amounts written off	-	-	(17.9)	(17.9)
Gross carrying amount closing balance	**267.5**	**242.2**	**499.7**	**1,009.4**

(₹ in Million)

Particulars	March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,199.6**	**48.7**	**273.5**	**1,521.8**
New assets added during the year	24.6	-	-	24.6
Repayment of Loans (excluding write offs)	(149.8)	-	(60.7)	(210.5)
Transfers to / from Stage 1	-	-	(14.5)	(14.5)
Transfers to / from Stage 2	(224.3)	175.6	-	(48.7)
Transfers to / from Stage 3	(139.9)	-	238.6	98.7
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**710.2**	**224.3**	**436.9**	**1,371.4**

Reconciliation of ECL balance is given below:

(₹ in Million)

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2.6**	**31.8**	**216.5**	**250.9**
New assets added during the period	-	-	-	-
Repayment of Loans (excluding write offs)	(0.2)	(1.2)	(7.3)	(8.7)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-

Notes to restated consolidated financial information

Particulars	September 30, 2020			
	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 3	-	(26.2)	59.4	33.2
Impact on period end ECL of exposures transferred between stages during the period	0.1	0.3	100.1	100.5
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**2.5**	**4.7**	**368.7**	**375.9**

(₹ in Million)

Particulars	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**18.0**	**68.9**	**244.4**	**331.3**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(5.8)	(12.5)	(6.3)	(24.6)
Transfers to / from Stage 1	2.4	(8.1)	-	(5.7)
Transfers to / from Stage 2	(8.0)	31.8	(14.1)	9.7
Transfers to / from Stage 3	(2.8)	(15.6)	69.5	51.1
Impact on year end ECL of exposures transferred between stages during the year	100.1	95.7	173.7	369.5
Amounts written off	(101.3)	(128.4)	(250.7)	(480.4)
Gross carrying amount closing balance	**2.6**	**31.8**	**216.5**	**250.9**

(₹ in Million)

Particulars	March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**35.5**	**59.0**	**194.2**	**288.7**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(12.5)	(10.6)	(61.8)	(84.9)
Transfers to / from Stage 1	11.3	(32.5)	(26.4)	(47.6)
Transfers to / from Stage 2	(15.4)	64.8	-	49.4
Transfers to / from Stage 3	(13.3)	(16.6)	127.5	97.6
Impact on year end ECL of exposures transferred between stages during the year	12.4	4.8	28.8	46.0
Amounts written off	-	-	(17.9)	(17.9)
Gross carrying amount closing balance	**18.0**	**68.9**	**244.4**	**331.3**

(₹ in Million)

Particulars	March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**40.5**	**11.9**	**130.2**	**182.6**
New assets added during the year	1.1	-	-	1.1
Repayment of Loans (excluding write offs)	(6.7)	-	(30.4)	(37.1)
Transfers to / from Stage 1	-	-	(7.3)	(7.3)
Transfers to / from Stage 2	(10.1)	46.2	-	36.1
Transfers to / from Stage 3	(6.3)	-	101.6	95.3
Impact on year end ECL of exposures transferred between stages during the year	17.0	0.9	0.1	18.0
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**35.5**	**59.0**	**194.2**	**288.7**

Note: Above includes Expected Credit Loss provision on Loan commitment amount to Nil Lakh.

Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures are not given in the financial statement.

Notes to restated consolidated financial information

c) Group monitor's Gross NPA's on Assets under Company's management ("AUM") and Own Book at retail and overall basis.

(₹ in Million)

Particulars	As at September 30, 2020 *	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
AUM**	1,21,586.9	1,21,586.9	1,14,316.6	1,00,157.5	79,659.2
GNPA on AUM	1,543.2	1,186.7	1,237.1	1,021.7	843.5
GNPA on AUM (%)	1.27%	0.98%	1.08%	1.02%	1.06%
Retail AUM**	1,21,180.2	1,21,180.2	1,13,896.2	99,208.7	78,353.4
GNPA on Retail AUM	1,174.5	899.6	937.4	572.7	457.2
GNPA on Retail AUM (%)	0.97%	0.74%	0.82%	0.58%	0.58%
Own Book**	97,096.9	97,096.9	90,605.0	81,237.8	73,527.0
GNPA on Own Book	1,440.7	1,125.5	1,170.0	1,000.3	833.0
GNPA on Own Book (%)	1.48%	1.16%	1.29%	1.23%	1.13%
Retail Own Book**	96,690.3	96,690.3	90,184.5	80,289.0	72,221.2
GNPA on Retail Own Book	1,072.0	838.4	870.3	551.3	446.7
GNPA on Retail Own Book (%)	1.11%	0.87%	0.96%	0.69%	0.62%

***The Hon'ble Supreme Court in a public interest litigation (Gajendra sharma vs. Union of India & Anr) vide an interim order dated 3 September 2020 ('interim order') has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Group has not classified eligible accounts as NPA as at September 30, 2020. Such accounts have been classified as stage 3 and provisioned accordingly. This proforma details is prepared assuming that NPA would have been classified in Sep-20.

** Excluding accrued interest and adjustment on account of application of EIR under Ind AS

Note : Assets repossessed under SARFAESI are included in above disclosure in respective items.

39. Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total Net Borrowings (₹ in Million)	66,848.5	65,018.3	70,154.4	59,184.4
Total Equity (₹ in Million)	25,066.7	23,473.3	8,589.3	7,177.8
Debt Equity Ratio	2.67	2.77	8.17	8.25

*Total net borrowing = Total borrowings – Cash and Cash Equivalents – Investment in Liquid Mutual fund – Receivable from Mutual Fund

Notes to restated consolidated financial information

The Parent Company is required to maintain the CRAR of 13% as required by NHB. Further Parent Company is required to maintain borrowing not exceeding 14 times of Net Owned Fund.

Below are the details of CRAR maintained and calculated as per NHB guidelines in the respective year / period by the Parent Company and as per regulatory return filed with NHB in respective year / period.

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Risk weighted Assets (₹ in Million)	54,343.5	47,734.4	46,615.1	42,090.4
Net owned funds (Tier I Capital) (₹ in Million)	24,925.7	23,426.6	7,255.7	6,830.3
Tier II Capital (₹ in Million)	1,071.4	1,120.6	1,263.9	1,067.5
CRAR	47.84%	51.42%	18.28%	18.76%
CRAR-Tier I Capital	45.87%	49.08%	15.57%	16.23%
CRAR- Tier II Capital	1.97%	2.35%	2.71%	2.54%
Amount of subordinated debt qualified as Tier-II Capital (₹ in Million)	660.0	708.0	756.0	804.0

40. Segment reporting

The Group operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 “Operating Segments”. The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Group has identified Managing Director and CEO as CODM.

The Group has its operations within India and all revenue is generated within India.

41. Employee benefits

41.1 Defined Contribution Plan

The Group makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head “Contribution to Provident and Other Funds” of Statement of Profit and Loss are as follows:

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	19.1	29.0	27.3	22.0
Contribution to pension fund	23.1	35.4	32.8	15.4
Contribution to new pension scheme	1.5	3.6	0.9	-
Contribution to ESIC	3.2	6.6	13.7	5.7

41.2 Defined Obligation Benefit

Notes to restated consolidated financial information

The Group provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Liability at the beginning of the period	91.3	61.1	41.5	10.4
Acquired on amalgamation	-	-	-	11.9
Current service cost	13.6	21.1	15.7	7.5
Interest cost	3.0	4.5	3.1	1.5
Plan Amendment Cost	-	-	-	2.4
Actuarial (gain) /losses	(0.7)	11.8	5.2	9.8
Benefits paid	(1.5)	(7.2)	(4.4)	(2.0)
Liability at the end of the period	105.7	91.3	61.1	41.5

ii. Changes in Fair Value of Plan Assets

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan Assets at the beginning of the period	61.6	50.9	40.7	10.5
Acquired on amalgamation	-	-	-	11.7
Expected return on plan assets	2.1	4.1	3.4	2.3
Actuarial Gain/(Loss)	0.7	1.0	(0.2)	(1.0)
Employer Contribution	-	5.6	7.0	17.6
Benefits Paid	-	-	-	(0.4)
Plan Assets at the end of the period	64.4	61.6	50.9	40.7

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Fair value of Plan Assets	64.4	61.6	50.9	40.7
Present Value of Obligation	105.7	91.3	61.1	41.5
Amount Recognised in Balance Sheet	(41.3)	(29.7)	(10.2)	(0.8)

iv. Expenses recognized in Statement of Profit and Loss

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	13.6	21.1	15.7	7.5
Net interest on net defined benefit liability / (asset)	0.9	0.3	(0.3)	(0.8)
Plan Amendment cost / Direct Payment	-	-	-	2.5
Expenses recognized in the statement of profit and loss under employee benefits expenses	14.5	21.4	15.4	9.2

Notes to restated consolidated financial information

v. Expenses recognized in Statement of Other Comprehensive Income

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain) / loss arising during period	(1.4)	10.8	5.3	10.8
Expenses recognized in the other comprehensive income	(1.4)	10.8	5.3	10.8

vi. Expected benefit payments

(₹ in Million)

Particulars	As at September 30, 2020
September 30, 2021	6.3
September 30, 2022	5.7
September 30, 2023	8.6
September 30, 2024	12.7
September 30, 2025	16.2
After September 30, 2026	137.9

vii. Actuarial Assumptions

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	6.4% - 6.5%	6.7%	7.6%	7.6%
Expected rate of return on plan asset (per annum)	7%	7%	7.5%	7.5%
Salary Escalation Rate	9.5%	9.5%	8%	8%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary and this has been relied upon by the auditors.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Group's policy for plan assets management.

Notes to restated consolidated financial information

Effect of change in assumptions

(₹ in Million)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(5.3)
Discount Rate (decrease by 0.5%)	5.8
Salary Escalation Rate (increase by 0.5%)	5.3
Salary Escalation Rate (decrease by 0.5%)	(5.0)

viii. Amount recognised in current period and previous periods

Gratuity:

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined benefit obligation	105.8	91.3	58.0	41.5	10.4
Fair value of plan asset	64.4	61.6	50.9	40.7	10.5
(Surplus)/ Deficit in the plan	41.4	29.7	7.1	0.8	(0.1)
Actuarial (gain)/loss on plan obligation	(0.7)	11.8	5.2	9.8	0.7
Actuarial gain/(loss) on plan asset	0.7	1.0	(0.2)	(1.0)	-

Plan Assets as at September 30, 2020

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.57%
Schemes of Insurance –ULIP Product	97.43%

42. Employee stock appreciation rights and Employees Stock Option

a) Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")

ESAR 2018 was approved by the shareholders of the Parent Company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the six months ended September 30, 2020(Nos)	For the year ended March 31, 2020(Nos)	For the year ended March 31, 2019 (Nos)
Opening	1,98,992.48	2,63,308.76	**-**
Granted during the period	-	-	2,77,295.20
Lapsed during the period	825.54	49,935.75	13,986.44
Exercised by employee*	1238.31	14,380.53	-
Closing	**1,96,928.63**	**1,98,992.48**	**2,63,308.76**
Vested as at period end	**1,18,157.18**	**1,19,395.49**	**78,992.63**
Unvested as at period end	**78,771.45**	**79,596.99**	**1,84,316.13**

Notes to restated consolidated financial information

* Exercised by employee pending for decision by Nomination and remuneration committee on allotment.

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	**ESAR 2018**
Dividend yield	2.40%
Expected Life	3 Years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled ESARs:-

(₹ in Million)

Particulars	**For the six months ended September 30, 2020**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
ESAR Expenses	1.2	3.0	8.3	-

b) Employee stock option plans (ESOPS)

Employee Stock Option Plan 2020 ("ESOP Plan 2020")

ESOP Plan 2020 was approved by the shareholders of the Parent Company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on May 05, 2020 with the grant date of March 31, 2020. Details of ESOP Plan 2020 granted during the previous year.

Particulars	**ESOP Plan 2020**
Scheme Name	Employee Stock Option Plan 2020
No. of options approved	12,00,000
Date of Grant	March 31, 2020
No of option granted	10,44,395
Exercise Price (Rs)	908.05
Method of Settlement	Equity
Time Based Eligibility	20% each year in next Five year.
Vesting Schedule	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 Years from Vesting

Computation of fair value of options granted during year ended March 31, 2020

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Notes to restated consolidated financial information

Particulars	ESOP Plan 2020
Fair value of the option (₹)	₹ 96 to Rs 333
Share price on the date of grant (₹)	908.05
Exercise Price(₹)	908.05
Expected Life	3 years to 9 years
Expected Volatility (%)	9.7% to 12.7%
Life of the Option (years)	3 years to 9 years
Risk Free rate of return (%)	5.2% to 6.7%
Expected dividend rate (%)	0.8%

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may actually occur. Further, the condition of specified sale of the shares held by the investor is estimated to be fulfilled on the relevant eligibility dates.

Movement in ESOPs

Particulars	For the six months ended September 30, 2020(Nos)	For the year ended March 31, 2020(Nos)
Opening	10,44,395	**-**
Granted during the period	-	10,44,395
Lapsed during the period	-	-
Closing	**10,44,395**	**10,44,395**
Vested as at period end	**-**	**-**
Unvested as at period end	**10,44,395**	**10,44,395**

The expense arises from equity settled ESOPs transaction :-

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
ESOP Expenses	27.1	0.1	-	-

43. Foreign currency transactions

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign business travel	-	0.2	0*	0.4
Directors sitting fees (IFC)	-	-	-	0.3
Total	**-**	**0.2**	**0**	**0.7**

* Amount less than ₹ 50,000.

44. a) Related party transactions

List of related parties with whom transactions have taken place during the period and relationship:

Sr. No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd. (w.e.f June 10, 2019)

Notes to restated consolidated financial information

Sr. No	Relationship	Name of Related Party
		Wadhawan Global Capital Limited (Formerly Known as Wadhawan Global Capital Private Limited) (upto June 10, 2019)
2.	Enterprise having Significant Influence	International Finance Corporation (Washington) (upto June 10, 2019)
3.	Other Group Companies	Dewan Housing Finance Corporation Limited (upto June 10, 2019)
		DHFL Pramerica Life Insurance Company Limited (upto June 10, 2019)
		DHFL General Insurance Limited (upto June 10, 2019)
		DHFL Pramerica Asset Managers Private Limited (upto June 10, 2019)
		Avanse Financial Services Limited (upto June 10, 2019)
4.	Key Management Personal	O P Bhatt - Chairman and Director (w.e.f. September 13, 2019)
		Deo Shankar Tripathi - Managing Director and CEO (w.e.f 21-11-2017)
		Shri. R Nambirajan Managing Director (upto 02-07-2017)
		Kapil Wadhawan – Chairman and Director (upto June 10, 2019)
		Amit Dixit - Director (w.e.f.- August 2, 2019)
		Mukesh G Mehta - Director (w.e.f.- August 2, 2019)
		Neeraj Mohan - Director (w.e.f.- August 2, 2019)
		Shri. G P Kohli (upto June 10, 2019)
		Shri. Sridar Venkatesan (upto April 1, 2020)
		Dr. Nivedita Haran – Director (w.e.f. – September 15, 2018)
		Suresh Mahalingam (upto June 10, 2019)
		Ms. Sasikala Varadachari (upto June 13, 2018)

Transactions with Related Parties:

(₹ in Million)

Name	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income :					
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	Not Applicable	7.1	64.5	25.4
DHFL General Insurance Limited	Intermediary Services	Not Applicable	11.4	96.5	28.3
Dewan Housing Finance Corporation Limited	Other Income	Not Applicable	-	0.1	0.1
Dewan Housing Finance Corporation Limited	Sale of Fixed Asset	Not Applicable	-	0.8	-
Avanse Financial Services Limited	Other Income	Not Applicable	0.6	-	-
Expenditure:					
Dewan Housing Finance	IT support	Not	2.0	20.0	9.0

Notes to restated consolidated financial information

Name	Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Corporation Limited	services	Applicable			
Dewan Housing Finance Corporation Limited	Rent	Not Applicable	2.7	16.3	15.2
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	Not Applicable	-	-	0.6
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	Not Applicable	-	4.8	0.6
Dewan Housing Finance Corporation Limited	Service fee on assignment	Not Applicable	0.6	2.0	0.1
DHFL General Insurance Limited	Insurance Premium	Not Applicable	1.5	33.5	-
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	8.4	27.1	43.0	19.8
Shri. R Nambirajan	Remuneration	Not Applicable	Not Applicable	Not Applicable	3.9
Dividend Payment :					
Wadhawan Global Capital Limited	Dividend Payment	Not Applicable	-	123.2	65.1
Dewan Housing Finance Corporation Limited	Dividend Payment	Not Applicable	-	16.1	7.3
Others :					
Dewan Housing Finance Corporation Limited	Purchase of Investment	Not Applicable	-	3,952.7	-
Dewan Housing Finance Corporation Limited	Sale of Investment	Not Applicable	-	1,674.0	-
Dewan Housing Finance Corporation Limited	Purchase of portfolio	Not Applicable	-	3,789.4	-
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	Not Applicable	-	-	500.0
International Finance Corporation	Proceeds received on allotment of Equity Shares	Not Applicable	-	-	650.0
BCP Topco VII Pte. Ltd. (w.e.f June 10, 2019)	Proceeds received on allotment of Equity Shares	-	13,000.0	Not Applicable	Not Applicable

Amount shown above are till the date related party relationship was not terminated.

Notes to restated consolidated financial information

Compensation of key management personnel of the Company

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Short–term employee benefits	8.0	26.4	42.3	22.9
Post–employment pension (defined contribution)	0.4	0.7	0.7	0.8
Termination benefits	-	-	-	-
Sitting fee and commission	6.6	5.6	8.2	4.7
Total	**15.0**	**32.7**	**51.2**	**28.4**

Balances with Related Parties:

(₹ in Million)

Name	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Dewan Housing Finance Corporation Limited	Receivable	Not Applicable	Not Applicable	92.6	2.0
Dewan Housing Finance Corporation Limited	Payable	Not Applicable	Not Applicable	21.4	10.5
Dewan Housing Finance Corporation Limited	Security Deposit	Not Applicable	Not Applicable	1.6	1.6
DHFL Pramerica Life Insurance Company Limited	Receivable	Not Applicable	Not Applicable	11.3	7.1
DHFL Pramerica Life Insurance Company Limited	Advance	Not Applicable	Not Applicable	2.2	2.2
DHFL General Insurance Limited	Receivable	Not Applicable	Not Applicable	21.5	16.8
DHFL General Insurance Limited	Advance	Not Applicable	Not Applicable	4.0	2.0
DHFL Pramerica Life Insurance Company Limited	Secured Non-convertible debentures (Liabilities) (Excluding Accrued Interest)	Not Applicable	Not Applicable	200.0	-
Directors Commission	Payable	6.0	7.5	6.0	1.5
Deo Shankar Tripathi	Fixed Deposit (including accrued	4.9	4.7	4.3	-

Notes to restated consolidated financial information

Name	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	interest)				
Deo Shankar Tripathi	Debt securities	1.3	1.3	1.0	-

b) On Consolidation following transactions and balances with Aadhar Sales and Services Private Limited – Subsidiary Company has been eliminated :

Transactions

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Business sourcing expenses paid to subsidiary company	104.5	195.9	291.3	91.3
Recovery of expense from subsidiary company	-	-	0.1	2.9
Rent income from subsidiary company	0.1	0.2	0.2	0.2
Investment in subsidiary company	-	-	-	0.1

Balances

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investment in subsidiary company	0.1	0.1	0.1	0.1
Deposit receivable from subsidiary company	4.0	19.0	25.0	6.5
Receivable from subsidiary company	-	-	0.0*	0.2

* Less than Rs 50,000

45. During the year ended March 31, 2019, the Group has paid one-time retention bonus to its employees amounting to ₹ 138.6 million that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

46. Scheme for Grant of Ex-gratia

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020.

Notes to restated consolidated financial information

The Scheme is applicable to the borrowers of the company. This has been considered as an adjusting event for the financial statements. Accordingly under the said scheme, the Company has disclosed the ex-gratia amount of ₹ 212.4 million as receivable under the head "Other non-financial assets" and payable to borrowers under the head "other non-financial liabilities" in the Balance Sheet as at September 30, 2020.

There is no impact on Statement of Profit and Loss for the six months ended September 30, 2020 on account of above scheme.

47. A comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109

As at September 30, 2020

(₹ in Million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	93,393.2	407.6	92,985.6	357.8	49.8
	Stage 2	1,935.0	310.3	1,624.7	183.7	126.6
	Stage 3 (Refer Note 3)	323.8	123.3	200.5	31.3	92.0
Subtotal		**95,652.0**	**841.2**	**94,810.8**	**572.8**	**268.4**
Non-Performing Assets (NPA)						
Substandard	Stage 3	339.9	123.4	216.5	46.6	76.8
Doubtful - up to 1 year	Stage 3	569.6	316.8	252.8	133.9	182.9
1 to 3 years	Stage 3	277.6	144.3	133.3	98.4	45.9
More than 3 years	Stage 3	44.5	12.9	31.6	33.4	(20.5)
Subtotal for doubtful		**891.7**	**474.0**	**417.7**	**265.7**	**208.3**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1	3,215.6	3.8	3,211.8	-	3.8

Notes to restated consolidated financial information

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Recognition, Asset Classification and Provisioning (IRACP) norms						
Subtotal		**3,215.6**	**3.8**	**3,211.8**	**-**	**3.8**
	Stage 1	**96,608.8**	**411.4**	**96,197.4**	**357.8**	**53.6**
	Stage 2	**1,935.0**	**310.3**	**1,624.7**	**183.7**	**126.6**
Total	**Stage 3**	**1,555.4**	**720.7**	**834.7**	**343.6**	**377.1**
	Total	**1,00,099.2**	**1,442.4**	**98,656.8**	**885.1**	**557.3**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to ₹ 114.7 million has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Hon'ble Supreme Court. in a public interest litigation (Gajendra Shanna vs. Union of India & Anr). vide an interim order dated 3 September 2020 {'interim order). has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Accordingly these asset has been classified as standard asset otherwise the same would have been classified into substandard asset and provisions required as per IRACP norms would have been higher by ₹ 16.0 Million. The same has been treated as Stage 3 Asset under Ind AS and provision has been made accordingly.

As at March 31, 2020

(₹ in Million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Including interest on Net NPA)	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	85,826.8	408.9	85,417.9	322.8	86.1

Notes to restated consolidated financial information

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Including interest on Net NPA)	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
	Stage 2	3,739.9	386.9	3,353.0	223.1	163.8
Subtotal		**89,566.7**	**795.8**	**88,770.9**	**545.9**	**249.9**
Non-Performing Assets (NPA)						
Substandard	Stage 3	685.1	162.6	522.5	185.7	(23.1)
Doubtful - up to 1 year	Stage 3	386.6	201.7	184.9	135.7	66.0
1 to 3 years	Stage 3	210.3	99.4	110.9	109.0	(9.6)
More than 3 years	Stage 3	27.9	7.7	20.2	27.9	(20.2)
Subtotal for doubtful		**624.8**	**308.8**	**316.0**	**272.6**	**36.2**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	3,567.3	3.7	3,563.6	-	3.7
Subtotal		**3,567.3**	**3.7**	**3,563.6**	**-**	**3.7**
	Stage 1	**89,394.1**	**412.6**	**88,981.5**	**322.8**	**89.8**
	Stage 2	**3,739.9**	**386.9**	**3,353.0**	**223.1**	**163.8**
Total	**Stage 3**	**1,309.9**	**471.4**	**838.5**	**458.3**	**13.1**
	Total	**94,443.9**	**1,270.9**	**93,173.0**	**1,004.2**	**266.7**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. The above disclosure is pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 and is applicable for all annual/interim period end post the date of the notification.

Notes to restated consolidated financial information

48. Disclosure in accordance with RBI circular number DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 related to COVID19 Regulatory Package - Asset Classification and Provisioning.

(₹ in Million)

Particulars	**As at September 30, 2020**
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	7,101.2
(ii) Respective amount where asset classification benefits is extended.	2,149.1
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5*;	495.1
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-

*As per para 4 of circular, the Company being HFC has provided the additional provision as per Ind AS.

49. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act.

Particulars		**Name of the entity in the Group**	
		Parent	**Direct Subsidiary**
		Aadhar Housing Finance Limited	**Aadhar Sales and Services Private Limited**
Net assets i.e. Total Assets minus Total Liabilities	As at September 30, 2020 As % of consolidated net assets	99.99%	0.01%
	As at September 30, 2020 Amount (₹ in Million)	25,065.0	1.7
	As at March 31, 2020 As % of consolidated net assets	99.99%	0.01%
	As at March 31, 2020 Amount (₹ in Million)	23,471.4	1.9
	As at March 31, 2019 As % of consolidated net assets	99.99%	0.01%
	As at March 31, 2019 Amount (₹ in Million)	8,588.4	0.9
	As at March 31, 2018 As % of consolidated net assets	100.02%	(0.02%)
	As at March 31, 2018 Amount (₹ in Million)	7,178.7	(0.9)
Profit after tax	For the six month ended September 30, 2020 As % of consolidated net profit after tax	99.98%	0.02%
	For the six month ended September 30, 2020 Amount (₹ in Million)	1,563.4	0.3
	For the year ended March 31, 2020 As % of consolidated net profit after tax	100.00%	0%
	For the year ended March 31, 2020 Amount (₹ in Million)	1,893.8	0.0
	For the year ended March 31, 2019 As % of consolidated net profit after tax	99.92%	0.08%
	For the year ended March 31, 2019 Amount (₹ in Million)	1,617.4	1.4

Notes to restated consolidated financial information

Particulars		Name of the entity in the Group	
		Parent	Direct Subsidiary
		Aadhar Housing Finance Limited	Aadhar Sales and Services Private Limited
	For the year ended March 31, 2018 As % of consolidated net profit after tax	100.10%	(0.10%)
	For the year ended March 31, 2018 Amount (₹ in Million)	1,143.1	(1.0)
Other Comprehensive Income	For the six month ended September 30, 2020 As % of consolidated Other Comprehensive Income	145.45%	(45.45%)
	For the six month ended September 30, 2020 Amount (₹ in Million)	1.6	(0.5)
	For the year ended March 31, 2020 As % of consolidated Other Comprehensive Income	111.11%	(11.11%)
	For the year ended March 31, 2020 Amount (₹ in Million)	(9.0)	0.9
	For the year ended March 31, 2019 As % of consolidated Other Comprehensive Income	114.71%	(14.71%)
	For the year ended March 31, 2019 Amount (₹ in Million)	(3.9)	0.5
	For the year ended March 31, 2018 As % of consolidated Other Comprehensive Income	100%	-
	For the year ended March 31, 2018 Amount (₹ in Million)	(14.6)	-
Total Comprehensive Income	For the six month ended September 30, 2020 As % of consolidated Total Comprehensive Income	100.01%	(0.01%)
	For the six month ended September 30, 2020 Amount (₹ in Million)	1,565.0	(0.2)
	For the year ended March 31, 2020 As % of consolidated Total Comprehensive Income	99.95%	0.05%
	For the year ended March 31, 2020 Amount (₹ in Million)	1,884.8	0.9
	For the year ended March 31, 2019 As % of consolidated Total Comprehensive Income	99.89%	0.11%
	For the year ended March 31, 2019 Amount (₹ in Million)	1,613.5	1.9
	For the year ended March 31, 2018 As % of consolidated Total Comprehensive Income	100.10%	(0.10%)
	For the year ended March 31, 2018 Amount (₹ in Million)	1,128.5	(1.0)

Notes to restated consolidated financial information

50. Statement of adjustments to Audited Consolidated Financial Statements

Reconciliation of total comprehensive income as per Audited Consolidated Financial Statements with total comprehensive income as per Restated Consolidated Financial Information

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Total comprehensive income (as per audited financial statements)	1,564.8	1,885.7	1,620.3	1,132.5
Restatement adjustments				
Impact of Ind AS 116 (refer note "a" below)				
(Increase)/decrease in total expenses				
Depreciation of right-of-use assets	-	-	(32.6)	(23.7)
Finance cost on lease liability	-	-	(14.3)	(11.7)
Other expenses	-	-	39.4	27.7
Increase/(decrease) profit before tax	**-**	**-**	**(7.5)**	**(7.7)**
Tax impact of the above (refer note "b" below)	-	-	2.6	2.7
Total comprehensive income as per restated consolidated financial information	**1,564.8**	**1,885.7**	**1,615.4**	**1,127.5**

Reconciliation of total equity as per audited consolidated financial statements with total equity as per Restated Consolidated Financial Information:

(₹ in Million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total equity (as per audited financial statements)	**25,066.7**	**23,473.3**	**8,599.2**	**7,182.8**
Impact of Ind AS 116 (refer note a below)	-	-	(15.2)	(7.7)
Tax impact on the above (refer note b below)	-	-	5.3	2.7
Total equity (as per restated consolidated financial information)	**25,066.7**	**23,473.3**	**8,589.3**	**7,177.8**

Notes to restated consolidated financial information

Reconciliation of Other equity as at March 31, 2019 as per restated consolidated financial information with opening equity balance as at April 1, 2019 (date of transition to Ind AS 116)

(₹ in Million)

Particulars	**For the year ended March 31, 2020**
Other Equity	
Restated balance as at March 31, 2019	8,337.8
Add: Adjustment on account of transition to Ind AS 116 (Refer explanation below)	15.2
Less: Deferred tax on above (Refer explanation below)	(5.3)
Balance as on April 01, 2019 as per audited financial statements for year ended March 31, 2020	8,347.7

Explanation: Cumulative effect of restatement adjustment on total equity upto March 31, 2019 relating to Ind AS 116 has not been carried forward to total equity balance as at April 1, 2019 (date of transition to Ind AS 116) as per the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Statement showing impact of restatement adjustments on balance sheet

(₹ in Million)

Particulars	**As at September 30, 2020**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
On Account of Ind AS 116				
Assets				
Non-financial assets				
Increase in Right to use assets (refer note "a" below)	-	-	176.1	144.4
Liabilities and equity				
Financial liabilities				
Increase in other financial liabilities (Lease liabilities) (refer note "a" below)	-	-	191.3	152.1
Non-financial liabilities				
Decrease in deferred tax liabilities (Net) (refer note "b" below)	-	-	(5.3)	(2.7)
Equity				
Decrease in Other equity (Retained earnings) (refer note "a" and "b" below)	-	-	(9.9)	(5.0)

Notes to restated consolidated financial information

Statement showing impact of restatement adjustments on statement of profit and loss

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
On Account of Ind AS 116				
Finance costs	-	-	14.3	11.7
Depreciation and amortisation expense	-	-	32.6	23.7
Other expenses (Rent Expenses)	-	-	(39.4)	(27.7)

Statement showing impact of restatement adjustments on statement of cash flows

(₹ in Million)

Particulars	For the six months ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
On Account of Ind AS 116				
Cash flows from operating activities	-	-	39.4	27.7
Cash flows from financing activities	-	-	(39.4)	(27.7)

a. Impact of Ind AS 116 : Leases

Effective April 1, 2019, the Group adopted Ind AS 116 - “Leases”, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Group adopted Ind AS 116 following modified retrospective method in accordance with the policy mentioned in Note 2.4 to the Restated Consolidated Financial Information.

For the purpose of preparation of Restated Consolidated Financial Statements, management has evaluated the impact of change in accounting policies due to adoption of Ind AS 116 for each of the year ended March 31, 2019 and March 31, 2018 following modified retrospective method. Impact of adoption of Ind AS 116 has been adjusted in the respective years for the purpose of restatement.

b. Accounting for taxes on income

Deferred tax has been created on temporary difference arising on recognition and measurement of right-of-use asset and lease liability as per para 50(a) above.

Notes to restated consolidated financial information

51. Previous periods figures have been regrouped/re-classified wherever necessary to confirm to current period's classification. Accordingly, amounts and other disclosures for the previous periods are included as an integral part of the current period's financial statement and are to be read in relation to the amounts and other disclosures relating to the current periods.

For Chaturvedi SK & Fellows Chartered Accountants ICAI FRN:112627W	For Deloitte Haskins & Sells LLP Chartered Accountants ICAI FRN : 117366W/W-100018	For and on behalf of the Board of Directors O P Bhatt Chairman DIN 00548091	 Deo Shankar Tripathi Managing Director and CEO DIN 07153794
Abhinav Chaturvedi Partner ICAI MN: 143376	Neville M. Daruwalla Partner ICAI MN: 118784	Mukesh G Mehta Director DIN 08319159	
		Rajesh Viswanathan Chief Financial Officer	Sreekanth VN Company Secretary
Place: Mumbai Dated: January 16, 2021		Place: Mumbai Dated: January 16, 2021	

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the six months ended September 30, 2020	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Restated profit/(loss) after tax attributable to equity holders **(A)** (₹ in million)	1,563.7	1,893.8	1,618.8	1,142.1
Weighted average number of Equity Shares outstanding during the period (in number)	39,467,446	32,339,767	25,148,472	21,465,292
Adjustment for Bonus Issue (7)	355,207,014	291,057,903	226,336,248	193,187,628
Weighted average number of Equity Shares outstanding during the period for basic EPS **(B)**	394,674,460	323,397,670	251,484,720	214,652,920
Weighted average number of Equity Shares outstanding during the period on diluted basis (in number)	40,653,560	32,492,964	25,327,196	21,465,292
Adjustment for bonus issue (7)	365,882,040	292,436,676	227,944,764	193,187,628
Weighted average number of Equity Shares outstanding during the year for diluted EPS **(C)**	406,535,600	324,929,640	253,271,960	214,652,920
Basic Earnings per share (in ₹) (D = A/B)	3.96*	5.86	6.44	5.32
Diluted Earnings per share (in ₹) (E = A/C)	3.85*	5.83	6.39	5.32
Restated net worth for equity shareholders (A) (₹ in million)	25,066.1	23,472.7	8,588.7	7,177.2
Restated net profit/(loss) after tax before other comprehensive income attributable to equity shareholders (B) (₹ in million)	1,563.7	1,893.8	1,618.8	1,142.1
Return on net worth (C = B/A)	6.24%*	8.07%	18.85%	15.91%
Restated net worth for equity shareholders (A) (₹ in million)	25,066.1	23,472.7	8,588.7	7,177.2
Number of Equity Shares outstanding as at period end	39,475,497	39,464,898	25,148,472	25,148,472
Adjustment for bonus issue (7)	355,279,473	355,184,082	226,336,248	226,336,248
Number of Equity Shares outstanding as at period end (B)	394,754,970	394,648,980	251,484,720	251,484,720
Restated net asset value per equity share (basic) (in ₹) **(C = A/B)** (in ₹)	63.50	59.48	34.15	28.54
Restated profit/ (loss) for the period/year **(A)** (₹ in million)	1,563.7	1,893.8	1,618.8	1,142.1
Tax expense **(B)** (₹ in million)	424.0	415.3	730.4	466.2
Exceptional Items **(C)** (₹ in million)	-	-	138.6	-
Finance costs **(D)** (₹ in million)	4,142.4	7,934.9	7,319.4	4,634.4
Depreciation and amortisation **(E)** (₹ in million)	56.7	115.8	85.5	60.0
EBITDA (A+B+C+D+E) (₹ in million)	6,186.8	10,359.8	9,892.7	6,302.7
Total income (₹ in million)	7,483.5	13,884.6	12,656.3	8,151.2
EBITDA / Total Income	0.83	0.75	0.78	0.77

* *Not annualised*

Notes:

1. *The ratio has been computed as below:*

(i) *Basic earnings per share (₹) =* $\dfrac{\textit{Net profit after tax, as restated}}{\textit{Weighted average number of Equity Shares outstanding during the period}}$

(ii) *Diluted earnings per share (₹) =* $\dfrac{\textit{Net profit after tax, as restated}}{\textit{Weighted average number of potential Equity Shares outstanding during the period}}$

(iii) *Return on Net Worth (%) =* *Net profit after tax, as restated*

Net worth as restated as at period end

(iv) *Net asset value per share (₹)* = $\dfrac{\textit{Net worth, as restated}}{\textit{Number of Equity Shares outstanding as at period end}}$

2. *Diluted numbers of Equity Shares have changed during the periods on account of issue, exercise and lapse of employee stock appreciation rights under ESAR 2018.*
3. *Earnings per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
4. *The amounts disclosed above are based on the Restated Consolidated Financial Information beginning on page 191.*
5. *Restated net worth means the aggregate value of the paid-up share capital of our Company and other equity excluding capital reserve on amalgamation as per Restated Consolidated Financial Information.*
6. *EBIDTA stands for earnings before interest, taxes, depreciation and amortisation and exceptional items.*
7. *Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our Shareholders approved a bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder as on the record date, i.e., January 16, 2021. Consequently, all numbers per Equity Share have been restated for all the periods presented. For details, see "Capital Structure – Equity Share capital history of our Company" on page 67.*

The audited standalone financial statements of our Company as at and for the year ended March 31, 2020, March 31, 2019, and March 31, 2018 and the reports thereon dated May 29, 2020, April 30, 2019 and April 24, 2018, respectively ("**Audited Financial Statements**") are available at https://aadharhousing.com/investor-relations/annual-reports-of-company.php. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for as at and for the six months ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019, and March 31, 2018 and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Related Party Transactions*" on page 266.

FINANCIAL INDEBTEDNESS

Our Company is engaged in the business of providing affordable housing loans and accordingly, has availed loans in the ordinary course of its business for the purposes of onward lending and general corporate purposes.

Pursuant to a resolution passed by our shareholders in their AGM held on July 30, 2019, our Board is authorised to borrow from time to time all such sums of money together with the monies already borrowed by our Company (apart from the temporary loans, overdrafts obtained or to be obtained from our Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which monies may be borrowed by our Board shall not exceed ₹ 200,000 million or up to 16 times of the net owned fund of our Company or such multiples, whichever is lower, as per the relevant notifications, directions, circulars or guidelines issued by NHB in this regard.

The following table sets forth details of the aggregate outstanding borrowings of our Company as of December 31, 2020:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)[#]
Term loans from Banks	87,675	59,818
Loans repayable on demand - Cash credit/ Overdraft facilities	350	Nil
Term loans from NHB	18,733	13,045
Fixed deposits	500	500
Unsecured NCDs*	840	832
Secured NCDs*	21,958	21,871
Commercial Paper*	500	497
Total	**1,30,556**	**96,563**

As certified by M/s Lahoti Navneet & Co., Chartered Accountants pursuant to their certificate dated January 23, 2021.

* *Our NCDs and Commercial Paper are listed on the wholsesale debt segment of BSE.*

Principal terms of the borrowings availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. ***Interest***: The interest rate for term loans is typically from 7.40% to 10.00% per annum and for NHB sanctioned refinance is typically from 3.40% to 8.15% per annum, which is linked to the marginal cost of funds based lending rate or prime lending rates of the respective lenders. In terms of the cash credit facilities availed of by us, the interest rate is typically on a floating rate basis. Further, in terms of the refinance assistance availed from NHB, the refinance assistance is provided either on a fixed or floating interest rate depending upon NHB's lending rate prevailing for the respective refinance schemes on the date of each disbursement.

   Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and, in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company ranges from 7.35% to 10.00% per annum.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security primarily by way of first hypothecation or *pari passu* charge, on our Company's book debts, receivables, current assets, investments, cash and bank balances, as the case maybe. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. ***Prepayment:*** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges from 0.50% to 2%. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender. In relation to the NCDs, if the Company is required to redeem the NCDs prior to the expiry of redemption period, it is required to obtain all necessary approvals under applicable laws, including but not limited to, written approval from the RBI, in relation to such early redemption.

4. ***Re-payment:*** The cash credit facilities are typically repayable on demand. The repayment period for most term loans and NHB sanctioned refinance typically ranges from 3 to 16 years and 1 to 15 years, respectively. We are required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs ranges from 1.5 to 10 years.

5. ***Key covenants:***

In terms of our facility agreements, sanction letters and the DTDs, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender's/trustee's prior consent and/or intimate the respective lender or trustee before carrying out such actions, including, but not limited to the following:

(a) take the prior consent of lenders or trustees (on behalf of debenture holders) to effect any adverse changes to or alter its capital structure;

(b) take the prior consent of lenders or trustees (on behalf of debenture holders) to formulate or effect any scheme of amalgamation or merger or reconstruction;

(c) take the prior consent of lenders to approach capital market for mobilizing additional resources either in the form of debts or equity;

(d) take the prior consent of lenders to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;

(e) take the prior consent of lenders or trustees (on behalf of debenture holders) for any transfer of the controlling interest or the management set up;

(f) provide the lenders copies of structural liquidity statements submitted to NHB;

(g) take the prior consent of lenders to undertake guarantee obligations on behalf of any other person;

(h) declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender or to debenture holders is being paid regularly and there are no irregularities in relation thereto; and

(i) take the prior consent of lenders or trustee (on behalf of debenture holders) to make any amendments to the memorandum of association and articles of association.

Further, some of our Shareholders (including our Promoter) may be required to take prior consent from respective lenders for transferring all or a part of their shareholding in the Offer.

6. ***Events of Default:***

In terms of our facility agreements, sanction letters and refinance documents and the DTDs, the following, among others, constitute events of default:

(a) failure and inability to pay amounts on the due date by our Company;

(b) failure in performance of any covenant, condition or agreement on the part of our Company;

(c) failure in compliance with RBI/NHB norms at any time during the currency of the loan;

(d) misrepresentation or providing incorrect or misleading information by our Company;

(e) cessation or change in business;

(f) change in control of our Company or of any other person who controls our Company without the approval of the lenders;

(g) the occurrence of any cross-default;

(h) upon occurrence of any event that may have a material adverse effect; and

(i) downgrading in our credit rating below the specified limit or deterioration in the credit worthiness of our Company in the sole opinion of lenders.

7. ***Consequences of occurrence of events of default:***

In terms of our facility agreements, sanction letters and DTDs, the following, among others, are the consequences of occurrence of events of default, our lenders may:

(a) declare all parts of the loan together with accrued interest outstanding as immediately due and payable;

(b) enforce their security over the hypothecated / mortgaged assets;

(c) appoint nominee directors;

(d) review the management set up or organisation of our Company and may require our Company to restructure *inter alia* the formation of management;

(e) convert the debt into equity in conformity with RBI guidelines;

(f) declare our Company, the Promoter and Directors as non-co-operative borrower and report such classification to the RBI and/or any other agency authorised in this behalf by the RBI; and

(g) levy a default interest of up to 2% per annum on the overdue amounts in relation to the NCDs.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender or the trustee that may amount to an event of default under the various borrowing arrangements entered into by us.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2020, derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Consolidated Financial Information*" and "*Risk Factors*" on pages 286, 191 and 25, respectively.

(In ₹ million)

Particulars	Pre-Offer as at September 30, 2020	As adjusted for the proposed Offer [(1)]
Total Borrowings (A)	96,379.0	[●]
Total Equity		
Equity share capital	394.8	[●]
Other equity*	24,671.3	[●]
Total Equity/ Total shareholders' fund (net worth) (B)	25,066.1	
		[●]
Ratio: Total Borrowings (A) / Total Equity (B)	3.84	[●]

* *Other equity excludes capital reserve on amalgamation.*

Notes:

1. *The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

2. *The amounts disclosed above are based on the restated consolidated statement of assets and liabilities included in the Restated Consolidated Financial Information.*

3. *The above statement should be read with the statement of notes to the Restated Consolidated Financial Information.*

4. *Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our shareholders approved a bonus issuance of Equity Shares in the ratio of nine (9) Equity Shares for each existing Equity Share held by a shareholder. For details, see "Capital Structure – Equity Share capital history of our Company" on page 67.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated consolidated financial information as of and for the six months ended September 30, 2020 and Fiscals ended March 31, 2020, 2019 and 2018, including the related annexures. These restated consolidated financial information are prepared in accordance with Ind AS and restated as per the SEBI ICDR Regulations. Ind AS differs in certain material respects with IFRS and U.S. GAAP. The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year or fiscal are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 18 and 25, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Report on Affordable Housing Finance, December 2020", prepared and released by CRISIL and commissioned by us in connection with the Issue. Neither we, nor the BRLMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" and "Risk Factors – Statistical and industry data in this document is derived from the CRISIL Report commissioned by us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable" on pages 16 and 40, respectively.

Overview

We are the largest Affordable HFC in India in terms of AUM, as of March 31, 2020. We are approximately 1.5 times larger than the second largest peer set company based on AUM as on March 31, 2020. (*Source: CRISIL*) Compared to our peers, we have the largest customer base as on March 31, 2020 and have the highest disbursement for financial year ended March 31, 2020. (*Source: CRISIL*). Further, as at March 31, 2020, we have the most geographically diversified AUM as well as the highest efficiency in terms of operating expenditure ratios (*Source: CRISIL*). We are an entirely retail-focused affordable housing finance company, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹ 0.85 million, with an average loan-to-value of 56.73%, as of September 30, 2020. As of September 30, 2020, 64.83% and 35.17% of our Gross AUM comprised loans to salaried customers and to self-employed customers, respectively.

We offer a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition. Our financial performance has remained consistent and resilient through various external events in the Indian economy. Our Gross AUM increased from ₹79,659.2 million in FY2018, to ₹100,157.5 million in FY2019 and ₹114,316.6 million in FY2020. During these periods, the Indian economy and the banking and finance industry in India were adversely impacted by various events such as demonetization and the introduction and roll out of a nationwide GST; defaults involving large non-bank finance companies; and, most recently, the COVID-19 pandemic.

We have made social objectives one of the core objectives of our business model. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the economic upliftment of our target customers by contributing to an improvement in their standard of living. In addition to our customer-facing social objectives, we have also implemented social objectives in other aspects of our business. Our presence in rural and semi urban locations across India provides a source of employment in these locations. *See "Competitive Strengths - Social objectives at the core of our business model."*

We have an extensive network of 292 branches, as of September 30, 2020. Our branches are spread across 20 states and union territories, operating in approximately 12,000 locations across India, as of September 30, 2020. Our branch network is widely dispersed with no state accounting for more than 16.2% in terms of Gross AUM. We believe that our diversified reach is well positioned to meet the specific needs of our target customers across geographies, in urban, semi-urban and rural areas. Further, as a result of our geographical spread, the top five states in terms of contribution to AUM collectively accounted for 62% of our AUM as of March 31, 2020, which is the lowest concentration level amongst our competitors. (*Source:* CRISIL)

As of September 30, 2020, we have a total of 2,088 employees of which approximately 780 employees form part of our sales team focused on customer origination and loan servicing. As of September 30, 2020, our 100% owned subsidiary has a total of 1,326 employees..

We have robust and comprehensive systems and processes for underwriting, collections and monitoring asset quality. These systems and processes are also technology enabled across our front office and back office with a view to ultimately digitize the entire life cycle of a loan from origination to closure. Loan applications from salaried-customers go through our centralized processing unit, increasing efficiency while those from self-employed customers, which require close understanding of the customer and their cash flows, are managed regionally. We also have an internally developed credit assessment model and have digitized monthly collections from customers to the extent possible to reduce processing and improve collection efficiency. We are in the process of migrating to a digital, state-of-the-art IT infrastructure with a view to reduce costs, real time analysis of customer data, improve our control and underwriting functions, while increasing customer reach and distribution capability. These measures will further improve our operational efficiency by improving processing times and productivity. For further details, please see "– *Information Technology*" below.

We secure financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, development financial institutions to meet our capital requirements. We follow a prudent borrowing strategy of not relying on short-term loans and 97.98% of our Total Borrowing comprises long-term borrowings with a tenor of 1 years or more. As of September 30, 2020, our Total Borrowings were ₹ 96,379.0 million. Our average cost of borrowings has reduced from 10.09% as of March 31, 2019 to 8.57% as of September 30, 2020. As of September 30, 2020, the weighted average tenure of our outstanding borrowings, including assignment was 107 months. Further, our long-term rating from CARE and Brickworks are AA, our short-term borrowings are rated A1+ by CRISIL, ICRA and India Ratings and our fixed deposits program is rated FAA- by CRISIL

We have a strong, experienced and dedicated management team, with our senior management having an average of 25 years' experience in the financial services industry in India. Further, our board of directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

Since June 2019, BCP Topco, which is our Promoter, and is an affiliate of funds managed and/or advised by affiliates of Blackstone, currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over $584 billion as of September 30, 2020. Following our acquisition by BCP Topco, we have also implemented a corporate governance framework, with the induction of three independent directors, one of whom serves as Chairman.

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

Sr. No.	Metrics	Financial Year ending March 31, 2018	Financial Year ending March 31, 2019	Financial Year ending March 31, 2020	Six Months ended September 30, 2020
1	Live Accounts (including assigned loans)[(1)]	108,092	139,249	161,371	166,758
2	Number of branches[(2)]	270	311	294	292
3	Average ticket size (₹ Mn.)[(3)]	0.84	0.83	0.84	0.85
4	Retail AUM (₹ Mn.)[(4)]	78,353.4	99,208.7	113,896.2	121,180.2
5	Gross Retail NPA (%)[(5)]	0.58%	0.58%	0.82%	0.74%*
6	Net Retail NPA/ Retail AUM (%)[(6)]	0.46%	0.45%	0.60%	0.45%
7	Net worth[(7)]	7,177.2	8,588.7	23,472.7	25,066.1
8	PAT[(8)]	1,142.1	1,618.8	1,893.8	1,563.7
9	Adjusted PAT[(9)]	1,142.1	1,618.8	2,526.8	1,660.4
10	Adjusted Return on Total Assets (%)[(10)]	1.76%	1.87%	2.30%	2.61%
11	Adjusted ROE (%)[(11)]	18.77%	20.53%	15.46%	13.27%
12	Debt to Net Worth ratio[(12)]	8.80	9.54	4.11	3.84
13	Capital Adequacy Ratio (as per regulatory requirements) (%)	18.76%	18.28%	51.42%	47.84%
14	Average yield on Loan Book (%)[(13)]	11.67%	13.84%	13.26%	13.41%
15	Average cost of Borrowing (%)[(14)]	8.75%	10.09%	8.90%	8.57%
16	Net Interest Margin (%)[(15)]	5.41%	6.18%	5.45%	5.29%

Sr. No.	Metrics	Financial Year ending March 31, 2018	Financial Year ending March 31, 2019	Financial Year ending March 31, 2020	Six Months ended September 30, 2020
17	Cost to Income Ratio (%)[(16)]	45.92%	47.39%	42.76%	34.61%

Notes:

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

2) *Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.*

3) *Average ticket size =Total sanctioned amount of the AUM of Live Accounts divided by those accounts.*

4) *Retail AUM represents our AUM that is sourced from our home loans and other mortgage loans.*

5) *Gross Retail NPA:- Represents closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period.*

6) *Net Retail NPA to Retail AUM: Represents the ratio of our Net Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.*

7) *Net worth is the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.*

8) *PAT represents Profit After Tax for the relevant year or period.*

9) *Adjusted PAT represents our profit after tax for the relevant year or period, adding back additional provisions towards the impact of COVID-19 and accelerated provisions / write-offs in our portfolio of loans to developers (net of tax impact).*

10) *Adjusted Return on Total Assets :- Calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Total Assets in such year or period.*

11) *Adjusted Return on Equity is calculated as the Adjusted Profit After Tax for the relevant year or period as a percentage of Adjusted Average Net Worth in such year or period.*

12) *Debt to Net Worth Ratio:- Represents the ratio of our Total Borrowings to our Net Worth as of the last day of the relevant period.*

13) *Average Yield on Gross Loan Book:- Represents the ratio of interest income on loans for a year or period to the average Gross Loan Book for the year or period.*

14) *Average cost of borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year.*

15) *Net Interest Margin: - Represents the ratio of our total income for a year or period, less finance costs for the year or period to the average total assets for the year or period.*

16) *Cost to income ratio represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.*

* *The Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. Based on this interim order, we have not classified eligible accounts as NPA as at September 30, 2020. However, such accounts have been classified as Stage 3 assets and provisions have been recognised accordingly in our restated consolidated financial information. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations".*

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of factors including:

General Economic Conditions in India and the impact of the COVID-19 outbreak

Our financial condition and results of operations are influenced by the general economic conditions prevalent in India. Overall economic growth and an increase in GDP are likely to result in an increase in incomes and spending on housing in India, which may lead to an increase in demand for home loans, thereby positively impacting our financial condition and results of operations. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be continued and prolonged. Various factors beyond our control, such as domestic employment levels, conditions in the world economy, escalation of global trade tensions, fluctuations in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and changes in Indian laws, regulations and policies could have either a positive or adverse impact on the quality of our loan book. The demand for home loans is also affected by real estate prices and other developments in the real estate sector. Typically, higher real estate prices are likely to result in lower affordability for buyers. Any trends or events which have a significant impact on the economic situation in India, including a rise in interest rates, could impact our business.

In the past several months, the rapid and diffused spread of the coronavirus (COVID-19) and global health concerns relating to this outbreak have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or worsen for an unknown period of time. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Across the world, numerous governments and companies, including us, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day country-wide lockdown which was further extended to contain the spread of the virus. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices.

In the three months ended June 30, 2020, India's real GDP contracted by 23.9%, as compared with the three months ended June 30, 2019. Further, for the three months ended September 30, 2020, India's real GDP contracted at 7.5%, compared with the three months ended September 30, 2019. For further details, please see "*Industry Overview*" on page 92.

We took a number of proactive steps to counter the impact of COVID-19 on our business. Pursuant to RBI's directions, we granted moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period"**) to all eligible customers who requested for the moratorium. For all such accounts, where the moratorium was granted, the asset classification remained at a standstill during the moratorium period. During the Moratorium Period, we focused our operations on three main aspects: remaining in close contact with all our customers; improving collection efficiencies; and re-starting disbursements with appropriate diligence. We continued regular engagement (through modes such as phone calls and text messages) with our customers during the Moratorium Period and have continued to do so in the months following the Moratorium Period. As a result, while our collection efficiencies dipped in the month of April 2020, we steadily recovered from May 2020 onwards. For the month of November 2020, our collection efficiencies were 97%. Further, as regards disbursements, while we did not make any fresh disbursements in the month of April 2020, we cautiously re-commenced disbursements from May 2020 and have gradually increased our disbursements in later months. With a view of minimising defaults, we focused more on salaried customers during this period. Further, we also tightened our credit policies and performed additional due diligence on our customers to determine if their employment has been impacted by COVID-19. With these measures in place, we were able to gradually increase our disbursements while at the same time improving our collection efficiencies. The table below sets forth our disbursements and collection efficiencies for the months indicated:

Particulars (₹ in millions)	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020
Disbursements	3,860	1,120	-	854	2,098	2,865	3,262	3,150	3,605	3,221
Total EMI to be collected	1,600	1,630	1,640	1,630	1,616	1,633	1,657	1,686	1,701	1,739
Total EMI collected	1,560	1,450	969	1,064	1,224	1,298	1,383	1,566	1,625	1,687
Collection Efficiency	98%	89%	59%	65%	76%	79%	83%	93%	96%	97%

Further, we had a strong liquidity position as of March 31, 2020 (with cash and cash equivalents of ₹ 13,648.8 million and other bank balances of ₹ 17,766.4 million). Subsequently, we also availed liquidity in the six months ended September 30, 2020 through term loans from banks, NHB funding and LTRO and TLTRO schemes that were offered to extend liquidity to NBFCs and HFCs. We utilised our liquidity to prepay some of our high cost loans in the six months ended September 30, 2020, which helped in reducing our costs of borrowing for the six months ended September 30, 2020. As a result of our strong liquidity position, we did not avail the benefit of moratorium from any of our lenders.

While we have taken a number of steps to mitigate the impact of COVID-19 on our business and have been able to grow our Gross AUM, the extent to which the COVID-19 pandemic will ultimately impact our results and carrying value of assets will depend on future developments, which are uncertain. We have maintained additional impairment provision amounting to ₹ 495.1 million as of March 31, 2020 and as of September 30, 2020 in relation to the impact of COVID-19. Our impairment loss allowance estimates are subject to a number of management judgments and estimates, which could undergo changes over the entire duration of the pandemic. Further, the Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. Based on this interim order, we have not classified eligible accounts as NPA as at September 30, 2020. However, such accounts have been classified as Stage 3 assets and provisions have been recognised accordingly in our financial statements. Any further orders of the Supreme Court in this matter may also impact our financial condition and results of operations.

Given the uncertainty over the potential macro-economic conditions and judicial decisions on matters arising from the regulatory guidelines (such as the public interest litigation in the Supreme Court), the impact of the COVID-19 pandemic on our financial performance may be different from that estimated as at the date of approval of our financial statements as of and for the six months ended September 30, 2020. We continue to closely monitor any anticipated material changes to future economic conditions.

Availability of Cost Effective Funding Sources

The availability of cost-effective funding sources impacts our financial condition and profitability. We rely on our revenue from operations, equity in the form of shareholder funds, and debt, in the form of term loans, bank overdraft and working capital facilities; proceeds from the issuance of NCDs and commercial paper; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, financial institutions to meet our capital requirements. Further, we also assign loans through direct assignment to banks and financial institutions. Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. Our debt service costs and overall cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect our cost of funds include our credit ratings and available credit limits. For the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, our average cost of borrowings was 8.57%, 8.90%, 10.09% and 8.75%, respectively.

In September 2018, the borrowing defaults by IL&FS led to an industry wide tightening of liquidity for HFCs and NBFCs, which also led to an increase in our cost of bank borrowings. In the months following the default, we continued to raise liquidity through loans from the NHB (which sanctioned a loan for ₹ 5,000 million in November 2018, which we drew down upon in December 2018 and January 2019) and also through increased direct assignments of our portfolio to banks. Gradually, our cost of borrowings improved to the pre-September 2018 levels, aided by the equity infusion by BCP Topco in June 2019. Further, our credit ratings have also consistently remained high throughout this period.

As of September 30, 2020 and March 31, 2020, 2019 and 2018, our aggregate Total Borrowings were ₹ 96,379.0 million, ₹ 96,433.4 million, ₹ 81,949.7 million and ₹ 63,178.6 million, respectively. Any increase in our cost of funds may require us to increase interest rates on new loans originated to customers in the future to maintain our net interest margins, which may, in turn, decrease the competitiveness of our products and affect our results of operations and prospects.

Going forward, we intend to increase the share of NHB refinancing in our Total Borrowings and also accessing international sources of funding to reduce our overall cost of borrowings. For example, in December 2020, we received a sanction letter from NHB for a ₹ 10 billion loan.

Our ability to maintain our net interest income and net interest margin

Our results of operations depend substantially on the level of our net interest income (representing our total income as reduced by our finance costs) and our ability to maintain and improve our net interest margin (representing the ratio of our net interest income to our total assets). Hence, the differential between the interest rates that we charge on interest-earning assets and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tends to have a significant impact on our results of operations.

We provide loans to our customers at interest rates that are linked to our retail prime lending rate ("**RPLR**"), which is calculated by us based on the interest rate that we pay on our borrowings and other factors and is reviewed by the asset-liability committee of our Board of Directors on a quarterly basis. We pay interest on our bank borrowings based on floating rates and on our NCDs and borrowings from the NHB based on fixed and floating rates. As our RPLR is reviewed on a quarterly basis, it allows us the ability to pass on increases in our borrowing costs to our customers, which we have been able to do in the past. For example, in Fiscal 2019 and 2020, we increased our RPLR, which contributed to the increase in our interest income for those periods (for further details, please see "– *Our Results of Operations*" below). As a result, we have been able to improve our net interest margin, which amounted to 5.41%, 6.18%, 5.45% and 5.29% for Fiscals 2018, 2019, 2020 and the six months ended September 30, 2020.

In addition, we also have in place effective asset liability management strategies and aim to ensure that we do not have any cumulative asset/ liability mismatches. We have positive asset-liability mismatch across all the maturity buckets. While the contracted maturity of the loans that we originate is higher than the maturity of our borrowings, the actual maturity of the loans is typically lower (due to prepayment and foreclosures). This, alongwith the excess liquidity that we hold in the form of bank fixed deposits and liquid and overnight mutual funds, helps us to maintain a balanced asset-liability profile.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loans is a key driver of our results of operations. Under IndAS, we are required to make provisions on the basis of expected credit losses, which requires the estimation of loss on financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the loans and advances. Given the unique nature and the scale of the economic impact caused by ongoing COVID-19 pandemic and the unavailability of reliable data regarding the impact of various regulatory packages, our current estimate of credit loss is based on various highly uncertain and unobservable factors and the actual credit losses for the next 12 months could be significantly different than the expected credit loss estimates prepared by us.

As at September 30, 2020, our consolidated GNPAs were ₹ 1,186.7 million, representing 0.98% of our Gross AUM. Further, based on the interim order of the Supreme Court (which directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders), we have not classified the eligible accounts as NPAs as of September 30, 2020. If we would have continued to classify such accounts as NPAs, our consolidated proforma GNPAs would have been ₹ 1,543.2 million, representing 1.27% of our Gross AUM. As at September 30, 2020, we have impairment loss allowance amounting to loans of ₹ 1,442.4 million, which comprised ₹ 720.7 million as provision for our consolidated proforma GNPAs (46.7% of consolidated proforma GNPAs) and ₹ 721.7 million as provision covering standard assets and additional excess provisions. Our provisions as of September 30, 2020 are towards, among other things, an increased risk of deterioration of our loan portfolio as a result of the impact of the COVID-19 pandemic. The additional provisions relating to the impact of COVID-19 as of September 30, 2020 amounted to ₹ 495.1 million.

Further, as a prudential measure, we recognised additional impairment allowance on loans towards loans to developers amounting to ₹ 130.3 million for the six months ended September 30, 2020. As a result, the net carrying value of loans to developers was ₹ 31.3 million as of September 30, 2020. We have discontinued loans to developers and no fresh loan sanctions were made in this category for Fiscals 2019 and 2020 and the six months ended September 30, 2020.

For a summary of the risk classification of our portfolio in accordance with Ind-AS as of September 30, 2020, please see "*Selected Statistical Information – Asset Quality*".

Government Policy and Regulation

Our results of operations and continued growth also depend on stable government policies and regulations. We are required to comply with, among others, limits on borrowings, investments and interest rates, prudential norms for income recognition, asset classification, norms for creation of special reserves as well as minimum capital adequacy requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. Any significant change by the Government, the NHB or the RBI in their various policy initiatives facilitating the provision of housing or housing finance may affect the demand for our products and services. The NHB Directions currently require HFCs to comply with a CRAR, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 13.0% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10% on risk weighted assets. Further, the NHB Directions require that the Tier II capital may not exceed the Tier I capital. As per NHB's directions released in June 2019, the minimum CRAR requirement for HFCs will be progressively increased to 14% by March 31, 2021 and to 15% by March 31, 2022. As of September, 2020, our CRAR (%) was 47.84%, with CRAR – Tier I capital (%) comprising 45.87% and CRAR - Tier II Capital (%) comprising 1.97%. In addition, the NHB Directions currently permit HFCs to borrow up to 14 times their NOF until March 31, 2021 and after which this limit shall be further reduced to 13 times of their net owned funds until March 31, 2022 and subsequently to 12 times of their net owned funds thereafter. As of September, 2020, our Total Borrowings amounted to ₹ 96,379.0 million, or 3.87 times our NOF of ₹ 24,925.7 million.

Further, the RBI's guidelines provide for risk weighting of assets based on the LTV ratio. For example, home loans amounting to ₹3 million which are classified as standard assets and have LTV ratios of 80% or lesser, attract a risk weight of 35% and LTV ratios of 80% to 90% attract a risk weight of 50%. These risk weights apply to majority of our portfolio. As our average LTV ratio as of September 30, 2020 is 56.73%, our assets have a low risk weightage, which helps us maintain a healthy capital adequacy ratio of 47.84%.

Our Ability to Maintain Operational Efficiencies and low Cost to Income Ratios

Our business has grown significantly in the past three fiscal years and the six months ended September 30, 2020. Our Retail AUM grew from ₹ 78,353.4 million as of March 31, 2018 to ₹ 121,180.2 million as of September 30, 2020. Along with the growth in our AUM and revenues, we have been able to control our operating expenses. Compared to our peers, we the highest efficiency in terms of operating expenditure ratios (*Source: CRISIL*). Our cost to income ratio was 45.92%, 47.39%, 42.76% and 34.61%, for Fiscals 2018, 2019 and 2020 and the six months ended September 30, 2020. We have also taken steps to improve the productivity of our employees and branches, which has led to the improvement in our Gross AUM per branch, which improved from ₹ 295.0 million, ₹ 322.0 million, ₹ 388.8 million to ₹ 416.4 million as of March 31, 2018, 2019 and 2020 and September 30, 2020, respectively.

We continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expense ratio. Further, as our operations expand, we also expect to derive benefits from economies of scale, which we believe will assist us in optimising our operating expenses. In addition, we also continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies.

Increasing Competition

The Indian housing finance industry is highly competitive and the factors on which we compete include product range, ability to customize products, rate of approving loans, interest rates charged for loans, reputation and maintaining customer relationships. Our main target customer base are economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹ 0.85 million, as of September 30, 2020. Our primary competitors have been banks, HFCs and NBFCs as well as private unorganized lenders that provide housing loans in ticket sizes ranging from ₹0.5 million to ₹0.75 million. In addition, many of our potential customers in economically weaker segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, including moneylenders and local businessmen at higher rates of interest.

In the organized sector, many of our competitors may have better access to, and lower costs of, funding than we do. In certain geographies, they may also have better brand recognition and a larger customer base than ours. If we are unable to access funds at an effective cost that is comparable to, or lower than our competitors, or expand our reach and build our brand among our target customers, we may lose existing as well as potential customers to competition, resulting in a decline in our market share.

In addition, customers have increased accessibility to housing finance products and services due to technological advances and increased penetration of internet based lending platforms, which has facilitated an increase in demand for home loans and competition to meet that demand. With relatively lesser barriers to entry in the housing finance sector, competition is likely to intensify further as a result of regulatory changes and liberalization.

Basis of Preparation and Presentation of our Restated Consolidated Financial Statements

Our Restated Consolidated Financial Information comprise of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of changes in equity for the six month periods ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019, and March 31, 2018, and the Summary of Significant Accounting Policies and other explanatory notes and notes to restated consolidated financial information (collectively, the "**Restated Consolidated Financial Information**"). These Restated Consolidated Financial information have been prepared by our management for the purpose of inclusion in this Draft Red Herring Prospectus in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "**Guidance Note**").

These Restated Consolidated Financial Information have been compiled by our management from:

(a) audited special purpose interim consolidated financial statements as at and for the six month periods ended September 30, 2020 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**") prescribed under Section 133 of the Companies Act, 2013 (the "**Act**"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III **-** Division III of the Act, the circulars and guidelines issued by the Reserve Bank of India (the "**RBI**") and National Housing Bank (the "**NHB**") from time to time to the extent applicable (together, the "**Special Purpose interim Consolidated Financial Statements**"), which have been approved by the Board of directors of the Company at their meetings held on January 16, 2021; and

(b) audited consolidated Ind AS financial statements as at and for the years ended March 31, 2020 and 2019 which includes the comparative Ind AS financial information as at and for the year ended March 31, 2018 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 29, 2020 and April 30, 2019 respectively. The Comparative Ind AS financial statements as at and for the year ended March 31, 2018 have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 (the "Consolidated Indian GAAP Financial Statements"), which was approved by the Board of directors of the Company at their meeting held on April 24, 2018.

We follow historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated. We have consistently applied the accounting policies in preparation of the Restated Consolidated Financial Statements and the policies are consistent with those adopted in the preparation of financial statements for the six month period ended September 30, 2020. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Special Purpose Interim Consolidated Financial Statements / audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, 2019 and 2018 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six month period ended September 30, 2020.

(c) do not require any adjustment for modification as there is no modification in the underlying audit reports.

(i) The auditor's reports dated January 16, 2021 on the Special Purpose Interim Consolidated Financial Statements as at and for the six month period ended September 30, 2020 includes the following Emphasis of Matter paragraph:

"Impact of COVID-19 pandemic:

We draw attention to Note 6(vi) to the Special Purpose Interim Consolidated Financial Statements, which describes the possible effects of uncertainties relating to COVID-19 on operations of the Group and results as assessed by the management.

Our opinion is not modified with respect to this matter."

(ii) The auditor's report dated May 29, 2020 on the Consolidated Financial Statements as at and for the year ended March 31, 2020 includes the following Emphasis of Matter paragraph:

"We draw attention to Note 6 to the consolidated financial statements which fully describes that the Group has recognised provision on loans to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter."

The above emphasis of matters do not require any adjustment to the Restated Consolidated Financial Information.

Statement of Certain Significant Accounting Policies

Set forth below is a summary of our significant accounting policies:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

Interest Income

Our main source of revenue is income from housing and other property loans. Repayment of housing and property loan is by way of equated monthly instalments ("**EMIs**") comprising principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("**EIR**") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination.

The financial assets that are classified at Fair Value through Statement of Profit and Loss ("**FVTPL**"), transaction costs are recognised in Statement of Profit and Loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses ("**ECLs**")).

Fee and Commission income

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

Dividend Income

Dividend income is recognised when our right to receive dividend is established by the reporting date.

Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

Other operating revenue

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in our balance sheet when we becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, we will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);

- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial Assets Classification of Financial Assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("**SPPI**"), are subsequently measured at amortised cost;

- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, we may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- we may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and

- we may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

We subsequently measures all equity investments at fair value through profit or loss, unless our management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Group has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

We assess the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and our business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. We determine the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless we irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured 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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Our business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications

If the business model under which we hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying our financial assets. During the current reporting period and previous financial year there was no change in the business model under which we hold financial assets and therefore no reclassifications were made.

Impairment

We measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, we measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

We measure ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

We have 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.

Based on the above process, we categorise our loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which we have no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- we have transferred the rights to receive cash flows from the financial assets or
- retain the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, we evaluate whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

We transfer loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when we have no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when we determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. We may apply enforcement activities to financial assets written off. Recoveries resulting from our enforcement activities shall be recognised in Statement of Profit and Loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by us are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by us are recognised at the proceeds received, net of direct issue costs.

Repurchase of our own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of our own equity instruments.

Financial liabilities

A financial liability is

a) a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to us or

b) a contract that will or may be settled in our own equity instruments and is a non-derivative contract for which we are or may be obliged to deliver a variable number of its own equity instruments, or

c) a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of our own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by us, and commitments issued by us to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by us as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that we manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

We derecognise financial liabilities when, and only when, our obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

The tax currently payable is based on the estimated taxable profit for the complete financial year for each entity of the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. 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. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and each entity of the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Revenue and Expenses

Set forth below is a description of the principal components of our income and expenditure:

Income

Income. Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises interest income, net gain on fair value changes, net gain on derecognition of financial instruments under amortised cost category and fees and commission income.

Net gain on fair value changes comprises realised / unreaslied gain from mutual fund investments and change in fair value of minor equity investment held by the Company.

Interest income primarily comprises interest on our home and other property loans and also interest on fixed deposits, bonds and debentures and other interest.

Net gain on derecognition of financial instruments under amortised cost category comprises net gain on our portfolio that are assigned.

Fees and commission income comprises loan processing fee and other charges (net of business sourcing expenses) and fee from intermediary services that we provide (comprising insurance services and servicing fee in direct assignments).

Other Income. Other income comprises miscellaneous income.

Expenses

Expenses comprise finance costs, impairment on financial instruments, employees benefits expense, depreciation and amortization expense and other expenses.

Finance costs. Finance costs comprise interest on borrowings (other than debt securities), interest on deposits, interest on non-convertible debentures, interest on subordinated liabilities, interest on others, interest on lease liabilities and finance charges.

Impairment on financial instruments. Impairment on financial instruments comprises impairment allowance on loans, bad-debts written off and impairment on asset held for sale.

Employees benefits expense. Employees benefits expense comprises salaries, bonus and other allowances, contribution to provident and other funds, share based payments to employees and staff welfare expenses.

Depreciation and amortization expense. Depreciation and amortization expenses are incurred on account of depreciation of property, plant and equipment, amortization of intangible assets and depreciation on right to use assets.

Other expenses. Other expenses primarily comprise rent, travelling expenses, goods and service tax and general repairs and maintenance.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the components of which are also expressed as a percentage of total income for such periods:

	Fiscal						For the six months ended September 30,	
	2018		2019		2020		2020	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Income:								
Revenue from operations								
Interest income.......	7,047.4	86.5%	10,949.5	86.5%	12,145.2	87.5%	7,007.4	93.6%
Net gain on fair value changes	144.7	1.8%	248.5	2.0%	236.1	1.7%	15.2	0.2%
Net gain on derecognition of financial instruments under amortised cost category...............	363.5	4.5%	918.5	7.3%	840.1	6.1%	204.8	2.7%
Fees and commission Income	594.4	7.3%	539.6	4.3%	655.3	4.7%	254.1	3.4%
Total Revenue from operations	**8,150.0**	**100.0%**	**12,656.1**	**100.0%**	**13,876.7**	**99.9%**	**7,481.5**	**100.0%**
Other income	1.2	0.0%	0.2	0.0%	7.9	0.1%	2.0	0.0%
Total income	**8,151.2**	**100.0%**	**12,656.3**	**100.0%**	**13,884.6**	**100.0%**	**7,483.5**	**100.0%**
Expenses:								
Finance costs..........	4,634.4	56.9%	7,319.4	57.8%	7,934.9	57.1%	4,142.4	55.4%
Impairment on financial instruments..........	293.5	3.6%	320.0	2.5%	1,096.5	7.9%	197.1	2.6%
Employees benefits expenses.............	1,060.5	13.0%	1,778.4	14.1%	1,675.6	12.1%	813.5	10.9%
Depreciation and amortization expense	60.0	0.7%	85.5	0.7%	115.8	0.8%	56.7	0.8%
Other expenses.......	494.5	6.1%	665.2	5.3%	752.7	5.4%	286.1	3.8%
Total expenses	**6,542.9**	**80.3%**	**10,168.51**	**80.3%**	**11,575.5**	**83.4%**	**5,495.8**	**73.4%**
Profit before tax and exceptional items:	**1,608.3**	**19.7%**	**2,487.8**	**19.7%**	**2,309.1**	**16.6%**	**1,987.7**	**26.6%**
Exceptional item:	-	-	138.6	1.1%	-	-	-	-
Profit before tax:	**1,608.3**	**19.7%**	**2,349.2**	**18.6%**	**2,309.1**	**16.6%**	**1,987.7**	**26.6%**
Tax expenses:								
Current tax	567.3	7.0%	603.2	4.8%	540.7	3.9%	461.7	6.2%
Deferred tax	(101.1)	(1.2%)	127.2	1.0%	(125.4)	(0.9%)	(37.7)	(0.5%)
	466.2	**5.7%**	**730.4**	**5.8%**	**415.3**	**3.0%**	**424.0**	**5.7%**
Profit for the period:	**1,142.1**	**14.0%**	**1,618.8**	**12.8%**	**1,893.8**	**13.6%**	**1,563.7**	**20.9%**
Other comprehensive income:								
Items that will not be reclassified to profit or loss								
i Remeasurements of the defined employee benefit plans	(22.4)	(0.3%)	(5.3)	0.0%	(10.8)	(0.1%)	1.4	0.0%
ii Income tax relating to items that will not be reclassified to profit or loss.......	7.8	0.1%	1.9	0.0%	2.7	0.0%	(0.3)	0.0%
Total other comprehensive income for the year (i+ii)	**(14.6)**	**(0.2%)**	**(3.4)**	**0.0%**	**(8.1)**	**(0.1%)**	**1.1**	**0.0%**
Total comprehensive income................ :	**1,127.5**	**13.8%**	**1,615.4**	**12.8%**	**1,885.7**	**13.6%**	**1,564.8**	**20.9%**

	Fiscal						For the six months ended September 30,	
	2018		2019		2020		2020	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Earnings per equity share:								
Basic earnings per equity share (₹).................	5.32		6.44		5.86		3.96*	
Diluted earnings per equity share (₹).................	5.32		6.39		5.83		3.85*	

* *Not annualized*

Six months ended September 30, 2020

Total Income

Our total income was ₹ 7,483.5 million for the six months ended September 30, 2020.

Revenue from Operations. Our revenue from operations was ₹ 7,481.5 million for the six months ended September 30, 2020, primarily comprising interest income of ₹ 7,007.4 million. For the six months ended September 30, 2020, we disbursed loans aggregating to ₹ 12,227.3 million and assigned loans to banks aggregating to ₹ 2,047.3 million. While we did not disburse any loans in the month of April 2020 (owing to the impact of COVID-19 and the related lockdown imposed by the Government of India), we gradually increased our disbursements from May 2020 onwards (for further details, see " – *Factors affecting our results of operations - General Economic Conditions in India and the impact of the COVID-19 outbreak*" above)

Other income. Our other income, comprising miscellaneous income was ₹ 2.0 million for the six months ended September 30, 2020.

Expenses

Finance costs. Our finance costs were ₹ 4,142.4 million for the six months ended September 30, 2020, primarily comprising interest on borrowings (other than debt securities) of ₹ 3,118.5 million and interest on non-convertible debentures of ₹ 820.0 million.

Impairment on financial instruments. Our impairment on financial instruments, measured at amortised cost, was ₹ 197.1 million for the six months ended September 30, 2020, which includes an impairment allowance on loans (including write off) amounting to ₹ 130.3 million towards loans to developers.

Employees benefits expense. Our employees benefits expense was ₹ 813.5 million for the six months ended September 30, 2020, primarily comprising salaries, bonus and other allowances of ₹ 700.0 million.

Depreciation and amortization expense. Our depreciation and amortization expense was ₹ 56.7 million for the six months ended September 30, 2020.

Other expenses. Our other expenses were ₹ 286.1 million for the six months ended September 30, 2020, primarily comprising general repairs and maintenance of ₹ 52.7 million, travelling expenses of ₹ 31.4 million, legal and professional charges of ₹ 28.5 million and other expenses of ₹ 28.2 million.

Total tax expense. Our total tax expense was ₹ 424.0 million for the six months ended September 30, 2020 comprising a current tax expense of ₹ 461.7 million and a deferred tax credit of ₹ 37.7 million. For the six months ended September 30, 2020, the enacted tax rate (including surcharge and cess) applicable to us was 25.168%. Our effective tax rate for the six month ended September 30, 2020 was 21.33%, primarily on account of benefit of income tax available against special reserve created by us under section 36(1)(viii) of Income Tax Act, 1961.

Profit for the period. Our profit for the period was ₹ 1,563.7 million for the six months ended September 30, 2020.

Fiscal 2020 compared to Fiscal 2019

Total Income

Our total income increased by 9.7% to ₹ 13,884.6 million for Fiscal 2020 from ₹12,656.3 million for Fiscal 2019.

Revenue from Operations. Our revenue from operations increased by 9.6% to ₹ 13,876.7 million for Fiscal 2020 from ₹ 12,656.1 million for Fiscal 2019, primarily due to an increase in interest income by 10.9%, to ₹ 12,145.2 million for Fiscal 2020 from ₹

10,949.5 million for Fiscal 2019. The increase in interest income was primarily due to an increase in our interest on loans, which increased by 6.4% to ₹ 11,365.9 million from ₹ 10,681.0 million. This increase was in line with the growth in our Retail AUM which increased to ₹ 113,896.2 million as of March 31, 2020 from ₹ 99,208.7 million as of March 31, 2019 primarily on account of disbursements of ₹ 31,901.4 million for Fiscal 2020 and an increase in the number of customers to 161,371 as of March 31, 2020 from 139,249 as of March 31, 2019. Further, we also increased our RPLR by 25 basis points from July 1, 2018, a further 25 basis points from November 1, 2018 and a further 25 basis points from August 1, 2019, which also contributed to the increase in our interest income. In addition, interest on fixed deposits increased to ₹ 756.8 million in Fiscal 2020 from ₹ 123.8 million in Fiscal 2019, primarily due to increase in investment in fixed deposit with banks. The increase in investments in fixed deposits was in line with the additional liquidity that we started maintaining, post the equity infusion of ₹ 8,000 million by BCP Topco in June 2019.

Further, fee and commission income increased by 21.4% to ₹ 655.3 million in Fiscal 2020 from ₹ 539.6 million in Fiscal 2019, primarily due to an increase in loan processing fee and other charges (net of business sourcing expenses) to ₹ 485.3 million for Fiscal 2020 from ₹ 365.8 million in Fiscal 2019. This was primarily due to an increase in fee income on fresh sanctions/disbursements during Fiscal 2020.

These increases were offset by a decrease in net gain on derecognition of financial instruments under amortised cost category by 8.5% to ₹ 840.1 million for Fiscal 2020 from ₹ 918.5 million for Fiscal 2019. This was primarily due to a decrease in the fresh assignment of our portfolio to ₹ 9,546.7 million during Fiscal 2020 from ₹ 14,831.1 million during Fiscal 2019, partially offset by an increase in spreads on assignment of portfolio executed during Fiscal 2020. We undertook lower portfolio assignments in Fiscal 2020 since we were able to avail additional bank lines during the year, aided by the change of control of our Company.

Other income. Our other income, comprising miscellaneous income, increased to ₹ 7.9 million for Fiscal 2020 from ₹ 0.2 million for Fiscal 2019.

Expenses

Finance costs. Our finance costs increased by 8.4% to ₹ 7,934.9 million for Fiscal 2020 from ₹ 7,319.4 million for Fiscal 2019, primarily due to an increase in interest on borrowings (other than debt securities) by 16.3% to ₹ 6,044.8 million for Fiscal 2020 from ₹ 5,198.7 million for Fiscal 2019. This was primarily due to increase in borrowing (other than debt securities) to meet the growth in our Retail AUM. In addition, interest on non-convertible debentures increased by 16.0% to ₹ 1,401.6 million for Fiscal 2020 from ₹ 1,208.1 million for Fiscal 2019. The increases were partially offset by a reduction in interest on others to ₹ 44.3 million for Fiscal 2020 from ₹ 470.3 million for Fiscal 2019. Our average total borrowing increased to ₹ 89,191.6 million as of March 31, 2020, compared with ₹ 72,564.2 million as of March 31, 2019. In Fiscal 2020, our costs of borrowings decreased to 8.90%, as compared with 10.09% for Fiscal 2019.

Impairment on financial instruments. Our impairment on financial instruments increased by 242.7% to ₹ 1,096.5 million for Fiscal 2020 from ₹ 320.0 million for Fiscal 2019, primarily due to an increase in impairment allowance on loans to ₹ 1,006.5 million for Fiscal 2020 from ₹ 245.2 million for Fiscal 2019. In Fiscal 2020, as a prudent measure, we made additional provisions amounting to ₹ 495.1 million towards the impact of COVID-19. Further, we also accelerated provisions / write-offs in our portfolio of loans to developers during Fiscal 2020, amounting to ₹ 399.9 million. These provisions/write-offs were accelerated since loans to developers is no longer a focus area for us.

Employees benefits expense. Employees benefits expense decreased by 5.8% to ₹ 1,675.6 million for Fiscal 2020 from ₹ 1,778.4 million for Fiscal 2019, primarily due to a decrease in salaries, bonus and other allowances to ₹ 1,510.0 million for Fiscal 2020 from ₹ 1,608.5 million for Fiscal 2019. The decrease in salaries, bonus and other allowances was due to decrease in the number of our employees during Fiscal 2020 compared with Fiscal 2019, partially offset by performance increases given to employees. Our on-roll employees decreased to 2,097 as of March 31, 2020, as compared with 2,217 as of March 31, 2019.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 35.4% to ₹ 115.8 million for Fiscal 2020 from ₹ 85.5 million for Fiscal 2019, primarily due to an increase in depreciation of right to use assets amounting to ₹ 54.2 million for Fiscal 2020 from ₹ 32.6 million for Fiscal 2019.

Other expenses. Our other expenses increased by 13.2% to ₹ 752.7 million for Fiscal 2020 from ₹ 665.2 million for Fiscal 2019, primarily due to an increase in general repairs and maintenance to ₹ 105.0 million for Fiscal 2020 from ₹ 44.5 million for Fiscal 2019 relating to an increase in information technology expenses and an increase in corporate social responsibility expenses ("**CSR**") to ₹ 65.9 million for Fiscal 2020 from ₹ 7.9 million for Fiscal 2019 primarily due to increase in amount spent towards CSR by ₹ 23.1 million and provision towards CSR by ₹ 34.9 million. However, such increases were partially offset by a reduction in rent to ₹ 55.1 million for Fiscal 2020 from ₹ 74.8 million for Fiscal 2019.

Total tax expense. Our total tax expense decreased by 43.1% to ₹ 415.3 million for Fiscal 2020 from ₹ 730.4 million for Fiscal 2019. For Fiscal 2020, we had a current tax expense of ₹ 540.7 million and a deferred tax credit of ₹ 125.4 million. For Fiscal 2019, we had a current tax expense of ₹ 603.2 million and a deferred tax expense of ₹ 127.2 million. The Taxation Laws (Amendment) Ordinance 2019 inserted section 115BAA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22%, plus applicable surcharge and cess. This resulted in the lowering of the enacted tax rate in India (including surcharge and cess) applicable to us to 25.168% in Fiscal 2020 from 34.944% in Fiscal 2019. The effective tax rate applicable to us was 17.99% for the Fiscal 2020, as compared with 31.09% for the Fiscal 2019, primarily on account of the benefit of income tax available against special reserve created under section 36(1)(viii) of Income Tax Act, 1961 and one time credit to deferred tax due to change in tax rates in Fiscal 2020 amounting to ₹87.8 million.

Profit for the period. Our profit for the period increased by 17.0% to ₹ 1,893.8 million for Fiscal 2020 from ₹ 1,618.8 million for Fiscal 2019.

Fiscal 2019 compared to Fiscal 2018

Total Income

Our total income increased by 55.3% to ₹ 12,656.3 million for Fiscal 2019 from ₹ 8,151.2 million for Fiscal 2018.

Revenue from Operations. Our revenue from operations increased by 55.3% to ₹ 12,656.1 million for Fiscal 2019 from ₹ 8,150.0 million for Fiscal 2018, primarily due to an increase in interest income by 55.4% to ₹ 10,949.5 million for Fiscal 2019 from ₹ 7,047.4 million for Fiscal 2018. The increase in interest income was primarily due to an increase in interest on loans by 52.1% to ₹ 10,681.0 million for Fiscal 2019 from ₹ 7,022.8 million for Fiscal 2018. This increase is in line with the growth in our Retail AUM which increased to ₹ 99,208.7 million as of March 31, 2019 from ₹ 78,353.4 million as of March 31, 2018 primarily on account of disbursements of ₹ 31,918.5 million for Fiscal 2019; increase in number of customers to 139,249 as at March 31, 2019 from 108,092 as at March 31, 2018; and an increase in our RPLR. During Fiscal 2018, we decreased our RPLR by 10 basis points our portfolio and by 25 basis points on the portfolio of Ertswhile AHFL, which was amalgamated with our company in 2017 (for details, see "*History and Certain Corporate Matters*"). In Fiscal 2019, we increased our RPLR by 25 basis points in July 2018 and 25 basis points in November 2018, which contributed to the increase in interest income. In addition, interest on fixed deposits increased to ₹ 123.8 million in Fiscal 2019 from ₹ 17.1 million in Fiscal 2018, primarily due to this was primarily due to higher liquidity conserved through money received from direct assignment.

Further, net gain on derecognition of financial instruments under amortised cost category increased to ₹ 918.5 million for Fiscal 2019 from ₹ 363.5 million for Fiscal 2018. This was primarily due to increase in assignment of portfolio to ₹ 14,831.1 million during Fiscal 2019 from ₹ 3,534.1 million during Fiscal 2018. In Fiscal 2019, post the IL&FS default in September 2018, there was an industry wide liquidity crunch and banks increased their costs of lending to NBFCs and HFCs, including us. In this period, we increased the assignment of our portfolio to banks, as a means of improving our liquidity. In addition, net gain on fair value changes increased to ₹ 248.5 million from ₹ 144.7 million.

These increases were offset by a decrease in fee and commission income by 9.2% to ₹ 539.6 million for Fiscal 2019 from ₹ 594.4 million in Fiscal 2018, primarily due to a decrease in loan processing fee and other charges (net of business sourcing expenses) to ₹ 365.8 million for Fiscal 2019 from ₹ 531.6 million in Fiscal 2018.

Other income. Our other income, comprising miscellaneous income, decreased to ₹ 0.2 million for Fiscal 2019 from ₹ 1.2 million for Fiscal 2018.

Expenses

Finance costs. Our finance costs increased by 57.9% to ₹ 7,319.4 million for Fiscal 2019 from ₹ 4,634.4 million for Fiscal 2018, primarily due to an increase in interest on borrowings (other than debt securities) to ₹ 5,198.7 million for Fiscal 2019 from ₹ 3,189.6 million for Fiscal 2018. This was primarily due to increase in borrowing (other than debt securities) to meet the growth in our Retail AUM. Further, interest on non-convertible debentures increased to ₹ 1,208.1 million for Fiscal 2019 from ₹ 828.8 million for Fiscal 2018. Our average total borrowing increased to ₹ 72,564.2 million as of March 31, 2019, compared with ₹ 52,958.2 million as of March 31, 2018.

Impairment on financial instruments. Our impairment on financial instruments increased by 9.0% to ₹ 320.0 million for Fiscal 2019 from ₹ 293.5 million for Fiscal 2018, primarily due to impairment provisions on asset held for sale amounting to ₹ 28.5 million for Fiscal 2019, compared to nil in Fiscal 2018. Asset held for sale consists of properties purchased by us in auctions under the SARFAESI Act.

Employees benefits expense. Employees benefits expense increased by 67.7% to ₹ 1,778.4 million for Fiscal 2019 from ₹ 1,060.5 million for Fiscal 2018, primarily due to an increase in salaries, bonus and other allowances to ₹ 1,608.5 million for Fiscal 2019 from ₹ 951.5 million for Fiscal 2018. The increase in salaries, bonus and other allowances was due increase in number of employees during Fiscal 2019 compared with Fiscal 2018 and performance linked salary increases given to employees. Our on-roll employees increased to 2,217 as of March 31, 2019, as compared with 1,742 as of March 31, 2018.

Depreciation and amortization expense. Our depreciation and amortization expense increased to ₹ 85.5 million for Fiscal 2019 from ₹ 60.0 million for Fiscal 2018, primarily due to increase in depreciation on right to use assets by ₹ 8.9 million, computers by ₹ 8.4 million and office equipments by ₹ 4.1 million.

Other expenses. Our other expenses increased to ₹ 665.2 million for Fiscal 2019 from ₹ 494.5 million for Fiscal 2018, primarily due to an increase in rent to ₹ 74.8 million for Fiscal 2019 from ₹ 52.9 million for Fiscal 2018, an increase in goods and service tax to ₹ 77.5 million for Fiscal 2019 from ₹ 50.9 million for Fiscal 2018 and an increase in travelling expenses to ₹ 125.5 million for Fiscal 2019 from ₹ 99.7 million for Fiscal 2018.

Total tax expense. Our total tax expense increased by 56.7% to ₹ 730.4 million for Fiscal 2019 from ₹ 466.2 million for Fiscal 2018, primarily as a result of an increase in profit before tax. For Fiscal 2019, we had a current tax expense of ₹ 603.2 million and a deferred tax expense of ₹ 127.2 million. For Fiscal 2018, we had a current tax expense of ₹ 567.3 million and a deferred tax credit of ₹ 101.1 million.

Profit for the period. Our profit for the period increased 41.7% to ₹ 1,618.8 million for Fiscal 2019 from ₹ 1,142.1 million for Fiscal 2018.

Financial Position

Our net worth (as restated) was ₹ 25,066.1 million, ₹ 23,472.7 million, ₹ 8,588.7 million and ₹ 7,177.2 million as of September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, respectively.

Assets

The following table sets forth the principal components of our assets as of September 30, 2020 and March 31, 2020, 2019 and 2018:

	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in millions)			
Assets				
Financial assets				
Cash and cash equivalents	1,890.9	9,433.5	13,648.8	4,303.7
Other bank balances	101.5	1,105.8	17,766.4	21,642.3
Receivables......................	25.3	38.6	40.8	37.2
Housing and other loans(1)	72,729.6	80,255.9	89,090.3	95,442.2
Investments......................	2,102.4	1,496.6	239.6	3,824.6
Other financial assets........	606.5	1,778.2	1,902.2	2,000.9
	77,456.2	**94,108.6**	**122,688.1**	**127,250.9**
Non-financial assets				
Current tax assets (Net) ...	21.7	136.1	278.7	255.4
Property, plant and equipment	182.9	236.2	175.1	171.3
Right to use assets............	144.4	176.1	258.1	234.8
Other intangible assets......	8.3	4.4	9.5	16.4
Deferred tax assets (Net) .	0.4	0.9	1.7	2.3
Other non-financial assets.	201.2	137.9	253.1	372.7
	558.9	**691.6**	**976.2**	**1,052.9**
Total assets	**78,015.1**	**94,800.2**	**123,664.3**	**128,303.8**

(1) *Housing and other loans includes loans to developers amounting to ₹406.6 million, ₹420.5 million, ₹948.8 million and ₹1,251.2 million as of September 30, 2020, March 31, 2020, 2019 and 2018, respectively. We have discontinued loans to developers and no fresh loan sanctions were made in this category for Fiscals 2019 and 2020 and the six months ended September 30, 2020.*

As of September 30, 2020, we had total assets of ₹ 128,303.8 million, compared to ₹ 123,664.3 million as of March 31, 2020, ₹ 94,800.2 million as of March 31, 2019 and ₹ 78,015.1 million as of March 31, 2018.

Financial Assets

Cash and cash equivalents

As of September 30, 2020, we had cash and cash equivalents of ₹ 4,303.7 million, compared to ₹ 13,648.8 million as of March 31, 2020. This decrease was primarily due to an increase in investments in deposit accounts of more than three months and investments in mutual funds. We had cash and cash equivalents amounting to ₹ 9,433.5 million as of March 31, 2019 and ₹ 1,890.9 million as of March 31, 2018. The increase in cash and cash equivalents from March 31, 2018 to March 31, 2019 was primarily due to higher liquidity conserved through money received from direct assignment and from March 31, 2019 to March 31, 2020 was primarily due to higher liquidity conserved (as a prudent measure) through money received from the proceeds of issue of equity shares and direct assignment. As a prudent measure, we decided to maintain higher liquidity in March 2020 to counter the uncertainty around COVID 19 and its impact on the financial markets.

Other bank balances

As of September 30, 2020, we had other bank balances of ₹ 21,642.3 million, compared to ₹ 17,766.4 million as of March 31, 2020, ₹ 1,105.8 million as of March 31, 2019 and ₹ 101.5 million as of March 31, 2018. Other bank balances primarily consist of investments in fixed deposits with an original maturity of more than three months. The increase in investment was on account of higher liquidity conserved as prudent measure.

Receivables

As of September 30, 2020, we had receivables of ₹ 37.2 million, compared to ₹ 40.8 million as of March 31, 2020, to ₹ 38.6 million as of March 31, 2019 and ₹ 25.3 million as of March 31, 2018.

Housing and other loans

As of September 30, 2020, we had housing and other loans of ₹ 95,442.2 million, compared to ₹ 89,090.3 million as of March 31, 2020, ₹ 80,255.9 million as of March 31, 2019 and ₹ 72,729.6 million as of March 31, 2018. The increase in housing and other loans was primarily due to fresh disbursements, partially offset by principal repayments and direct assignment of loans.

Investments

As of September 30, 2020, we had investments of ₹ 3,824.6 million, compared to ₹ 239.6 million as of March 31, 2020, ₹ 1,496.6 million as of March 31, 2019 and ₹ 2,102.4 million as of March 31, 2018. Our investments primarily consist of investments in liquid and overnight debt mutual funds. As per our investment policy, liquidity is managed by investments in the form of fixed deposits with banks and / or investment in debt mutual funds. The increase in our investments was primarily due higher liquidity conserved as prudent measure.

Other financial assets

As of September 30, 2020, we had other financial assets of ₹ 2,000.9 million, compared to ₹ 1,902.2 million as of March 31, 2020, ₹ 1,778.2 million as of March 31, 2019 and ₹ 606.5 million as of March 31, 2018. These increases were primarily due to increases in receivables from our assigned portfolio.

Non-financial Assets

Current tax assets (Net)

As of September 30, 2020, we had current tax assets (net) of ₹ 255.4 million, compared to ₹ 278.7 million as of March 31, 2020, ₹ 136.1 million as of March 31, 2019 and ₹ 21.7 million as of March 31, 2018.

Property, plant and equipment

As of September 30, 2020, we had property, plant and equipment of ₹ 171.3 million, compared to ₹ 175.1 million as of March 31, 2020, to ₹ 236.2 million as of March 31, 2019 and ₹ 182.9 million as of March 31, 2018.

Right to Use Assets

As of September 30, 2020, we had right to use assets of ₹ 234.8 million, compared to ₹ 258.1 million as of March 31, 2020. to ₹ 176.1 million as of March 31, 2019 and ₹ 144.4 million as of March 31, 2018.

Other Intangible Assets

As of September 30, 2020, we had other intangible assets of ₹ 16.4 million, compared to ₹ 9.5 million as of March 31, 2020, ₹ 4.4 million as of March 31, 2019 and ₹ 8.3 million as of March 31, 2018.

Deferred Tax Assets (net)

As of September 30, 2020, we had deferred tax assets (net) of ₹ 2.3 million, compared to ₹ 1.7 million as of March 31, 2020, ₹ 0.9 million as of March 31, 2019 and ₹ 0.4 million as of March 31, 2018.

Other non-financial assets

As of September 30, 2020, we had other non-financial assets of ₹ 372.7 million, compared to ₹ 253.1 million as of March 31, 2020, ₹ 137.9 million as of March 31, 2019 and ₹ 201.2 million as of March 31, 2018. Other non-financial assets include ₹ 212.4 million of receivables from the government towards ex-gratia payments as of September 30, 2020. In October 2020, in order to mitigate the adverse impact of COVID-19 on borrowers, the Government of India announced a scheme for the grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts , which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020. Under this scheme, we have disclosed the ex-gratia amount as a receivable under other non-financial assets.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of September 30, 2020 and March 31, 2020, 2019 and 2018:

Liabilities	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in million)			
Financial Liabilities:				
Trade Payables..	138.1	157.6	288.1	298.8
Debt Securities..	13,411.2	16,822.4	17,081.4	22,044.9
Borrowings (other than debt securities).........	47,870.0	62,894.7	77,841.3	72,989.6
Deposits...	1,064.6	1,399.2	680.3	512.4
Subordinated Liabilities...............................	832.8	833.4	830.4	832.1
Other Financial Liabilities	7,109.6	3,612.2	3,018.1	5,862.0
	70,426.3	**85,719.5**	**99,739.6**	**102,539.8**
Non-Financial Liabilities:				
Current tax liabilities (net)...........................	33.3	-	-	66.5
Provisions...	43.1	71.5	96.8	114.1
Deferred tax liabilities (net)..........................	182.7	308.5	186.5	149.7
Other non-financial liabilities	151.9	111.4	168.1	367.0
	411.0	**491.4**	**451.4**	**697.3**

Financial Liabilities

Trade Payables

As of September 30, 2020, we had trade payables of ₹ 298.8 million, compared to ₹ 288.1 million as of March 31, 2020, ₹ 157.6 million as of March 31, 2019 and ₹ 138.1 million as of March 31, 2018.

Debt Securities

As of September 30, 2020, we had debt securities of ₹ 22,044.9 million, compared to ₹ 17,081.4 million as of March 31, 2020, ₹ 16,822.4 million as of March 31, 2019 and ₹ 13,411.2 million as of March 31, 2018. The increase in debt securities from March 31, 2018 to March 31, 2019 was primarily due to increase in issuance of secured redeemable non convertible debentures to ₹ 15,861.0 million in March 31, 2019 from ₹ 10,204.1 million in March 31, 2018, partially offset by a decrease in issuance of commercial paper to ₹ 961.4 million in March 31, 2019 from ₹ 3,207.1 million in March 31, 2018; from March 31, 2019 to March 31, 2020 was primarily due to increase in issuance of secured redeemable non convertible debentures to ₹ 17,081.4 million in March 31, 2020, partially offset by a decrease in issuance of commercial paper to Nil in March 31, 2020; and from March 31, 2020 and September 30, 2020 was primarily due to an increase in issuance of secured redeemable non convertible debentures to ₹ 21,554.7 million in September 30, 2020 and an increase in issuance of commercial paper to ₹ 490.2 million in September 30, 2020.

Borrowings (other than debt securities)

As of September 30, 2020, we had borrowings (other than debt securities) of ₹ 72,989.6 million, compared to ₹ 77,841.3 million as of March 31, 2020, ₹ 62,894.7 million as of March 31, 2019 and ₹ 47,870.0 million as of March 31, 2018. The increase in borrowings (other than debt securities) from March 31, 2018 to March 31, 2019 was primarily due to an increase in term loans from banks and from the NHB; and from March 31, 2019 to March 31, 2020 was primarily due to increase in term loan from banks, partially offset by a decrease in loans from the NHB. The decrease in borrowings (other than debt securities) from March 31, 2020 to September 30, 2020 was primarily due to a decrease in term loan from banks, partially offset by an increase in loan from the NHB.

Deposits

As of September 30, 2020, we had deposits of ₹ 512.4 million, compared to ₹ 680.3 million as of March 31, 2020, ₹ 1,399.2 million as of March 31, 2019 and ₹ 1,064.6 million as of March 31, 2018.We were allowed to accept fresh deposit from the public until May 2019. Subsequent to May 2019, as part of the change in our ownership in June 2019, we are not permitted by the NHB to accept fresh fixed deposits. Hence, since May 2019, we are making payment on existing fixed deposits as per their contractual terms, while not accepting any new deposits.

Subordinated Liabilities

As of September 30, 2020, we had subordinated liabilities of ₹ 832.1 million, compared to ₹ 830.4 million as of March 31, 2020, ₹ 833.4 million as of March 31, 2019 and ₹ 832.8 million as of March 31, 2018.

Other Financial Liabilities

As of September 30, 2020, we had other financial liabilities of ₹ 5,862.0 million, compared to ₹ 3,018.1 million as of March 31, 2020, ₹ 3,612.2 million as of March 31, 2019 and ₹ 7,109.6 million as of March 31, 2018. Other financial liabilities includes book overdraft of ₹ 3,624.2 million as of September 30, 2020, compared to ₹ 1,030.3 million as of March 31, 2020, ₹ 1,766.3 million as of March 31, 2019 and ₹ 5,907.5 million as of March 31, 2018.

Non-financials Liabilities

Current tax liabilities (net)

As of September 30, 2020, we had current tax liabilities (net) of ₹ 66.5 million, compared to nil as of March 31, 2020 and as of March 31, 2019. We had current tax liabilities (net) of ₹ 33.3 million as of March 31, 2018. We had current tax liabilities as of September 30, 2020 as advance tax against income tax liabilities for the full financial year ending March 31, 2021 is required to be paid up to 45% by September 15, 2020.

Provisions

As of September 30, 2020, we had provisions of ₹ 114.1 million, compared to ₹ 96.8 million as of March 31, 2020, ₹ 71.5 million as of March 31, 2019 and ₹ 43.1 million as of March 31, 2018.

Deferred tax liabilities (net)

As of September 30, 2020, we had deferred tax liabilities (net) of ₹ 149.7 million, compared to ₹ 186.5 million as of March 31, 2020, compared to ₹ 308.5 million as of March 31, 2019 and ₹ 182.7 million as of March 31, 2018. The recently promulgated Taxation Laws (Amendment) Ordinance 2019 inserted section 115BAA in the Income Tax Act. 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22%, plus applicable surcharge and cess. Consequently, our deferred tax liabilities (net) as of March 31, 2019 has been measured at the lower rate with a one-time corresponding credit of ₹ 87.8 million to the statement of profit and loss for the year ended March 31, 2020.

Other non-financial liabilities

As of September 30, 2020, we had other non-financial liabilities of ₹ 367.0 million, compared to ₹ 168.1 million as of March 31, 2020, compared to ₹ 111.4 million as of March 31, 2019 and ₹ 151.9 million as of March 31, 2018.

Equity

As of September 30, 2020, March 31, 2020, 2019 and 2018 our Equity Share Capital was ₹ 394.8 million, ₹ 394.6 million, ₹ 251.5 million and ₹ 251.5 million, respectively. As of September 30, 2020, March 31, 2020, 2019 and 2018 our Other Equity was ₹ 24,671.9 million, ₹ 23,078.7 million, ₹ 8,337.8 million and ₹ 6,926.3 million, respectively. Increase in equity share capital and other equity includes ₹ 5,000 million of rights issue allotment (including share premium) in the month of March 2020 and ₹ 8,000 million of preferential allotment (including share premium) in the month of June 2019.

Liquidity and Capital Resources

In the past, we have funded our liquidity and capital requirements primarily through shareholder capital and funds generated from operations, and indebtedness, including term loans from banks, non-convertible debentures, commercial paper, cash credit, subordinated debt, refinancing from NHB and short-term loans from banks and financial institutions. We also undertake the direct assignment of loan receivables to generate additional funds.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements and debentures contain a number of covenants including financial covenants. For details, see "*Financial*

Indebtedness" and "*Risk Factors – Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations*" on pages 282 and 29, respectively.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Fiscal			**For the six months ended September 30,**
	2018	**2019**	**2020**	**2020**
	(₹ in million)			
Net cash used in Operating Activities	(25,615.3)	(25,535.2)	(17,847.9)	(3,794.2)
Net cash used in Investing Activities	(112.8)	(485.9)	(14,951.3)	(7,475.6)
Net cash generated from Financing Activities......	25,027.2	33,563.7	37,014.5	1,924.7
Net (decrease)/ increase in Cash and Cash Equivalents	(700.9)	7,542.6	4,215.3	(9,345.1)

Operating Activities

Net cash used in operating activities was ₹ 3,794.2 million for the six months ended September 30, 2020. While our net profit before tax was ₹ 1,987.7 million for the six months ended September 30, 2020, we had an operating profit before working capital changes of ₹ 2,265.4 million, primarily due to provision for contingencies and write-offs of ₹ 197.4 million and depreciation and amortization of ₹ 56.7 million. Our changes in working capital for the six months ended September 30, 2020 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 3,125.1 million, and an increase in other financial and non-financial assets of ₹ 250.2 million. In addition, we paid tax amounting to ₹ 371.9 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 4,772.0 million. Housing and other property loans disbursed amounted to ₹ 12,227.3 million and housing and other property loan repayments amounted to ₹ 3,661.1 million.

Net cash used in operating activities was ₹ 17,847.9 million for Fiscal 2020. While our net profit before tax was ₹ 2,309.1 million for Fiscal 2020, we had an operating profit before working capital changes of ₹ 3,336.9 million, primarily due to provision for contingencies and write-offs of ₹ 1,099.1 million, profit on sale of investment in mutual fund and other investments amounting to ₹ 236.1 million and depreciation and amortization of ₹ 115.8 million. Our changes in working capital for Fiscal 2020 primarily consisted of a decrease in other financial and non-financial liabilities and provisions of ₹ 530.9 million, and an increase in other financial and non-financial assets of ₹ 435.2 million. In addition, we paid tax amounting to ₹ 683.3 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 1,685.3 million. Housing and other property loans disbursed amounted to ₹ 31,901.4 million and housing and other property loan repayments amounted to ₹ 12,368.2 million. As a result, our net cash used in operating activities amounted to ₹ 17,847.9 million.

Net cash used in operating activities was ₹ 25,535.2 million for Fiscal 2019. While our net profit before tax was ₹ 2,349.2 million for Fiscal 2019, we had an operating profit before working capital changes of ₹ 2,533.6 million, primarily due to provision for contingencies and write-offs of ₹ 324.2 million, profit on sale of investment in mutual fund and other investments amounting to ₹ 248.5 million and depreciation and amortization of ₹ 85.5 million. Our changes in working capital for Fiscal 2019 primarily consisted of a decrease in other financial and non-financial liabilities and provisions of ₹ 3,747.6 million, and an increase in other financial and non-financial assets of ₹ 833.3 million. In addition, we paid tax amounting to ₹ 750.9 million. Our net cash flow used in operations before movement in housing and other loans amounted to ₹ 2,811.5 million. Housing and other property loans disbursed amounted to ₹ 35,707.9 million and housing and other property loan repayments amounted to ₹ 12,984.2 million. As a result, our net cash used in operating activities amounted to ₹ 25,535.2 million.

Net cash used in operating activities was ₹ 25,615.3 million for Fiscal 2018. While our net profit before tax was ₹ 1,608.3 million for Fiscal 2019, we had an operating profit before working capital changes of ₹ 1,828.7 million, primarily due to provision for contingencies and write-offs of ₹ 293.5 million, profit on sale of investment in mutual fund and other investments amounting to ₹ 144.8 million and depreciation and amortization of ₹ 60.0 million. Our changes in working capital for Fiscal 2018 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 3,377.5 million, and an increase in other financial and non-financial assets of ₹ 117.1 million. In addition, we paid tax amounting to ₹ 544.7 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 4,519.7 million. Housing and other property loans disbursed amounted to ₹ 39,046.5 million and housing and other property loan repayments amounted to ₹ 8,911.5 million. As a result, our net cash used in operating activities amounted to ₹ 25,615.3 million.

Investing Activities

Net cash used in investing activities was ₹ 7,475.6 million for the six months ended September 30, 2020, primarily comprising payment towards purchase of investments amounting to ₹ 6,389.9 million, investment in fixed deposits (net of maturities) amounting to ₹ 3,875.9 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 2,820.1 million.

Net cash used in investing activities was ₹ 14,951.3 million for Fiscal 2020, primarily comprising payment towards purchase of investments amounting to ₹ 127,502.7 million, investment in fixed deposits (net of maturities) amounting to ₹ 16,660.6 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 129,246.0 million.

Net cash used in investing activities was ₹ 485.9 million for Fiscal 2019, primarily comprising payment towards purchase of investments amounting to ₹ 144,744.8 million, investment in fixed deposits (net of maturities) amounting to ₹ 1,004.3 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 145,349.1 million.

Net cash used in investing activities was ₹ 112.8 million for Fiscal 2018, primarily comprising payment towards purchase of investments amounting to ₹ 71,635.0 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 71,425.7 million.

Financing Activities

Net cash generated from financing activities was ₹ 1,924.7 million for the six months ended September 30, 2020, primarily comprising proceeds from loans from banks/institutions amounting to ₹ 11,551.1 million, proceeds from NCDs amounting to ₹ 7,650.0 million and proceeds from the assignment of portfolio amounting to ₹ 2,047.3 million, partially offset by repayment of loans to banks/institutions amounting to ₹ 16,405.5 million and repayment of NCDs amounting ₹ 3,188.3 million.

Net cash generated from financing activities was ₹ 37,014.5 million for Fiscal 2020, primarily comprising proceeds on issue of equity shares amounting to ₹ 13,000.0 million, proceeds from loans from banks/institutions amounting to ₹ 35,000.4 million, proceeds from NCDs amounting to ₹ 3,000.0 million and proceeds from the assignment of portfolio amounting to ₹ 9,546.7 million, partially offset by repayment of loans to banks/institutions amounting to ₹ 19,976.4 million and repayment of NCDs amounting ₹ 1,820.0 million.

Net cash generated from financing activities was ₹ 33,563.7 million for Fiscal 2019, primarily comprising proceeds from loans from banks/institutions amounting to ₹ 24,750.0 million, proceeds from NCDs amounting to ₹ 6,764.0 million and proceeds from the assignment of portfolio amounting to ₹ 14,831.1 million, partially offset by repayment of loans to banks/institutions amounting to ₹ 9,631.6 million, repayment of NCDs amounting ₹ 1,000.0 million and repayment of short term loans amounting to ₹ 2,245.7 million.

Net cash generated from financing activities was ₹ 25,027.2 million for Fiscal 2018, primarily comprising proceeds on issue of equity shares amounting to ₹ 1,150.0 million, proceeds from loans from banks/institutions amounting to ₹ 23,169.5 million, proceeds from NCDs amounting to ₹ 4,850.0 million and proceeds from the assignment of portfolio amounting to ₹ 3,534.1 million, partially offset by repayment of loans to banks/institutions amounting to ₹ 6,340.8 million and repayment of NCDs amounting ₹ 880.0 million.

Financial Indebtedness

As of September 30, 2020, our total borrowings amounted to ₹ 96,379.0 million, comprising debt securities amounting to ₹ 22,044.9 million, borrowings (other than debt securities) amounting to ₹ 72,989.6 million, subordinated liabilities (redeemable non-convertible debentures) amounting to ₹ 832.1 million and deposits amounting to ₹ 512.4 million. For details, see "*Financial Indebtedness*" on page 282.

The following table sets forth certain information relating to our financial liabilities as of September 30, 2020, and our repayment obligations in the periods indicated:

		Payments due by period			
Particulars	**Carrying value**	**Within 1 year**	**Within 1 to 3 years**	**Within 3 to 5 years**	**More than 5 years**
	(₹ in million)				
Financial Liabilities					
Trade payables.......................................	298.8	298.8	-	-	-
Debt securities	22,044.9	7,208.8	12,557.7	580.0	1,698.4
Borrowings (other than debt securities) ...	72,989.6	10,902.5	24,898.9	17,790.3	19,397.9
Deposits...	512.4	248.8	238.1	19.5	6.0
Subordinated liabilities...........................	832.1	(7.9)	240.0	-	600.0
Other financial liabilities	5,862.0	5,693.6	77.6	63.5	27.3
Total	**1,02,539.8**	**24,344.6**	**38,012.3**	**18,453.3**	**21,729.6**

Direct Assignment Arrangements

During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, we had assigned assets worth ₹ 2,047.3 million, ₹ 9,546.7 million, ₹ 14,831.1 million and ₹ 3,534.1 million, respectively.

Contingent Liabilities

As of September 30, 2020 and March 31, 2020 , 2019 and 2018, our contingent liabilities that have not been provided for, as per Ind AS-37 issued by ICAI, are as set out in the table below:

	As of			
	March 31, 2018	**March 31, 2019**	**March 31, 2020**	**September 30, 2020**
	(₹ in million)			
Particulars				
Income tax matters of earlier years	12.7	13.6	11.3	2.1

Off-Balance Sheet Commitments and Arrangements

Except as disclosed above in " - *Assignment Arrangements*", we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Capital Expenditure

For the six months ended September 30, 2020, our capital expenditure amounted to ₹ 31.5 million, primarily consisting of property plant and equipment and intangible assets. For Fiscal 2020, our capital expenditure amounted to ₹ 33.0 million, primarily consisting of property plant and equipment and intangible assets. For Fiscal 2019, our capital expenditure amounted to ₹ 103.8 million, primarily consisting of property plant and equipment and intangible assets. For Fiscal 2018, our capital expenditure amounted to ₹ 77.6 million, primarily consisting of property plant and equipment and intangible assets. We have budgeted capital expenditures of approximately ₹ 109.4 million in Fiscal 2021.

Capital to Risk-Weighted Assets Ratios

The following table sets forth our capital to risk-weighted assets ratios for the periods indicated:

	As of			
	March 31, 2018	March 31, 2019	March 31, 2020	September 30, 2020
CRAR (%)..	18.76%	18.28%	51.42%	47.84%
CRAR - Tier I capital (%)	16.23%	15.57%	49.08%	45.87%
CRAR - Tier II capital (%)	2.54%	2.71%	2.35%	1.97%
Amount of subordinated debt qualified as Tier – II capital (₹ in million)	804.0	756.0	708.0	660.0

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business such as liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

We manage liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, we maintain flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. We regularly monitor the position of cash and cash equivalents vis-à-vis projections. We also consider the maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios while reviewing the liquidity position.

We manage our liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. We periodically review the asset liability management policy to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. Our Asset Liability Committee formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Interest risk

Our core business is providing housing and other mortgage loans. We borrow through various financial instruments to finance its core lending activity. These activities expose us to interest rate risk.

We measure interest rate risk through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, we also measure exposure to fluctuations in interest rates by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. We prepare an interest rate sensitivity gap report by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. We monitor the interest rate risk through these measures on a quarterly basis. The following table shows the split of our assets and borrowings in terms of interest basis (i.e., fixed or floating rate as of September 30, 2020:

Type	Gross AUM	Borrowings
Fixed	6.27%	25.83%
Floating	93.73%	74.17%

Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In our lending operations, we are principally exposed to credit risk. The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

We measure, monitor and manage credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers at the portfolio level for both home loans and other property loans. We have a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. Our Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the credit risk.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 25. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 121 and 286, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 121, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

While our business is not subject to seasonality, we typically see some higher borrowings by our Customers during the fourth quarter of each financial year. We also typically have higher drawdowns under our facilities in the third and fourth quarter of each financial year.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 121, 92 and 25, respectively for further information on our industry and competition.

Significant developments subsequent to September 30, 2020

Subsequent to September 30, 2020, we issued bonus shares in the ratio of 9 equity shares for every 1 equity share held on the record date (i.e., a ratio of 9:1). The bonus shares are issued from our securities premium (free reserves) balance as of September 30, 2020 of ₹ 16,933.9 million. We have utilized ₹3,552.8 million out of our securities premium account on January 16, 2021 to issue 35,52,79,473 Equity Shares of ₹ 10 each.

Except as disclosed in this section, and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation, in each case involving our Company, Subsidiary, Promoter or our Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on January 16, 2021, has considered and adopted a policy of materiality for identification of material civil litigation ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigation involving the Relevant Parties which exceed the amount which is lesser of 1% of the profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2020 would be considered material for our Company. Our profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2020 is ₹ 1,893.8 million. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual litigation exceeds ₹ 18.9 million individually; (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 18.9 million; (c) all outstanding litigation filed against the Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016; (d) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, prospects or reputation of our Company.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Creditors' Materiality Policy**"). In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 14.9 million, which is 5% of the total trade payables of our Company as on March 31, 2020, as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on September 30, 2020, any outstanding dues exceeding ₹ 14.9 have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended, as has been relied upon by Statutory Auditors.*

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Litigation involving our Company

Litigation against our Company

A. *Criminal proceedings*

Criminal proceedings filed by certain customers of our Company

1. Dhirendra Pratap Singh, a customer of our Company (the "**Complainant**"), has filed a first information report before Kotwali Nagar Police Station, Ayodhya, in September 2020 ("**FIR**"), against the branch manager and accountant of one of our branches in Ayodhya, the zonal manager, Lucknow, and the Managing Director and Chief Executive Officer of our Company (the "**Accused Persons**"). The Complainant had availed a loan of approximately ₹ 1.0 million from the Ayodhya branch of our Company. In the FIR, the Complainant has alleged that offences under sections 406, 420, 504 and 506 of the Indian Penal Code, 1860 ("**IPC**") have been committed by the Accused Persons in relation to continuous withdrawal of loan instalments from the Complainant's savings account during the moratorium period announced by the RBI on repayment of term loans on account of the Covid-19 pandemic. The matter is currently pending.

2. Vijay Kumar Mishra, a customer of our Company (the "**Complainant**") filed a criminal complaint before the Chief Judicial Magistrate, Jamshedpur, against the branch manager of one of our branches in Jamshedpur, the general manager, our Company and others (the "**Accused Persons**") in January 2020 (the "**Complaint**"), on the basis of which a first information report was registered with the Govindpur Police Station, Jamshedpur, in February 2020 (the "**FIR**"). The Complainant had availed a loan from the Jamshedpur branch of our Company in respect of which our Company

had initiated recovery proceedings against the Complainant to recover an amount of ₹ 1.1 million towards such loan. In his Complaint, the Complainant alleged that he never applied for any loan from our Company nor has he mortgaged any property as a collateral for such loan. Consequently, the Complainant filed the Complaint alleging that offences under sections 406, 420, 467, 468, 471, 384, 385, 386, 387, 379, 193, 120B and 34 of the IPC have been committed by the Accused Persons in relation to forgery of loan documentation in his name to obtain the loan amount for the benefit of a third person. The matter is currently pending.

3. Rashmi Kanwar, a customer of our Company (the "**Complainant**"), has filed a criminal complaint under Section 190 of the Code of Criminal Procedure, 1973 ("**CrPC**") before the Chief Metropolitan Magistrate, Jaipur, against certain ex-officers and employees of our Company (the "**Accused Persons**") in February 2018. The Complainant had availed a housing loan from the one of our Company's branches in Jaipur and submitted the original title deeds of her property as collateral for such loan. The Complainant had requested our Company to transfer the outstanding balance of ₹ 1.5 million of the loan availed by her to another housing finance company and release the original title deeds of the property mortgaged as collateral. Our Company dispatched the original title deeds through a third-party courier company, however these documents were lost in transit. Consequently, the Complainant filed the criminal complaint alleging that offences under sections 406 and 420 of the IPC have been committed by the Accused Persons. The matter is currently pending.

4. Narendra Singh, a customer of our Company (the "**Complainant**") has filed a first information report before the Modi Nagar Police Station, Ghaziabad, against the sales/credit manager, the branch manager and two other employees of one of our branches in Ghaziabad (the "**Accused Persons**") in August 2020 (the "**FIR**"). The Complainant has alleged that his wife had previously availed a loan of ₹ 1.1 million from our Company and subsequently applied for a loan of ₹ 0.3 million. In relation to his application for the loan of ₹ 0.3 million, the Complainant has alleged that even though he completed the requisite formalities including payment of certain processing fees, our Company failed to disburse the loan to him. Consequently, the Complainant filed the FIR alleging that offences under sections 120B, 323, 406, 420, 504 and 506 of the IPC have been committed by the Accused Persons. The matter is currently pending.

5. Nandkishor, (the "**Complainant**") has filed a criminal complaint before the Additional Chief Judicial Magistrate, Meerut, against the branch manager, the assistant manager, and the field manager of one of our branches in Meerut and others (the "**Accused Persons**") in 2014 (the "**Complaint**"). The Complainant has alleged that the Accused Persons refused to refund the processing fees of ₹ 61,000 in respect of his application for a loan from our Company which was allegedly not processed by the Accused Persons. Consequently, the Complainant filed the Complaint alleging that offences under sections 120B, 323, 420, 467, 468, 471 and 504 of the IPC and certain sections of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 have been committed by the Accused Persons. The matter is currently pending.

6. Narendra Kumar Sharma (the "**Complainant**") has filed a criminal complaint before the Chief Judicial Magistrate, Pancham, Meerut, against the branch manager and an employee, of one of our branches in Meerut (the "**Accused Persons**") in 2016 (the "**Complaint**"). The Complainant has alleged that the Accused Persons along with two other persons, committed forgery of a sale deed and other documents, for opening a fake bank account to avail the loan facilities from our Company for a third person. Further, it has also been alleged by the Complainant that these two other persons who were involved with the Accused Persons acted as the agents of the Company and allegedly committed fraud of ₹ 1.7 million on the Complainant by inducing him to enter into a deceitful property transaction. Consequently, the Complainant filed the Complaint alleging that offences under sections 406, 420, 467, 468, 471, 504, 506 and 120B of the IPC have been committed by the Accused Persons. The matter is pending.

7. Jitendra Kumar Rai (the "**Complainant**") has filed a criminal complaint before the Chief Judicial Magistrate, Dhanbad, against the branch manager of one of our branches in Dhanbad and our Company (the "**Accused Persons**") in September 2019 (the "**Complaint**"). The Complainant has alleged, among others, that as per his loan documentation for loan allegedly availed from our Company, he was sanctioned a loan of ₹ 0.4 million, however, a lesser amount was credited to his bank account. Consequently, the Complainant filed the Complaint alleging that offences under sections 323, 341, 384, 406, 420, 504 and 506 of the IPC have been committed by the Accused Persons. The matter is currently pending.

8. Devraj Nagar (the "**Complainant**") has filed a criminal complaint before the Chief Judicial Magistrate, Gautam Budh Nagar, Noida, against the sales manager, branch manager, and three other employees of one of our branches in Noida (the "**Accused Person**s") sometime in 2017 (the "**Complaint**"). The Complainant alleged that even though he had completed the requisite formalities including payment of processing fees in respect of his loan application, the loan was not disbursed by the Accused Persons. Consequently, the Complainant filed a complaint alleging that offences under sections 406 and 504 of the IPC have been committed by the Accused Persons. Subsequently, the matter was referred to mediation and the Complainant and Accused Persons reached a settlement in September 2019. The Complainant agreed to withdraw the Complaint and the Accused Persons agreed not to initiate any legal action against the Complainant in future, among other terms of the settlement. The matter is currently pending.

9. Deepak Kumar Kanaujia (the "**Complainant**") has filed a criminal complaint under section 190 of the CrPC before the Additional Chief Judicial Magistrate, Allahabad, against the branch manager of one of our branches in Allahabad (the "**Accused Person**") in August 2017 (the "**Complaint**"). The Complainant has alleged that a third party obtained a loan from our Company in the name of the Complainant and coerced him to enter into a fraudulent property transaction worth ₹ 0.6 million, amongst others. The matter is currently pending.

10. Pradip Shivram Savant (the "**Complainant**") filed a complaint against a private builder before the Economic Offences Department, Mumbai (the "**EOD**") (the "**Complaint**"). The Complaint is in relation to an alleged illegal sale of a property by a private builder to a person named Swaroop Phople, who had allegedly taken a loan of ₹ 9.2 million from our Company and the collateral given for such loan was the property alleged to be illegally sold by the builder. The EOD issued a summons to our Company in December 2020 directing our Company to provide the relevant information pertaining to the said loan. The matter is currently pending.

11. Vijay Kushwaha has a filed a criminal complaint before the Chief Metropolitan Magistrate, Kanpur (the "**Court**") alleging that the accused persons have demanded ₹ 0.1 million to settle his loan account, which loan account was allegedly existing with our Company. The Court has directed the concerned police in-charge to present a pre-inquiry report on the next hearing.

B. Material civil litigation

1. Two civil suits including certain recovery proceedings have been initiated by various parties against Renuka Lakshmi Associates, a project finance customer of our Company (the "**Customer**"), before certain civil courts in Hubballi, Karnataka. Our Customer had availed a project finance loan from our Company for construction of a residential complex (the "**Project Finance Loan**"). The amount disbursed by our Company to the Customer under the Project Finance Loan was ₹ 27.5 million. The underlying collateral for such loan was this residential complex which is also the disputed suit property in some of these proceedings. Our Company has been impleaded as a necessary party in these two civil suits as our Company has a security interest over the disputed suit property.

2. Divya Vikas Vibhuti (the "**Plaintiff**") has instituted a civil suit against Renuka Lakshmi Associates (the "**Customer**") before Principal Civil Judge and Chief Judicial Magistrate, Hubballi, in January 2021, as the Customer was unable to complete the construction of a residential flat and did not refund the sale consideration paid by the Plaintiff. The Plaintiff has prayed, among other reliefs, that any sale by the Customer of the suit property to any third party be declared void and the Customer be restrained from undertaking any such sale. Our Company has filed an application under Order 1, Rule 10(2) read with section 151 of the Civil Procedure Code, 1908 to be impleaded as a necessary party since our Company had disbursed the Project Finance Loan of ₹ 27.5 million to the Customer and our Company has a security interest over the suit property. The matter (including our Company's application) is currently pending.

C. Tax proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company is set forth below:

Nature of case	Number of cases	Amount (in ₹ million)
Direct Tax	2	2.1
Indirect Tax	-	-
Total	**2**	**2.1**

Litigation by our Company

A. Criminal proceedings

Certain cyber complaints filed by our Company

1. Our Company has filed a first information report in 2020 before the 1st Additional Chief Metropolitan Magistrate, Bengaluru, in relation to issuance of a false sanction letter demanding deposits of certain amount to a particular bank account that does not belong to our Company. Our Company has alleged that offences under sections 419 and 420 of the IPC and under sections 66C and 66D of the Information Technology Act, 2002 have been committed by the accused. The matter is currently pending investigation.

2. Our Company has filed an online cyber complaint at the National Cyber Crime Reporting Portal in 2020, in relation to unauthorised and illegal use of the Company's logo and name by the accused on a counterfeit and fraudulent website that does not belong to the Company to defraud the public at large. The matter is currently pending investigation.

Recovery proceedings initiated by our Company under S.138 of the Negotiable Instrument Act, 1881

3. Our Company, in the ordinary course of its business, has initiated 3,745 recovery proceedings against various parties, including several of its customers, for the dishonour of cheques under Section 138 of the Negotiable Instrument Act, 1881. These proceedings are pending at various stages of adjudication before various courts. The aggregate amount involved in such proceedings is approximately ₹ 2,981.3 million.

Criminal proceedings initiated by our Company in relation to allegations of fraud

4. Our Company, in the ordinary course of business, has initiated 63 criminal proceedings (either through a first information report or criminal complaint) against various parties, including several of our customers alleging fraud committed by such customers against us. These proceedings are pending at various stages of adjudication before various courts. Further, these proceedings have been reported by our Company to the NHB since the amount involved in each of these proceedings exceeds ₹ 100,000, as provided for under chapter IV of the NHB guidelines No NHB (ND)/DRS/Policy Circular No.92/2018-19 dated February 5, 2019. The aggregate amount involved in such proceedings is approximately ₹ 899.4 million.

5. Our Company, in the ordinary course of business, has initiated 36 criminal proceedings (either through a first information report or criminal complaint) against various parties, including several of our customers alleging fraud committed by such customers against us. These criminal proceedings are under investigation by the relevant police departments where such complaints have been filed by our Company. The aggregate amount involved in such proceedings is approximately ₹ 337.9 million.

B. Material Civil Litigation

Recovery proceedings initiated by our Company in relation to project finance cases

1. M/s Vandana Infra Realty, a customer of our Company, along with certain co-borrowers (the "**Customer**"), availed a project loan of ₹ 126.0 million for construction of residential apartments. The Customer committed default and despite repeated requests and demands, failed to pay the overdue amount and additional interest, as applicable. Consequently, our Company issued a demand notice dated December 15, 2018 under section 13(2) of the SARFAESI Act directing the Customer to pay the total outstanding amount of ₹ 133.5 million failing which the Company would initiate appropriate recovery proceedings against the Customer. Upon the Customer's failure to pay the outstanding amount demanded by our Company, a possession notice dated February 18, 2020 was issued by our Company under section 13(4) of the SARFAESI Act read with Rule 8 of the Security Interest (Enforcement) Rules, 2002, for taking symbolic possession of the property mortgaged by the Customer in respect of the loan ("**Possession Notice**"). The Customer filed an application in December 2019 under section 17(1) of the SARFAESI Act before the Debt Recovery Tribunal, Bangalore ("**DRT Bangalore**") against our Company, praying to set aside the measures taken by us through the Possession Notice and praying for an interim order to stay the operation and execution of the Possession Notice. The matter is currently pending.

2. Sanya Property Private Limited, a customer of our Company, along with certain guarantors/mortgagor (the "**Customer**"), availed a project finance loan for ₹ 200.0 million from DHFL and Erstwhile Aadhar, of which ₹ 60.0 million was disbursed by DHFL and ₹ 40.0 million was disbursed by Erstwhile Aadhar. The Customer committed default and despite repeated requests and demands, it failed to pay the overdue amount and additional interest, as applicable. Consequently, DHFL issued a demand notice dated March 16, 2016 under section 13(2) of the SARFAESI Act directing the Customer to pay the total outstanding amount of ₹ 71.1 million failing which it would initiate appropriate recovery proceedings against the Customer. A similar demand notice dated April 21, 2016 was issued by Erstwhile Aadhar directing the Customer to pay the total outstanding amount of ₹ 46.5 million. Upon the Customer's failure to pay the outstanding amount, an application dated November 19, 2016 was filed by DHFL under section 14 of the SARFAESI Act before the District Magistrate, Bhuj (the "**DM**"), for the purpose of taking physical possession of the property mortgaged by the Customer in respect of the loan (the "**Application**"). Erstwhile Aadhar was made a party to this Application in the capacity of a joint secured creditor. The DM allowed the Application for taking the possession of the said property vide order dated April 13, 2017. Subsequently, the Customer filed an application in August 2017 under section 17(1) of the SARFAESI Act before the Debt Recovery Tribunal-II, Ahmedabad, against DHFL and Erstwhile Aadhar, praying to set aside and quash the order dated April 13, 2017 passed by the DM, the possession notice and in the interim to stay the same, and to declare all actions taken under the SARFAESI Act in this regard illegal and unjustified. The matter is currently pending for hearing.

3. Jain Heights & Structures Private Limited, a customer of our Company, along with another borrower and co-borrower (the "**Customer**"), availed a loan for ₹ 85.0 million from our Company. The Customer committed default and despite repeated requests and demands, failed to pay the overdue amount and additional interest, as applicable. Consequently, our Company issued a demand notice dated March 16, 2017 under section 13(2) of the SARFAESI Act directing the Customer to pay the total outstanding amount of ₹ 60.1 million failing which the Company would initiate appropriate recovery proceedings against the Customer. Upon the Customer's failure to pay the outstanding amount demanded, a possession notice dated August 12, 2020 was issued by our Company under section 13(4) of the SARFAESI Act read with Rule 8 of the Security Interest (Enforcement) Rules, 2002, for taking symbolic possession of the property

mortgaged by the Customer in respect of the loan. The Customer filed an application in September 2020 under section 17(1) of the SARFAESI Act before the Debt Recovery Tribunal, Bangalore against our Company, challenging the said possession notice and praying for it to be quashed and set aside. The matter is currently pending.

Litigation involving our Directors

Litigation against our Directors

Deo Shankar Tripathi

Criminal Proceedings

1. Dhirendra Pratap Singh, a customer of our Company, has filed a first information report before the Kotwali Nagar Police Station, Ayodhya, in September 2020. In his official capacity as the Managing Director and Chief Executive Officer of our Company, Deo Shankar Tripathi has also been arrayed as an accused in such first information report. For details, see "**-***Litigation involving our Company – Litigation against our Company – Criminal Proceedings* **-** *Criminal proceedings filed by certain customers of our Company*" on page 313.

Sharmila Karve

Actions taken by statutory or regulatory authorities

1. Sharmila Karve has received summons dated July 31, 2020 from the Enforcement Directorate (Eastern Region) under the Foreign Exchange Management Act, 1999 asking her to appear before the Enforcement Directorate to give evidence and produce certain records in relation to a FEMA enquiry in relation to certain partnership firms where Sharmila Karve was a partner at the relevant time. Because of COVID-19 related travel restrictions, Sharmila Karve was allowed to submit her written response without any physical appearance in the Enforcement Directorate office in Kolkata. She has accordingly submitted her written response to the Enforcement Directorate under legal advice.

Material civil litigation

2. Satyam Computers Services Limited filed a civil suit on June 12, 2012 against Sharmila Karve for damages, along with 127 others, before the City Civil Court, Hyderabad. Further, Sharmila Karve has filed applications for discharge and dismissal of suit, which are currently pending for adjudication by the City Civil Court, Hyderabad.

Outstanding dues to creditors

Our Board, in its meeting held on January 16, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Creditors' Materiality Policy**"). In terms of the Creditors' Materiality Policy, creditors of our Company to whom an amount exceeding five per cent of our total trade payables as on September 30, 2020 was outstanding, were considered 'material' creditors. As per the Restated Consolidated Financial Information, our total trade payables as on September 30, 2020, was ₹ 298.8 million and accordingly, creditors to whom outstanding dues exceed ₹ 14.9 have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on September 30, 2020 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	-	Nil
Material creditors	-	Nil
Other creditors	34	10.2
Total	34	10.2

As on September 30, 2020, the Company does not have any material creditor in accordance with the Creditors' Materiality Policy.

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 286, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these approvals, licenses, registrations, and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

We have also set forth below material approvals or renewals applied for but not received. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" beginning on page 140.

I. Material approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 321.

II. Material approvals in relation to our Company

(a). **Material approvals obtained by our Company**

We require various approvals to carry on our business in India. We have received the following major Government and other approvals pertaining to our business:

A. Material approvals in relation to our incorporation

For details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" on page 148.

B. Material approvals in relation to our business

The material approvals in relation to the establishments and business operations of our Company issued by authorities of the respective jurisdictions in which our establishments and business operations are located are set forth below:

1. Certificate of registration dated April 5, 2018 granted by the NHB bearing registration number 04.0168.18 pursuant to which our Company is allowed to commence / carry on the business of a housing finance institution without accepting public deposits.
2. Recognition as a 'financial institution' by the Ministry of Finance, by notification dated December 18, 2015 for the purpose of sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the SARFAESI Act.
3. Legal Entity Identifier registration number LEI 335800JQMNJOX3W7LY96 renewed on February 18, 2020, from the Clearing Corporation of India Limited.
4. Registration for information utility services, through agreement dated May 16, 2018 entered into with National e-Governance Services Limited.
5. Certificate of registration issued by the Insurance Regulatory and Development Authority of India bearing registration number CA0012 issued on March 7, 2019 as a corporate agent.
6. Registration with the Central Registry and of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) for uploading of mortgages/charge creation with details of mortgage loans of all customers of the Company on timely basis.
7. Registration with the Central Know Your Customer Registry under Central Registry and of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).

C. Tax related approvals of our Company

1. Our permanent account number is AABCV5640B.
2. Our tax deduction account number is BLRV00404F.

3. Goods and services tax registration numbers of our Company, as per the state where our business operations are spread, are as follows:

State	Registration Number
Andhra Pradesh	37AABCV5640B2ZK
Bihar	10AABCV5640B1Z1
Chhattisgarh	22AABCV5640B1ZW
Delhi	07AABCV5640B1ZO
Gujarat	24AABCV5640B1ZS
Haryana	06AABCV5640B1ZQ
Jharkhand	20AABCV5640B1Z0
Karnataka	29AABCV5640B1ZI
Kerala	32AABCV5640B1ZV
Madhya Pradesh	23AABCV5640B1ZU
Maharashtra	27AABCV5640B2ZL
Odisha	21AABCV5640B1ZY
Puducherry	34AABCV5640B1ZR
Punjab	03AABCV5640B1ZW
Rajasthan	08AABCV5640B1ZM
Tamil Nadu	33AABCV5640B2ZS
Telangana	36AABCV5640B1ZN
Uttarakhand	05AABCV5640B1ZS
Uttar Pradesh	09AABCV5640B2ZJ
West Bengal	19AABCV5640B1ZJ

4. Our Company has several branches in various states falling under the respective professional tax legislations. Accordingly, our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

D. *Labour and commercial approvals*

1. We are required to obtain a certificate of establishment issued by the labour departments of the respective state governments where the Registered Office, Corporate Office and branches of our Company are located under the provisions of the relevant state specific legislations on shops and establishments. We have obtained the relevant shops and establishment registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our Registered Office, Corporate Office and branches in India. Certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses/approvals or are in the process of making such applications.

2. We are required to intimate NHB upon opening of new branches. We have made intimations for opening of new branches in accordance with the applicable law.

3. Registration no. MHBAN1671888000 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

4. Registration no. 35530122950051004 issued by Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948.

5. Registration as an employer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing registration no. 27955234079P.

6. Income Tax Commissioner Registration for the Employees Gratuity Fund Trust.

7. Labour Welfare Registration under the Maharashtra Labour Welfare Fund Act, 1953.

E. *Intellectual Property Registrations*

For details in relation to our intellectual property registrations, see "*Our Business – Intellectual Property*" on page 137.

(b). **Material approvals to be obtained by our Company**

Material approvals or renewals applied for but not received

Application dated January 13, 2021 for renewal of registration with Contract Labour Regulation Department with the application number 100000442107.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Fresh Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on December 22, 2020 and by our Shareholders pursuant to a special resolution passed at their meeting held on January 16, 2021 under section 62(1)(c) of the Companies Act. Further, our Board has taken on record the approval of the Offer for Sale by the Promoter Selling Shareholder and has approved this Draft Red Herring Prospectus pursuant to its resolution dated January 21, 2021.

The Offer for Sale has been authorised by the Promoter Selling Shareholder pursuant to a resolution dated January 21, 2021 passed by its board of directors and it has confirmed inclusion of the Offered Shares as part of the Offer for Sale pursuant to its consent letter dated January 21, 2021.

In accordance with paragraph 3(i)(b) of the NHB Directions, the Company has submitted an application dated January 5, 2021 ("**NHB Application**") to the NHB in relation to the Offer. Further, pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended to transfer the regulating authority for the housing finance sector from NHB to RBI and RBI has withdrawn exemptions previously granted to HFCs from certain provisions of the RBI Act vide directions dated November 11, 2019. Accordingly, the RBI Master Circular and the RBI Master Direction are applicable to our Company. Further, paragraph 3 (i)(b) of the RBI Master Circular and paragraph 66 of the RBI Master Directions, which currently apply to the Company, require that any change in shareholding of an NBFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of such NBFC, requires a prior written approval from the RBI. Accordingly, our Company has filed an application dated January 7, 2021 with the RBI seeking a prior approval in relation to the Offer, the filing of the Offer Documents, and Offer related advertisements.

SEBI Exemption

Upon the Company's application pursuant to Regulation 300(1)(b) of the SEBI ICDR Regulations, SEBI through its letter dated December 16, 2020 has permitted the Company to not identify the Erstwhile Promoter Entities as 'group companies' in terms of the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. subject to the inclusion of certain disclosures in the offer documents. For further details, see "*Our Group Companies*" beginning on page 173.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoter (also the Promoter Selling Shareholder), Directors, members of our Promoter Group, the persons in control of our Company and the persons in control of our Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoter are not directors or promoter of any other company which has been debarred from accessing the capital markets by SEBI.

Our Company, Promoter and Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter (also the Promoter Selling Shareholder) and members of our Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business.

Eligibility for the Offer

Our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Except for Equity Shares that may be allotted pursuant to the conversion of vested employee stock options, if any, granted under the ESAR 2018 and the ESOP 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The Promoter Selling Shareholder confirms that it has held the Offered Shares for a continuous period of at least one year prior to the date of this Draft Red Herring Prospectus and accordingly it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information:

(a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

(b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

(d) Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years, are set forth below:

(*₹ in million, unless otherwise stated*)

	Financial Year 2020	Financial Year 2019	Financial Year 2018
Net tangible assets, as restated(1)	23,204.0	8,407.9	7,024.7
Monetary assets, as restated(2)	29,719.6	9,737.6	1,922.4
Monetary assets(2), as a percentage of net tangible assets(1), as restated	128.08%	115.81%	27.37%
Pre-tax operating profit, as restated(3)	2,301.2	2,487.6	1,607.1
Net worth, as restated(4)	23,472.7	8,588.7	7,177.2

* *During the Financial Year 2019 and Financial Year 2020, the Company has monetary assets more than 50% but the management of the Company has made firm commitments to utilize such excess monetary assets towards (i) repayment obligations under their loans within the period of 12 months from the end of the Financial Year 2020, and (ii) disbursement of new loans, without taking into consideration fresh borrowings availed by the company during this period as per proviso of Regulation 6 (1) of SEBI ICDR Regulations.*

(1) The restated net tangible assets means the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38, right to use assets as defined in Ind AS 116 (related to leased liabilities) and deferred tax assets as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.

(2) Restated cash and bank balances excludes balances with banks as margin money relating to borrowings / direct assignment which are not be readily available for utilisation by the Company.

(3) The average operating profit of our Company for the preceding three Fiscals i.e., 2020, 2019 and 2018 is ₹ 2,132.0 million, as per the Restated Consolidated Financial Information;

(4) Net-worth means the aggregate value of the paid-up share capital and other equity excluding capital reserve on amalgamation.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Net Offer to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, AND, SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE PROMOTER SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 24, 2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Directors, the Promoter Selling Shareholder, and the Book Running Lead Managers

Our Company, the Directors, the Promoter Selling Shareholder, and the Book Running Lead Managers accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by it in relation to itself or its Offered Shares in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, https://aadharhousing.com/, or the respective websites of any of our Promoter (also the Promoter Selling Shareholder), the members of our Promoter Group or Book Running Lead Managers would be doing so at his or her own risk. The Promoter Selling Shareholder, its partners, directors, key persons, affiliates, associates and officers accept or undertake no responsibility for any statements including without limitation any statement made by or in relation to the Company or its business, other than those specifically undertaken or confirmed by the Promoter Selling Shareholder in relation to itself and the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, the Promoter Selling Shareholder and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholder (to the extent that the information pertain to itself and the Offered Shares), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholder or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software or hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States in reliance on an exemption from the registration requirements of Section 5 of the U.S. Securities Act only to persons who are: (i) U.S. QIBs as defined in Rule 144A under the U.S. Securities Act (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"); and (ii) qualified purchasers ("QPs") as defined in Section 2(a)(51) of the U.S. Investment Company Act; (persons who are both a QIB and a QP are referred to as "Entitled QPs"). The Equity Shares are being offered and sold outside the United States to non-U.S. Persons (or to persons who are both U.S. Persons (as defined in Regulation S) and Entitled QPs) in reliance on Regulation S .

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are Entitled QPs.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NHB

The Company is having a valid Certificate of registration dated April 5, 2018 issued by the National Housing Bank (NHB) 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 opinion expressed by the Company and for repayment of deposits/discharge of liabilities by the Company.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Promoter Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from it in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of the Promoter Selling Shareholder, our Directors, our Joint Statutory Auditors, our Company Secretary and Compliance Officer, legal counsels, the Book Running Lead Managers, the bankers to our Company, CRISIL, independent chartered accountant and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Monitoring Agency, Bankers to the Offer (Escrow Collection Bank, Sponsor Bank, and Refund Bank) to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from our Joint Statutory Auditors, Deloitte Haskins & Sells LLP and Chaturvedi S K & Fellows, Chartered Accountants, to include their names in this Draft Red Herring Prospectus as required under Section 26(1) of the Companies Act read with SEBI ICDR Regulations and as "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an auditor and in respect of the examination report dated January 16, 2021 on the Restated Consolidated Financial Information and the statement of special tax benefits dated January 23, 2021 and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an expert or consent within the meaning as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Other than as disclosed below and as disclosed in "*Capital Structure – Equity Share capital history of our Company*" on page 67, our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars	Details
Name of the company	Aadhar Housing Finance Limited
Year of issue	2018
Type of issue	Public issue (issue of secured redeemable non-convertible debentures)
Amount of issue (₹)	5,000 million (with a greenshoe option up to ₹ 10,000 million)
Amount of allotment (₹)	6,764 million
Premium	Nil
Discount	Nil
Date of closure of issue / Closing date	September 28, 2018
Date of allotment	September 29, 2018
Date of credit of securities to the demat account	October 1, 2018
Date of refunds	September 29, 2018
Date of listing on the stock exchanges	October 4, 2018
Rate of dividend paid	Not applicable

Capital issue during the preceding three years by our Company

Other than as disclosed above and as disclosed in "*Capital Structure – Equity Share capital history of our Company*" on page 67, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects

In relation to the public issues made by our Company in the five years preceding the date of this Draft Red Herring Prospectus, the details of performance vis-à-vis objects are given below:

Particulars of the issue	Year of issue	Details of non-achievement of objects	Shortfall (in ₹ millions)	Details of delays
Public issue of secured redeemable non-convertible debentures amounting to ₹ 5,000 million	2018	None	Nil	None

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in last five years

Since this is the initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

A. ***ICICI Securities Limited***

1. Price information of past issues handled by ICICI Securities Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Affle (India) Limited	4,590.00	745.00	08-Aug-19	926.00	+13.09%,[-0.78%]	+86.32%,[+8.02%]	+135.49%,[+6.12%]
2.	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	824.00	-0.56%,[-2.14%]	+52.76%,[+7.61%]	+17.32%,[+9.59%]
3.	Sterling and Wilson Solar Limited	28,496.38	780.00	20-Aug-19	706.00	-21.88%,[-1.60%]	-48.63%,[+7.97%]	-64.78%,[+9.95%]
4.	Rossari Biotech Limited	4,962.50	425.00	23-July-20	669.25	+87.25%,[+1.39%]	+86.59%,[+6.08%]	+100.79%,[+27.34%]
5.	Happiest Minds Technologies Limited	7,020.20	166.00	17-Sep-20	350.00	+96.05%,[+2.14%]	+93.25%,[+17.82%]	NA*
6.	Route Mobile Limited	6,000.00	350.00	21-Sep-20	717.00	+105.81%,[+5.74%]	+231.04%,[+22.31%]	NA*
7.	Computer Age Management Services Limited	22,421.05	1,230.00(1)	01-Oct-20	1,518.00	+5.52%,[+1.97%]	+49.25%,[+22.03%]	NA*
8.	Angel Broking Limited	6,000.00	306.00	05-Oct-20	275.00	-2.32%,[+2.70%]	+10.02%,[+21.86%]	NA*
9.	UTI Asset Management Company Limited	21,598.84	554.00	12-Oct-20	500.00	-10.43%,[+5.87%]	-0.60%,[+20.25%]	NA*
10.	Mrs. Bectors Food Specialities Limited	5,405.40	288.00(2)	24-Dec-20	500.00	+37.69%.[+4.53%]	NA*	NA*

* *Data not available.*

(1) Discount of ₹122 per equity share offered to eligible employees All calculations are based on Issue Price of ₹1,230.00 per equity share.

(2) Discount of ₹ 15 per equity share offered to eligible employees All calculations are based on Issue Price of ₹288.00 per equity share.

Notes:

1. *All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com.*
2. *Benchmark index considered is NIFTY.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

2. Summary statement of price information of past issues handled by ICICI Securities Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	7	73,407.99	-	-	2	3	1	1	-	-	-	1	-	-
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1

* *This data covers issues up to YTD.*

B. *Nomura Financial Advisory and Securities (India) Private Limited*

1. Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Gland Pharma	64,795.45	1,500	November 20, 2020	1,710.00	+48.43%, [+7.01%]	NA	NA
2	Computer Age Management Services Limited[1]	22,421.05	1,230	October 1, 2020	1,518.00	+5.52%, [+1.97%]	+49.25%, [+22.03%]	NA
3	Happiest Minds Technologies	7,020.16	166	September 17, 2020	350.00	+96.05%, [+2.14%]	+93.25%, [+17.82%]	NA
4	SBI Cards & Payment Services Limited[2]	103,407.88	755	March 16, 2020	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50%, [+24.65%]
5	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+12.56%, [-0.78%]	+86.32%, [+8.02%]	+135.49%, [+6.12%]
6	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.35%, [+1.17%]	+30.61%, [-7.32%]	+23.78%, [-4.33%]
7	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96%, [+1.84%]	-16.28%, [+9.07%]	-39.97%, [+1.57%]

Source: www.nseindia.com

1. *Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*

2. *Price for Eligible Employees bidding in the Employee Reservation Portion was INR680.00 per equity share*

Notes:

a. *The CNX NIFTY has been considered as the Benchmark Index.*

b. *Price on NSE is considered for all of the above calculations.*

c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*

d. *NA – Period not completed.*

2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-2021	3	94,236.66	-	-	-	1	1	1	-	-	-	-	-	-
2019-2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	1
2018-2019	2	46,443.31	-	-	1	1	-	-	-	1	-	-	-	1

Source: www.nseindia.com

Notes:

a) *The information is as on the date of this document.*

b) *The information for each of the financial years is based on issues listed during such financial year.*

C. ***Citigroup Global Markets India Private Limited***

1. Price information of past issues handled by Citigroup Global Markets India Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	NA	NA
2	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	(-)10.43%[+5.87%]	(-)0.60%[20.25%]	NA
3	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.29%[(-)5.35%]	+14.70%[(-)1.99%]	+23.76%[(-)4.09%]
4	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	(-)19.32%[+1.76]	+2.42%[+3.66%]	+38.41%[+12.91%]
5	HDFC Asset Management Company	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%[+1.17%]	+30.61%[(-)7.32%]	+23.78%[(-)4.33%]
6	TCNS Clothing Company Limited	11,251.25	716.00	July 30, 2018	716.00	(-)9.29%[+3.70%]	(-)19.74%[(-)11.39%]	(-)1.00%[(-)4.76%]
7	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015.00	+1.62%[+5.46%]	(-)7.29%[+0.79%]	(-)24.01%[+1.27%]
8	ICICI Securities Limited	35,148.49	520.00	April 4, 2018	435.00	(-)27.93%[+5.44%]	(-)37.63%[+5.64%]	(-)44.39%[+7.92%]

Source: www.nseindia.com

Notes:

(1) *Nifty is considered as the benchmark index.*

(2) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.*

(3) *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.*

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021	2	86,392.3	-	-	1	-	1		-	-	-	-	-	-
2020	1	13,452.60	-	-	-	-	-	1	-	-	-	-	-	1
2019	5	110,355.83	-	1	2	1	-	1	-	1	2	-	1	1

Notes:

The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

D. ***SBI Capital Markets Limited***

1. Price information of past issues handled by SBI Capital Markets Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Mrs. Bectors Food Specialities Limited[1]	5,405.40	288.00	December 24,2020	500.00	37.69% [+4.53%]	NA	NA
2	UTI Asset Management Company Ltd	21,598.84	554.00	October 12, 2020	500.00	-10.43% [+5.87%]	-0.60% [+20.25%]	NA
3	Angel Broking Limited	6,000.00	306.00	October 05, 2020	275.00	-2.32% [+2.70%]	10.01% [+21.86%]	NA
4	SBI Cards & Payment Services Ltd.[2]	1,03,407.88	755.00	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [+24.65]
5	Indian Railway Catering and Tourism Corporation Ltd [3]	6,379.60	320.00	October 14, 2019	626.00	191.53% [+5.05%]	186.64% [+8.07%]	291.84% [-19.66%]
6	Sterling and Wilson Solar Limited	28,496.38	780.00	August 20, 2019	706.00	-21.88% [-1.60%]	-48.63% [+7.97%]	-64.78% [+9.95%]
7	Ircon International Limited [4]	4,667.03	475.00	September 28, 2018	412.00	-27.04% [+8.24%]	-6.60% [-1.84%]	-15.71% [+5.06%]
8	RITES Limited [5]	4,604.40	185.00	July 02, 2018	190.00	34.97% [+6.56%]	33.03% [+2.56%]	49.70% [+1.90%]
9	ICICI Securities Ltd	35,148.49	520.00	April 04, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-44.39% [+7.92%]
10	Mishra Dhatu Nigam Limited [6]	4,328.96	90.00	April 04, 2018	87.00	67.89% [+5.44]	40.44% [+5.22%]	29.50% [+7.92%]

Source: www.nseindia.com

***Notes**:*

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

* *The Nifty 50 index is considered as the Benchmark Index*

1. *Price for eligible employee was ₹ 273.00 per equity share*
2. *Price for eligible employees was ₹ 680.00 per equity share*
3. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 310.00 per equity share*
4. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 465.00 per equity share*
5. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 179.00 per equity share*
6. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 87.00 per equity share*

2. **Summary statement of price information of past issues handled by SBI Capital Markets Limited:**

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	3	33,004.24	-	-	2	-	1	-	-	-	-	-	-	-
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1
2018-19	4	48,748.88	-	1	1	1	1	-	-	1	-	-	2	1

* *The information is as on the date of this Draft Red Herring Prospectus.*

\# *Date of Listing for the issue is used to determine which financial year that particular issue falls into.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Lead Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Nomura Financial Advisory and Securities (India) Private Limited	https://www.nomuraholdings.com/company/group/asia/india/index.html
3.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
4.	SBI Capital Markets Limited	www.sbicaps.com/index.php/track-record-of-public-issue/

Redressal and Disposal of Investor Grievances by our Company

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID (in case of RIBs using the UPI Mechanism), date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the Book Running Lead Managers.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. The Promoter Selling Shareholder has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offered Shares.

Our Company has also appointed Sreekanth V.N., Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 58.

Our Company has constituted a Stakeholders' Relationship Committee comprising Nivedita Haran, Neeraj Mohan and Deo Shankar Tripathi as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 163.

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has received 12 investor complaints during the three years preceding the date of this Draft Red Herring Prospectus. Further, all of these investor complaints have been disposed-off, including three complaints which have been resolved and nine complaints which have been withdrawn. Accordingly, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, RoC, NHB and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, NHB, Government of India, the Stock Exchanges, RoC and/ or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see "*Main Provisions of Articles of Association*" beginning on page 362.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 175 and 362, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers and advertised in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy and "e-voting", in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability of Equity Shares, subject to applicable laws including any NHB and RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Main Provisions of Articles of Association*" beginning on page 362.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated January 12, 2021 amongst our Company, CDSL and the Registrar to the Offer; and

- Tripartite agreement dated April 10, 2019 between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" beginning on page 346.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, 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 Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and the Promoter Selling Shareholder reserves the right to not proceed with the Offer for Sale, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●][1]
BID/OFFER CLOSES ON	[●][2]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

1. *Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

2. *Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholder or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, revision of the Price Band or delay in receipt of final certificates from SCSBs, etc resulting in delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that it shall extend reasonable co-operation in relation to the Offered Shares required by our Company and the Book Running Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Promoter Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer Document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of fifteen per cent per annum. Subject to applicable law, the Promoter Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by it.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Promoter Selling Shareholder in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 67 and except as provided in the Articles of Association, there are no restrictions on transfer or transmission of Equity Shares and their consolidation or sub-division. For details see "*Main Provisions of Articles of Association*" beginning on page 362.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 73,000 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 15,000 million and an Offer of Sale of up to [●] Equity Shares aggregating up to ₹ 58,000 million by the Promoter Selling Shareholder. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10 each.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment or allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs	Not less than 35% of the Net Offer or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹ 200,000, subject to total Allotment to an Eligible Employee not exceeding ₹ 500,000	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving	Proportionate	Proportionate, subject to minimum bid lot. The allotment to each RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
		allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (including the UPI Mechanism)(3)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(4)	Eligible Employees (such that the Bid Amount does not exceed ₹ 500,000)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts, for Equity Shares such that the	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹ 2,00,000 in value.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
		family offices, VCFs, AIFs, FVCIs registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Bid Amount exceeds ₹ 2,00,000 in value.	
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(5) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer*

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Further, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(1) Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular bearing number CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, SEBI circular bearing number CIR/CFD/DIL/1/2016 dated January 1, 2016, SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIBs ("**UPI Phase III**") and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company, the Promoter Selling Shareholder and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to

Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of RIBs and Eligible Employees Bidding in the Employee Reservation Portion using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●], and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation, on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, shall submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White**
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

** *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*

*Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (*www.bseindia.com*).*

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The Book Running Lead Managers shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

Participation by Promoter, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoter or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 361.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI shall be less than 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions **-** Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. 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 such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis,

(iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" beginning on page 342.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 on a net basis.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form.
- Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

6. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the 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 beneficial 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. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

18. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

19. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and PAN available in the Depository database;

20. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

22. Ensure that the Demographic Details are updated, true and correct in all respects;

23. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

24. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

25. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

26. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

27. RIBs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

28. Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

29. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a RIB;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a RIB Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

31. Do not Bid if you are an OCB;

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 58.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants 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.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% 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 and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within six working days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received
- except for any exercise of options vested pursuant to the ESOP 2020 and the ESAR 2018, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertakes, in relation to itself and the Offered Shares that:

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;
- it shall deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer prior to the filing of the Red Herring Prospectus with the RoC;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholder, are statements which are specifically confirmed or undertaken, severally and not jointly, by Promoter Selling Shareholder in relation to itself and the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Promoter Selling Shareholder, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholder.

Utilisation of Net Proceeds

The Company declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries or departments of the Government of India and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the NHB), if any. For details, see *"Key Regulations and Policies in India – Foreign Investments in HFCs"* on page 147.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States in reliance on an exemption from the registration requirements of Section 5 of the U.S. Securities Act only to persons who are: (i) U.S. QIBs as defined in Rule 144A under the U.S. Securities Act (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"); and (ii) qualified purchasers ("QPs") as defined in Section 2(a)(51) of the U.S. Investment Company Act; (persons who are both a QIB and a QP are referred to as "Entitled QPs"). The Equity Shares are being offered and sold outside the United States to non-U.S. Persons (or to persons who are both U.S. Persons (as defined in Regulation S) and Entitled QPs) in reliance on Regulation S .

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are Entitled QPs.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

Article 9 provides that, "The authorized share capital of the Company shall be such amounts and be divided as may, from time to time, as provided in Clause V of the Memorandum of Association. The share capital shall be payable in the manner as may be determined by the Board, from time to time. The Board, subject to the approval of the Shareholders, as prescribed under the Act, shall have the power to reclassify, increase, reduce, subdivide, repay or divide the share capital into several classes and to attach thereto any rights and to consolidate or subdivide or re-organize the shares, subject to the provisions of the Act and to vary such rights as may be determined in accordance with the Act."

Shares at the disposal of Directors

Article 6 provides that, "Subject to the provisions of the Act and these Articles and other Applicable Laws, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a 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 deem fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issue as fully paid 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 approval of the Company in the General Meeting."

Article 7 provides that,

"(i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other Applicable Law, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The Company may also, on any issue of shares, debentures or other securities pay such brokerage as may be lawful.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(iv) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

(v) To every such separate meeting, the provisions of these regulations relating to General Meetings shall ***mutatis mutandis*** apply, but so that the necessary quorum shall be as per the applicable provisions of the Act."

Further issue of Share Capital

Article 19 provides that, "Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such shares shall be offered, subject to the provisions of Section 62 of the Act, and the rules made thereunder:

(a) to the person(s) who, at the date of the offer, are holders of the shares, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.

(b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) after the expiry of the time specified in the notice aforesaid 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 which is not disadvantageous to the members and the Company; or

(e) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or

(f) to any person(s), whether or not those persons include the persons referred to in the clauses above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed under the Act and the rules made thereunder, if a Special Resolution to this effect is passed by the Company in a General Meeting."

Shares and Certificates

Article 23 provides that,

"(i) Every person whose name is entered as a member in the register of members 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, to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer sub-division, consolidation, renewal or transmission or within such other period as the conditions of issue shall be provided,

(a) one certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees or as applicable for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary.

Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may approve."

Article 24 provides that, "Every certificate shall be issued in accordance with the Companies (Share Capital and Debentures) Rules, 2014."

Article 25 provides that,

"(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees (20) for each certificate. 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 not 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 any other act or rules applicable in this behalf.

(ii) The provisions of the Articles shall ***mutatis mutandis*** apply to debentures of the Company."

Lien

Article 46 provides that,

"(i) The fully paid shares will be free from all lien. Further, the Company shall have a first and paramount lien,

(a) on every share/debenture (not being a fully-paid share/debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and

(b) on all shares/ debentures (not being fully paid shares/debentures) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company.

Provided that in respect of any partly paid shares/ debentures of our Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures

Provided that the Board of Directors may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this clause. 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.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures thereon."

Article 47 provides that, "The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made,

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 49 provides that,

"(i) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid, to the persons entitled to the shares at the date of the sale."

Call on Shares

Article 50 provides that,

"(i) The Board may, from time to time, subject to the terms on which any, shares may have been issued and subject to the provisions of Section 49 of the Act, make calls as they think fit upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times;

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board."

Article 51 provides that, "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 52 provides that, "The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 53 provides that, "Any sum which by the terms of issue of a share or otherwise becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made by the Board and of which due notice had been given and payable on the date on which by the terms of issue such sum becomes payable, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Forfeiture of Shares

Article 59 provides that, "If a member fails to pay any call or instalment of a call, on the day appointed for the payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."

Article 62 provides that,

"(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit."

Article 63 provides that,

"(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares."

Article 70 provides that, "The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call made and notified."

Transfer and Transmission of Shares

Article 74 provides that,

"(i) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

(ii) The instrument of transfer of any share or debenture in the Company shall be executed by or on behalf of both the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof."

Director may refuse to register transfer

Article 75 provides that, "Subject to the provisions of the Act, these Articles and any other applicable provisions of any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. 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 the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of 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 shares. Subject to these articles, the Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register:

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien."

Article 76 provides that, "The Board may decline to recognise any instrument of transfer unless:

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares or debentures to which it relates or if no such certificate is in existence, along with the letter of allotment of the shares or debentures, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares."

Article 77 provides that, "No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document."

Article 78 provides that, "On giving not less than seven (7) days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers of shares or debentures may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty-five (45) days in the aggregate in any year."

Sweat Equity

Article 96 provides that, "Subject to the provisions of Section 54 and other applicable provisions of the Act and in accordance with the guidelines issued by any authority in this behalf, the Company may issue sweat equity shares of a class of shares already issued, to its employee(s) or Director(s)."

Buy-back of Shares

Article 97 provides that, "Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities."

Borrowing power

Article 98 provides that,

"(i) The Board may from time to time at its discretion as per Section 180(1)(c) of the Act, by a resolution passed at Meeting of the Board with the prior approval of Shareholders either in an advance of call or otherwise and generally raise or borrow money by way of deposits (public deposits, inter-corporate deposits or otherwise), loans, overdrafts, cash credit or by issue of bonds, debentures/ non-convertible debentures and other types or debentures stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, corporate body, bank, financial institution, Government or any Authority, or any other body (whether in India or abroad) for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed as may be required, subject to the applicable provisions of the Act and any other Applicable Law. The Board may exercise their power under these Articles to borrow or secure monies if the total amount borrowed (together with the amount already borrowed) exceeds the Company's paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, - with the approval of a resolution passed by the Shareholders under the applicable provisions of Act.

(ii) Subject to the provisions of the Act and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or any other statutory enactment(s), modification(s) or amendment(s), thereof, the Board or a committee constituted by the Board, thereof shall have the power, subject to approval of the Shareholders (if required under Applicable Law), to consolidate or reissue its debt securities issued under the earlier ISIN from time to time, upon such terms and conditions and in such manner as the Board or Committee thereof may consider fit/ beneficial for the Company."

Article 99 provides that, "Subject to the provisions of the Act, the payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by the issue of debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued."

Term of issue of Debentures

Article 100 provides that, "Any debentures, debenture-stock or other securities may be issued at discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meeting, appointment of Directors and otherwise, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution."

Article 101 provides that, "If any uncalled capital of the Company is included in or charged by any mortgage or other security interest, the Directors may subject to the provisions of the Act and these presents, make calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed."

Article 102 provides that, "The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures."

Dividend and Reserve

Article 103 provides that, "The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 104 provides that, "Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company and the amount of such dividend shall be deposited in a separate bank account within five (5) days from the date of declaration of such dividend."

Article 105 provides that, "No dividend shall be declared or paid by the Company for any Financial Year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of a guarantee given by that Government."

Article 106 provides that,

"(i) Subject to the provisions of the Act, the Board may, before recommending any dividend, 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 applicable, for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such application, may at the like discretion, either be employed in the business of the Company, or be invested in such investment (other than the shares of the Company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve."

Article 107 provides that,

"(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid of the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on share."

Article 108 provides that, "All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect which the dividends is paid, but if any share is issued on terms providing that it shall rank for the purposes of dividend entitlement as from a particular date such shares shall rank for dividend accordingly."

Article 109 provides that, "The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company."

Article 110 provides that, "No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the Shareholders."

Article 111 provides that,

"(i) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Shareholders, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(iii) Any one of two or more joint holders of a share may give effectual receipts for any dividend, bonuses or other moneys payable in respect of such share.

(iv) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein the manner mentioned in the Act."

Article 113 provides that, "No dividend shall bear interest against the Company."

Article 116 provides that, "Subject to the provisions of Section 123 and 124 of the Act, where, a dividend has been declared by the Company but has not been paid or claimed within the applicable number of days as per the Act from the date of the declaration, to/by any Shareholder entitled to the payment of the dividend, the Company shall, within seven (7) days from the date of expiry of the said period transfer the total amount of dividend which remains unpaid or unclaimed within the said period , to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Aadhar Housing Finance Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, to the Fund established under Section 125 of the Act for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board."

General Meeting

Article 117 provides that, "All General Meetings other than annual general meetings shall be called extra-ordinary general meeting."

Article 118 provides that,

"(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board."

Article 119 provides that, "Not less than twenty-one (21) clear days' prior written notice of all General Meetings shall be given to the Shareholders at their respective addresses notified by them to the Company in writing, provided however that, a General Meeting may be convened by a shorter notice in accordance with the Act."

Article 120 provides that, "Every notice of the General Meeting shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any business consists of 'special business' under the provisions of the Act, there shall be annexed to the notice a statement complying with Sections 102 of the Act"

Article 122 provides that, "Where any resolution is intended to be passed as a Special Resolution at any General Meeting as required by Section 114 of the Act, notice of such meeting specifying the intention to propose the resolution as a Special Resolution shall be served."

Article 124 provides that, "The Board shall provide the Company's previous Financial Year's audited Financial Statements and all other documents required under the Act to all Shareholders at twenty one (21) days before the General Meeting along with notice which is held to approve and adopt such audited Financial Statements."

Article 126 provides that,

"(i) Every annual general meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the City or town in which Registered Office of the Company is for the time being situated as the Board may determine and notices calling the Meeting shall specify it as the annual general meeting. Provided that the annual general meeting may be held at any place in India if consent is given in writing or by electronic mode by all the Shareholders in advance. In accordance with the provision of the Companies Act 2013 u/s 96 (2) (as amended) if full consent of all the shareholders is not received in writing or by electronic mode in advance, the annual general meeting shall be held at the Registered office of the Company.

(ii) In accordance with the Provisions of Section 102 of the Act, in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (a) the consideration of the accounts, balance sheet and the reports of the Board and Joint Statutory Auditors, (b) the declaration of a dividend, (c) the appointment of Directors in the place of those retiring, and (d) the appointment of and the fixing of the remuneration of, the Joint Statutory Auditors; and

(iii) In the case of any other meeting, all businesses shall be deemed special."

Proxy

Article 128 provides that,

“(i) The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than forty eight (48) hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

(ii) An instrument appointing a proxy shall be in the form as prescribed in the rules under Section 105 of the Act.

(iii) 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.”

Proceedings at General Meeting

Article 129 provides that,

“(i) No business shall be transacted at any General Meeting unless a specified quorum of Shareholders is present at the time when the meeting proceeds to transact business.

(ii) The quorum and other provisions of Section 103 of the Act for the General Meetings shall be applicable to the Company.”

Article 130 provides that “Subject to the Act, the quorum for a General Meeting shall be five (5), present in person, holding Equity Shares of the Company.”

Article 132 provides that, “Subject to the provisions of the Act, resolutions may be passed at a General Meeting by a vote of a majority of the shares present and voting at the General Meeting.”

Article 133 provides that, “No resolution shall be deemed to have been duly passed by the Shareholders by postal ballot, unless the resolution has been circulated in draft form, together with the information required to make a fully-informed, good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all Shareholders at their usual address, and has been approved by majority in writing by those Shareholders which are entitled to vote on the resolution”

Article 134 provides that, “Every Director shall have the right to attend any meeting of the Company and also to take part in the discussion even if he may not hold any shares in the Capital of the Company.”

Article 135 provides that, “The Chairman if any, of the Board, shall preside as Chairman at every General Meeting of the Company.”

Article 136 provides that, “If there is no such Chairman or if he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of the Directors to be the Chairman of the meeting.”

Article 137 provides that, “If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of the members to be Chairman of the meeting.”

Adjournment of meetings

Article 139 provides that, “When a meeting is adjourned *sine die*, notice of the Adjourned Meeting shall be given in the same manner as in the case of an original meeting, and save as aforesaid it shall not be necessary to give any further notice of an adjournment or of the business to be transacted at an Adjourned Meeting.”

Article 140 provides that,

“(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any Adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty (30) days or more, notice of the Adjourned Meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an Adjourned Meeting."

Article141 provides that, "The accidental omission to give notice of any General Meeting or any irregularity in the notice of any General Meeting or the non-receipt of any notice by any Shareholder, Director or the Auditor of the Company shall not invalidate any resolution passed or any proceedings taken at any General Meeting."

Voting rights

Article 142 provides that,

"(i) Subject to any rights or restrictions for the time being attached to any class or classes of shares,

(a) On a show of hands, every member present in person shall have one vote; and

(b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

(ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(iii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

(iv) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

(v) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

(vi) No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

(vii) No objection shall be raised to the qualification of any voter except at the meeting or Adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(viii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive."

Board of Directors

Article 144 provides that, "The number of the Directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them."

Article 145 provides that,

"(i) The remuneration of the Managing Director/Whole Time Director(s)/Executive Directors(s) may be, in so far as it consists of a monthly payment or specified percentage of net profits of the Company or partly by one way and partly by other way and, be deemed to accrue from day-to-day as per the provisions of the Act.

The remuneration of Non-Executive Directors/Independent Director may be by way of Sitting Fees for attending the Meeting(s) of Board of Directors or various Committees.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them,

(a) In attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

(b) In connection with the business of the Company."

Article 146 provides that, “The Board may pay all expenses incurred in getting up and registering the Company or its Subsidiary.”

Article 147 provides that, “The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreigner register; and the Board may subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.”

Article 148 provides that, “All cheques, promissory notes, drafts, ***hundis***, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.”

Article 149, “Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.”

Article 150 provides that,

“(i) Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.”

Article 151 provides that, “The number of Directors shall not be less than the number prescribed as minimum and the maximum limit as specified by the Act.”

Article 156 provides that, “Directors of the Company shall be liable to retire by rotation in accordance with the provisions of the Act.”

Article 157 provides that, “A person shall not be eligible of being appointed as a Director, if he does not qualify as per the condition provided under Section 164 of the Act.”

Article 162 provides that, “A Director is not required to hold any qualification share(s).”

Article 175 provides that “The Board shall have the power, at any time and from time to time, to appoint any person as Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these regulations. Any Director so appointed, shall hold office only until the next following annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible thereat for election as Director subject to the provisions of the Act.”

Managing Director or Whole Time Director

Article 182 provides that, “Subject to the provisions of the Act,

(i) A chief executive officer, manager, company secretary and chief financial officer shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) Same Individual can be appointed or re-appointed as Chairperson of the Company and/ or Managing Director / Chief Executive Officer of the Company at the same time.”

Articles 183 provides that, “A provision of the Act or these regulations requiring or authorising a thing to be done or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, in place of, chief executive officer, manager, company secretary or chief financial officer.”

Article 184 provides that, “The Board may, from time to time subject to the provisions of Section 196, 197, and Schedule V to the Act, appoint one or more of the Directors to the office of the Managing Director (“Managing Director”) for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. Such appointment will be automatically terminated if the Director concerned ceases to be a Director.”

Article 185 provides that, “The Managing Director shall be responsible for the day-to-day management of the Company.”

Article 186 provides that, “Subject to provisions of the Act, a Managing or whole-time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting.”

Proceedings of the Board

Article 188 provides that, “The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 189 provides that, “A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.”

Article 190 provides that,

“(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.”

Article 191 provides that, “The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.”

Article 192 provides that,

“(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.”

Article 193 provides that,

“(i) The Board may, subject to the provisions of the Act and Articles 160 to 163 herein, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by Board.

Article 194 provides that,

“(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.”

Article 195 provides that,

“(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.”

Article 196 provide that, “All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. Provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.”

Article 198 provides that, “The Board shall meet at least once every quarter of each Financial Year subject to an annual schedule and confirmation of the date of the next Board meeting at the previous Board meeting or if no such determination is made, then as determined by the Chairman. The Directors may meet together for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as they think fit”.

Books of Accounts

Article 210 provides that,

“(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

(ii) No member (not being a Director) shall have any right of inspecting may account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.”

Auditors

Article 219 provides that,

“(i) The Company shall, in accordance of Section 139, 141 and 142 and other applicable provisions of the Act, at each annual general meeting, appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meetings and shall within the time applicable as per the Act for the appointment give intimation thereof to every Auditor so appointed, unless he is a retiring auditor, and also file a notice of such appointment with the Registrar.”

(ii) In addition, the following provisions shall have effect, that is to say, at any annual general meeting, a retiring Auditor or Auditors, by whatsoever authority appointed, shall be re-appointed, unless:

(a) he is or they are not qualified for appointment;

(b) he has or they have given the Company notice in writing of his or their unwillingness to be re-appointed

(c) a resolution has been passed at that meeting appointing somebody instead of him or them or providing expressly that he or they shall not be re-appointed; or

(d) where notice has been given of an resolution to appoint some other person or persons in the place of retiring Auditor or Auditors and by reason of the death, incapacity of disqualification of that person, or of all those persons, or winding up in case of Company, or firm or other body corporate, as the case may be, the resolution cannot be proceeded with.

(iii) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing Auditor shall continue to be the Auditor of the Company.

(iv) The Board may fill any casual vacancy in the office of an Auditor or Auditors, but whilst any such vacancy continues, the remaining Auditors or Auditors, if any, may act. Provided that where such vacancy is caused by the resignation of an Auditor or Auditors, the vacancy shall also be approved by the Company at a General Meeting convened within three months of the recommendation of the Board.

(v) Any Auditor or Auditors appointed in casual vacancy shall hold office until the conclusion of the next annual general meeting.

(vi) Any Auditor or Auditors appointed by the Board may be removed from office before the expiry by the Shareholders as provided under the Act.

(vii) If it is proposed to appoint as Auditor or Auditors a person or person other than a retiring Auditor or Auditors, the provisions of Section 140 of the Act shall be complied with.”

The seal

Article 209 provides that, “The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Directors shall provide for the safe custody of the seal for the time being. The seal of the Company shall not be annexed to any instrument except by the authority of a resolution passed by the Board of Directors or the Committee of the Board authorized by it in that behalf and except in the presence of at least 2 (two) Authorised signatories viz any one Director and of the Secretary or such other two persons as the Board/Committee may appoint for the purpose who will sign in token thereof or countersigned by such officer(s) or person(s) as the Board/Committee may from time to time resolve to be signed at any branch office/location.”

For the protection of Directors and Officers

Article 224 provides that,

"Subject to relevant provisions of the Act, no Director of the Company shall be liable to the Company for:

(a) the act, receipts, neglects or defaults of any other Director or officer or employee;

(b) any loss, damages or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company;

(c) the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Company shall be placed out or invested;

(d) any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any money securities or effects shall be lodged or deposited;

(e) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Company;

(f) any other loss damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto;

unless the same happens by or through his negligence, default, misfeasance, breach of duty, breach of trust of which he may be guilty in relation to the Company or his failure to exercise the power in good faith with a view to the best interests of the Company with care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances."

Indemnities to Directors or Officers

Article 227 provides that, "Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal."

Secrecy

Article 230 provides that, "Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon their duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act."

Winding up

Article 233 provides that, "Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated January 24, 2021 among our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers.

2. Registrar Agreement dated January 24, 2021 among our Company, the Promoter Selling Shareholder, and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, and the Banker(s) to the Offer.

4. Share Escrow Agreement dated [●] among our Company, the Promoter Selling Shareholder, and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Promoter Selling Shareholder, the Book Running Lead Managers, the Syndicate Members, and the Registrar to the Offer.

6. Underwriting Agreement dated [●] among our Company, the Promoter Selling Shareholder, and the Underwriters.

7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated November 26, 1990 issued by the RoC in the name of ‘Vysya Bank Housing Finance Limited’.

3. Fresh certificate of incorporation dated October 15, 2003 issued by the RoC upon change in name of our Company from ‘Vysya Bank Housing Finance Limited’ to ‘DHFL Vysya Housing Finance Limited’.

4. Fresh certificate of incorporation dated December 4, 2017, issued by the RoC upon change in name of our Company from ‘DHFL Vysya Housing Finance Limited’ to ‘Aadhar Housing Finance Limited’ pursuant to the Scheme of Amalgamation.

5. Copy of the Scheme of Amalgamation.

6. Certificate of commencement for business dated November 27, 1990, issued by the RoC.

7. Copies of annual reports of our Company for the Financial Years 2020, 2019, and 2018.

8. Resolution of our Board of Directors dated December 22, 2020 authorising the Offer and other related matters.

9. Resolution of the Shareholders of our Company dated January 16, 2021 authorising the Fresh Issue and other related matters.

10. Resolution of the board of directors of BCP Topco dated January 21, 2021, consenting to participate in the Offer for Sale.

11. Consent letter dated January 21, 2021 provided by BCP Topco, consenting to participate in the Offer for Sale.

12. Resolution of the Board of Directors dated January 21, 2021 approving this Draft Red Herring Prospectus.

13. Consent letter from CRISIL Limited dated January 22, 2021 to rely on and reproduce part or whole of the CRISIL Report and include their name in this Draft Red Herring Prospectus.

14. The report dated January 23, 2021 on the statement of possible special tax benefits issued by our Joint Statutory Auditors.

15. Examination report dated January 16, 2021 of our Joint Statutory Auditors on the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus.

16. Consent letters of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Indian Legal Counsel to our Company, Indian Legal Counsel to the Book Running Lead Managers, International Legal Counsel to the Book Running Lead Managers, Bankers to our Company, the Book Running Lead Managers, independent chartered accountant, the Syndicate Member(s), the Banker(s) to the Offer and the Registrar to the Offer, to act in their respective capacities.

17. Consent letter dated January 24, 2021 from our Joint Statutory Auditors, namely, Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 16, 2021 on our Restated Consolidated Financial Information; and (ii) their report dated January 23, 2021 on the statement of possible special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

18. Letter of Appointment dated December 6, 2017 for appointment of our Managing Director and Chief Executive Officer, Deo Shankar Tripathi with effect from December 5, 2017, and Board resolution dated December 5, 2017 and Shareholders resolution dated August 3, 2018 for approving the terms of his appointment.

19. Aadhar Housing Finance Limited - Employee Stock Appreciation Rights Plan 2018.

20. Employee Stock Option Plan 2020.

21. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

22. Tripartite agreement dated January 12, 2021 among our Company, CDSL and the Registrar to the Offer.

23. Tripartite agreement dated April 10, 2019 among our Company, NSDL and the Registrar to the Offer.

24. Due diligence certificate dated January 24, 2021 addressed from the Book Running Lead Managers to SEBI.

25. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Om Prakash Bhatt *(Non-Executive Chairman and Independent Director)*	
Nivedita Haran *(Independent Director)*	
Sharmila Karve *(Independent Director)*	
Amit Dixit *(Non – Executive Director (Nominee))*	
Mukesh Mehta *(Non – Executive Director (Nominee))*	
Neeraj Mohan *(Non – Executive Director (Nominee))*	
Deo Shankar Tripathi *(Managing Director and Chief Executive Officer)*	

SIGNED BY THE CHIEF FINANCIAL OFFICER

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Rajesh Viswanathan
(Chief Financial Officer)

Date: January 24, 2021

DECLARATION

We, BCP Topco VII Pte. Ltd., hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as a Promoter Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF BCP TOPCO VII PTE. LTD.

Authorised Signatory

Name: William Nicholson
Designation: Director

Date: January 24, 2021