PROSPECTUS
Dated January 27, 2021
Please read section 26 of the Companies Act, 2013
Book Built Offer

Home First Finance Company India Limited

Our Company was incorporated as 'Home First Finance Company India Private Limited' at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 2010 issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, our Company was converted to a public limited company and consequently the name of our Company was changed to 'Home First Finance Company India Limited' and a fresh certificate of incorporation dated March 14, 2018 was issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). For details in relation to the change in the registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 174.

Registered and Corporate Office: 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra 400 059, India; **Telephone**: +91 22 6694 0386
Contact Person: Shreyans Bachhawat, Company Secretary and Compliance Officer
E-mail: corporate@homefirstindia.com; **Website**: www.homefirstindia.com
Corporate Identity Number: U65990MH2010PLC240703

PROMOTERS OF OUR COMPANY: TRUE NORTH FUND V LLP AND AETHER (MAURITIUS) LIMITED

INITIAL PUBLIC OFFER OF 22,272,556* EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF HOME FIRST FINANCE COMPANY INDIA LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ 518 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 516 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 11,537.19 MILLION COMPRISING A FRESH ISSUANCE OF 5,115,830* EQUITY SHARES AGGREGATING TO ₹ 2,650 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 17,156,726* EQUITY SHARES AGGREGATING TO ₹ 8,887.19 MILLION COMPRISING 8,409,548* EQUITY SHARES AGGREGATING TO ₹ 4,356.15 MILLION BY TRUE NORTH FUND V LLP ("TN V LLP"), 5,623,222* EQUITY SHARES AGGREGATING TO ₹ 2,912.83 MILLION BY AETHER (MAURITIUS) LIMITED ("AETHER" AND TOGETHER WITH TN V LLP, THE "PROMOTER SELLING SHAREHOLDERS"), 2,325,501* EQUITY SHARES AGGREGATING TO ₹ 1,204.61 MILLION BY BESSEMER INDIA CAPITAL HOLDINGS II LTD. (THE "INVESTOR SELLING SHAREHOLDER"), 548,938* EQUITY SHARES AGGREGATING TO ₹ 284.35 MILLION BY P. S. JAYAKUMAR AND 249,517* EQUITY SHARES AGGREGATING TO ₹ 129.25 MILLION BY MANOJ VISWANATHAN (P. S. JAYAKUMAR AND MANOJ VISWANATHAN, THE "INDIVIDUAL SELLING SHAREHOLDERS", AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE 25.49% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE OFFER PRICE IS 259 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

**** SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT***

*****OUR COMPANY HAS UNDERTAKEN (I) A PREFERENTIAL ALLOTMENT OF 2,240,639 EQUITY SHARES TO ORANGE CLOVE INVESTMENTS B.V. ("ORANGE CLOVE") FOR CASH AT A PRICE OF ₹ 334.726 PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ 750 MILLION PURSUANT TO THE RESOLUTION OF THE BOARD DATED OCTOBER 15, 2020; AND (II) A PREFERENTIAL ALLOTMENT OF 122,000 EQUITY SHARES TO CERTAIN OF ITS EMPLOYEES FOR CASH AT A PRICE OF ₹ 334.726 PER EQUITY SHARE AGGREGATING TO ₹ 40.84 MILLION PURSUANT TO THE RESOLUTION OF THE BOARD DATED NOVEMBER 30, 2020 (TOGETHER, THE "PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE OF UP TO ₹ 3,440.84 MILLION WAS REDUCED BY APPROXIMATELY ₹ 790.84 MILLION PURSUANT TO THE PRE-IPO PLACEMENT, AND ACCORDINGLY, THE FRESH ISSUE SIZE WAS ₹ 2,650 MILLION.***

This Offer has been 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 has been 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 Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, allocated 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 one-third was made available for allocation to domestic Mutual Funds, subject to valid Bids having been received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was made available for allocation to RIBs (defined hereinafter) in accordance with SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. All potential Bidders, other than Anchor Investors, were 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 were blocked by the SCSBs, to participate in the Offer. Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 350.

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 ₹ 2. The Offer Price (determined and justified by our Company and the Promoter Selling Shareholders 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 90) 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 Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 24.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholder accepts responsibility for and confirms only statements expressly made by such Selling Shareholder in this Prospectus solely in relation to itself and its respective portion of 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 Selling Shareholders assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company, or the other Selling Shareholders or in relation to the Company's business in this Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated December 10, 2019 and December 16, 2019, respectively. For the purposes of the Offer, the Designated Stock Exchange is NSE. A copy of the Red Herring Prospectus has been and a signed copy of this Prospectus shall be delivered to the RoC for filing in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents made 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 371.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: hffl.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance ID: complaints@axiscap.in Contact person: Sagar Jatakiya SEBI registration number: INM000012029	**Credit Suisse Securities (India) Private Limited** 9th Floor, Ceejay House Plot F, Shivsagar Estate Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3777 E-mail: list.hffcipo@credit-suisse.com Website: www.credit-suisse.com/in/en/investment -banking/regional-presence/asia-pacific/india/ipo.html Investor grievance ID: list.igcellmer-bnkg@credit-suisse.com Contact Person: Rishi Agrawal SEBI Registration Number: INM000011161	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: hffl.ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance ID: customercare@icicisecurities.com Contact person: Sameer Purohit/ Nidhi Wangnoo SEBI registration number: INM000011179	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC Plot No. 27, "G" Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: hffc.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**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: hffcl.ipo@kfintech.com Investor grievance E-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME	
BID/OFFER OPENED ON*	Thursday, January 21, 2021
BID/OFFER CLOSED ON	Monday, January 25, 2021

** The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date i.e. January 20, 2021.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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 or policies shall be to such legislations, acts, regulations, rules, guidelines 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 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", "Restated Financial Information", "Outstanding Litigation and Material Developments", "Description of Equity Shares and Terms of Articles of Association" and "Offer Procedure" beginning on pages 93, 97, 167, 223, 322, 365, and 350, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Issuer", "Home First", "we", "us" or "our"	Home First Finance Company India Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra 400 059, India

Company Related Terms

Term	Description
Aether	Aether (Mauritius) Limited
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*" beginning on page 187
Auditors/Statutory Auditors	Statutory auditors of our Company, being Walker Chandiok & Co LLP, Chartered Accountants
Bessemer	Bessemer India Capital Holdings II Ltd.
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Chairman	Chairman of our Company
Chief Executive Officer/ CEO	Chief executive officer of our Company
Chief Financial Officer/CFO	Chief financial officer of our Company
Committee(s)	Duly constituted committee(s) of our Board of Directors
Compliance Officer	Compliance officer of our Company
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 187
Director(s)	Director(s) on the Board of our Company
Equity Shares	Unless otherwise stated, equity shares of our Company bearing face value of ₹ 2 each
ESOP 2012	Employee Stock Option Scheme, 2012, as amended
ESOP II	Employee Stock Option Scheme II of the Company, as amended
ESOP Schemes	Collectively, the ESOP 2012 and ESOP II
Executive Director(s)	Executive director(s) of our Company

Term	Description
Former Shareholders' Agreement/ 2017 SHA	Shareholders' Agreement dated March 20, 2017 between TN V LLP, Aether, our Company, Bessemer, P. S. Jayakumar, Manoj Viswanathan and Bhaskar Chaudhry, read with the amendment agreement dated November 26, 2019
Former Share Purchase and Share Subscription Agreement/ 2017 SPSSA	Share Purchase and Share Subscription Agreement dated March 20, 2017 between TN V LLP, Aether, Jaithirth Rao, Jaithirth Rao and Kotak Mahindra Trusteeship Services Limited (in their capacity as trustees of Jaithirth Rao 2012 Trust), Bessemer, our Company, P. S. Jayakumar, Manoj Viswanathan and Bhaskar Chaudhry
Group Company	Company as identified in "*Our Group Company*" beginning on page 200
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 180
Inter-se Agreement	Inter-se agreement dated November 20, 2019 between TN V LLP and Aether
IPO Committee	The IPO committee of our Board
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(b) of the SEBI ICDR Regulations, as described in "*Our Management - Key Managerial Personnel*" beginning on page 193
Managing Director and Chief Executive Officer / MD and CEO	Managing Director and Chief Executive Officer of our Company, Manoj Viswanathan
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 187
Nominee Director	Nominee director on our Board
Non-Executive Director(s)	Non-executive Director(s) of our Company
Orange Clove	Orange Clove Investments B.V. (an affiliate of Warburg Pincus)
Preference Shares	Together, the Series A CCPS and Series B CCPS
Promoters	Promoters of our Company, being, TN V LLP and Aether
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 Promoters and Promoter Group*" beginning on page 196
Registered and Corporate Office	Registered and corporate office of our Company located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra 400 059, India
Registrar of Companies/RoC	Registrar of Companies, Maharashtra at Mumbai
Restated Financial Information	Our restated financial statements of assets and liabilities as at and for the six months ended September 30, 2020 and September 30, 2019 and Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 and our restated statements of profit and loss and cash flow for the six months ended September 30, 2020 and September 30, 2019 and Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the annexures and notes thereto and the examination report, thereon, as prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. The restated financial statements for the years ended March 31, 2019 and March 31, 2018 have been prepared on Proforma IND AS basis in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Series A CCPS	1% series A compulsory convertible preference shares previously issued by our Company
Series B CCPS	1% series B compulsory convertible preference shares previously issued by our Company
Shareholder(s)	Equity shareholder(s) of our Company from time to time

Term	Description
Shareholders' Agreement/ 2020 SHA	Amended and Restated Shareholders' Agreement dated October 1, 2020 between TN V LLP, Aether, our Company, Bessemer, P. S. Jayakumar, Manoj Viswanathan, Bhaskar Chaudhry and Orange Clove
Share Subscription and Purchase Agreement/ 2020 SSPA	Share Subscription and Purchase Agreement dated October 1, 2020 between Orange Clove, TN V LLP, Aether, Bessemer, P. S. Jayakumar, Manoj Viswanathan, Bhaskar Chaudhry and our Company
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 187
TN V LLP	True North Fund V LLP

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
Addendum	The addendum dated November 26, 2020 to the Draft Red Herring Prospectus
Allot, Allotment or 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, who applied 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	₹ 518 per Equity Share
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	January 20, 2021, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to Anchor Investors was completed
Anchor Investor Offer Price	₹ 518 per Equity Share The Anchor Investor Offer Price was decided by our Company and the Promoter Selling Shareholders, 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
Anchor Investor Portion	60% of the QIB Portion or constituting 6,681,766* Equity Shares which were allocated by our Company and the Promoter Selling Shareholders, 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 was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price ** Subject to finalisation of the Basis of Allotment*
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 which includes 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 which includes 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 was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, the Escrow Banks, Refund Bank, Public Offer Account 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 350
BCOA Termination Letter	Termination letter dated January 14, 2021 issued by Mr. Bhaskar Chaudhry to the Company, the Selling Shareholders and the Book Running Lead Managers, terminating the Offer Agreement solely in respect of himself pursuant to the Withdrawal Letter
BCRA Termination Letter	Termination letter dated January 14, 2021 issued by Mr. Bhaskar Chaudhry to the Company, the Selling Shareholders and the Registrar, terminating the Registrar Agreement solely in respect of himself pursuant to the Withdrawal Letter
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. The term "Bidding" shall be construed accordingly
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, January 25, 2021
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, January 21, 2021
Bid/Offer Period	Except in relation to Anchor Investors, the period between January 21, 2021 and January 25, 2021, inclusive of both days.
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 maybe, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	28 Equity Shares and in multiples of 28 Equity Shares thereafter
Bidder	Any investor who made 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 accepted 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 Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Axis, Credit Suisse, I-Sec and Kotak
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders could have submitted 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 websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	₹ 518 per Equity Share
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 issued by SEBI
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
Corrigendum	Corrigendum dated January 20, 2021 to the Red Herring Prospectus

Term	Description
Credit Suisse	Credit Suisse Securities (India) Private Limited
CRISIL	CRISIL Limited
Cut-off Price	The Offer Price, ₹ 518 per Equity Share, finalised by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers. Only RIBs (subject to the Bid Amount being up to ₹ 200,000) were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were 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 collected 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 could 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 were available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Banks transfer funds from the Escrow Accounts 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 this 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 RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who were 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 could 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	NSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated November 28, 2019 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer read with the Addendum
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 constituted 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 constituted an invitation to purchase the Equity Shares
Escrow Accounts	The 'no-lien' and 'non-interest bearing' accounts opened with the Escrow Banks and in whose favour the Bidders (excluding the ASBA Bidders) transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Bank	Bank, which is clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being, Axis Bank Limited
Escrow and Sponsor Bank Agreement	The escrow and sponsor bank agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Bankers 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

Term	Description
	where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
First Bidder	The Bidder whose name is 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	₹ 517 per Equity Share
Fresh Issue	Fresh issue of 5,115,830* Equity Shares aggregating to ₹ 2,650 million by our Company * *Subject to finalisation of the Basis of Allotment*
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 circular (SEBI/HO/CFD/DL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as amended from time to time and as included in "*Offer Procedure*" beginning on page 350
ICRA	ICRA Limited
Individual Selling Shareholders	Together, P. S. Jayakumar and Manoj Viswanathan
I-Sec	ICICI Securities Limited
Investor Selling Shareholder	Bessemer
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Monitoring Agency	Axis Bank Limited
Monitoring Agency Agreement	The agreement dated January 14, 2021 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or 222,726* Equity Shares which were made available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids having been received at or above the Offer Price * *Subject to finalisation of the Basis of Allotment*
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
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 86
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders or 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 Offer comprising 3,340,884* Equity Shares which was made available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price * *Subject to finalisation of the Basis of Allotment*
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Resident Indians or NRI(s)	A non-resident Indian as defined under the FEMA Rules
Offer	The initial public offer of 22,272,556* Equity Shares of face value of ₹ 2 each for cash at a price of ₹ 518 each (including a share premium of ₹ 516 per Equity Share), aggregating to ₹ 11,537.19 million, comprising the Fresh Issue and the Offer for Sale * *Subject to finalisation of the Basis of Allotment*
Offer Agreement	The offer agreement dated November 28, 2019 entered into between our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer read with the BCOA Termination Letter

Term	Description
Offer for Sale	Offer for Sale of 17,156,726* Equity Shares aggregating to ₹ 8,887.19 million comprising 8,409,548* Equity Shares aggregating to ₹ 4,356.15 million by TN V LLP, 5,623,222* Equity Shares aggregating to ₹ 2,912.83 million by Aether, 2,325,501* Equity Shares aggregating to ₹ 1,204.61 million by Bessemer, 548,938* Equity Shares aggregating to ₹ 284.35 million by P. S. Jayakumar and 249,517* Equity Shares aggregating to ₹ 129.25 million by Manoj Viswanathan * *Subject to finalisation of the Basis of Allotment*
Offer Price	₹ 518 per Equity Share, being the final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and this Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and this Prospectus. The Offer Price was decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus and this Prospectus
Offer Proceeds	The proceeds of the Offer that will be available to our Company and the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" beginning on page 86
Offered Shares	17,156,726* Equity Shares aggregating to ₹ 8,887.19 million offered by the Selling Shareholders in the Offer for Sale * *Subject to finalisation of the Basis of Allotment*
Pre-IPO Placement	(i) Preferential allotment of 2,240,639 Equity Shares to Orange Clove for cash at a price of ₹ 334.726 per Equity Share aggregating to approximately ₹ 750 million pursuant to the resolution of the board dated October 15, 2020; and (ii) preferential allotment of 122,000 Equity Shares to certain of its employees for cash at a price of ₹ 334.726 per Equity Share aggregating to ₹ 40.84 million pursuant to the resolution of the Board dated November 30, 2020
Price Band	The price band of a minimum price of ₹ 517 per Equity Share (Floor Price) and the maximum price of ₹ 518 per Equity Share (Cap Price).
Pricing Date	The date on which our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, finalised the Offer Price , being January 27, 2021
Promoter Selling Shareholders	Together, TN V LLP and Aether
Prospectus	This prospectus dated January 27, 2021 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 was determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account opened, in accordance with Section 40(3) of the Companies Act with the Public Offer Account Bank to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being ICICI Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer comprising 11,136,277* Equity Shares which was allocated to QIBs (including Anchor Investors), subject to valid Bids having been received at or above the Offer Price * *Subject to finalisation of the Basis of Allotment*
QIBs, QIB Bidders or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus dated January 16, 2021 issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares were offered and the size of the Offer, read with the Corrigendum.
Refund Account	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

Term	Description
Refund Bank	The Banker to the Offer with whom the Refund Account has been opened and in this case being, ICICI Bank Limited
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 November 27, 2019 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer read with the BCRA Termination Letter
Registrar to the Offer or Registrar	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Retail Individual Bidder(s), Retail Individual Investor(s), RII(s) or RIB(s)	Resident Indian individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs who may have applied through their Karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Offer comprising 7,795,395* Equity Shares, which was made available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price * *Subject to finalisation of the Basis of Allotment*
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 could 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 website of the Stock Exchanges at www.nseindia.com and www.bseindia.com
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 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
Selling Shareholders	Individual Selling Shareholders, Investor Selling Shareholder and Promoter Selling Shareholders, collectively
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement namely, KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Share Escrow Agreement	The share escrow agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders 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 could 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	ICICI Bank Limited, 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 or members of the Syndicate	The Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	The syndicate agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate

Term	Description
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely Kotak Securities Limited
Underwriters	The BRLMs and the Syndicate Member
Underwriting Agreement	The underwriting agreement dated January 27, 2021 entered into between our Company, the Selling Shareholders and the Underwriters
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 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
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
Withdrawal Letter	Letter dated January 13, 2021 issued by Mr. Bhaskar Chaudhry communicating his decision to the Company to not participate in the Offer for Sale
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 and includes any company whose director or promoter is categorised as such
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
ALM	Asset Liability Management
CLSS	Credit-Linked Subsidy Schemes
COVID-19	Novel Coronavirus disease
CRAR	Capital Adequacy Ratio/Capital to Risk Assets Ratio
DPD	Days past due
ECB	External Commercial Borrowings
EPFO	Employees' Provident Fund Organisation
EWC	Economically Weaker Section
GDP	Gross Domestic Product
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GNPA	Gross Non-Performing Assets
ITC	Input Tax Credit
LAP	Loan against property

Term	Description
LIG	Lower income group
LTV	Loan-to-value
MBS	Mortgage backed securities
MIG	Middle-income group
NIMs	Net interest margins
NSSO	National Sample Survey Organisation
PFCE	Private Final Consumption Expenditure
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

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
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
CLB	Company Law Board
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
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification

Term	Description
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)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
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
EPS	Earnings per share
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 or 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
Gazette	Official Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
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
Indian Penal Code	The Indian Penal Code, 1860
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
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
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

Term	Description
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
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
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
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
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
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
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
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
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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
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

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this 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 Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Prospectus have been derived from our Restated Financial Information. Certain other financial information pertaining to our Group Company is derived from its respective audited financial statements, as may be available. For further information, see "*Financial Information*" beginning on page 223.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this 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.

Our Company's restated financial statements of assets and liabilities as at and for the six months ended September 30, 2020 and September 30, 2019 and Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 and our restated statements of profit and loss and cash flow for the six months ended September 30, 2020 and September 30, 2019 and Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the annexures and notes thereto and the examination report, thereon, as prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. The restated financial statements for the years ended March 31, 2019 and March 31, 2018 have been prepared on Proforma IND AS basis in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.

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 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 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 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 44.

Unless the context otherwise indicates, any percentage amounts (excluding certain operational metrics), relating to the financial information of our Company in the "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on pages 24, 146 and 297, respectively, and elsewhere in this Prospectus have been calculated on the basis of our Restated 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 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 Prospectus in such denominations as provided in the respective sources.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Information in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to 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 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.

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 Prospectus has been obtained or derived from the report entitled "*CRISIL Research – Industry Report on Affordable Housing Finance, November 2020*" and "*CRISIL Research – Industry Report on Affordable Housing Finance, November* 2019" prepared by CRISIL ("**CRISIL Report(s)**", as applicable), the report entitled "*ICRA's Report on Mortgage Finance Market*" dated November 2019 prepared by ICRA ("**ICRA Report**") and publicly available information as well as other industry publications and sources. The CRISIL Reports and the ICRA Report have 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 and completeness 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 Prospectus is reliable, however, it has not been independently verified by our Company, the Selling Shareholders or the Book Running Lead Managers or any of their 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 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.

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. Home First Finance Company India 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.*"

While preparing its report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements prepared in accordance with Indian GAAP and available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the Indian GAAP financial information of our Company in this section is not comparable with Ind AS financial information presented in this Prospectus.

For details of risks in relation to CRISIL Reports, see "*Risk Factors – We have referred to the data derived from industry reports commissioned from CRISIL Limited and ICRA Limited*" on page 40.

Disclaimer of ICRA

"*All information mentioned herein and otherwise as contained in the report or rationale has been obtained by ICRA from sources believed by it to be accurate and reliable and ICRA confirms that it has obtained requisite third party consents, if required, in relation to any information used by ICRA in the report. Although reasonable care has been taken to ensure that the information in the report is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and not any recommendation for investment and further, ICRA shall not be liable for any losses incurred by users from any use of the report or its contents.*"

For details of risks in relation to ICRA Report, see "*Risk Factors" – We have referred to the data derived from industry reports commissioned from CRISIL Limited and ICRA Limited*" on page 40.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 90 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither have we, the Selling Shareholders nor the Book Running Lead Managers 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 24.

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 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 or any other applicable law of the United States and, unless so registered, 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 and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

We intend to rely on an exception from the definition of investment company under the U.S. Investment Company Act of 1940, as amended, in connection with this Offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company, the Selling Shareholders 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 Prospectus.

FORWARD-LOOKING STATEMENTS

This 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", "objective", "plan", "propose", "project", "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.

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:

- impact of COVID-19 on our business and operations;
- any disruption in our sources of funding;
- inability to meet our obligations, including financial and other covenants under our debt financing arrangements;
- inclusion of certain matters required under the Companies (Auditors Report) Order, 2016 in our auditor's reports;
- negative net cash flows;
- involvement of our Company, our Promoters and our Directors in certain legal and other proceedings;
- non-payment or default by borrowers; and
- non-compliance with the NHB's or RBI's observations made pursuant to its periodic inspections and violations of regulations prescribed by the NHB or RBI.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 24, 146 and 297, 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 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 Selling Shareholders, 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, each of the Selling Shareholders 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 its respective portion of the Offered Shares in this 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 each Selling Shareholder, as the case may be, in this Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

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 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 Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" beginning on pages 24, 46, 62, 86, 97, 146, 350, 322 and 365, respectively.

Summary of Business

We are a technology driven affordable housing finance company that targets first time home buyers in low and middle-income groups. We primarily offer customers housing loans for the purchase or construction of homes, which comprised 92.1% of our Gross Loan Assets, as of September 30, 2020. Our Gross Loan Assets have grown at a CAGR of 63.4% between the financial year 2018 and the financial year 2020 and increased from ₹ 13,559.32 million as of March 31, 2018 to ₹ 37,300.12 million, as of September 30, 2020.

Summary of Industry

The Indian housing finance market experienced a healthy growth in housing loan outstanding of approximately 16% over Fiscals 2015 to 2020. CRISIL Research expects total housing loan outstanding to grow at a CAGR of 5% to 6% in Fiscal 2021 and at 8% to 9% CAGR to ₹ 26.5 trillion over Fiscals 2020 and 2023. The market for affordable housing loans logged a CAGR of approximately 12% over Fiscals 2015 to 2020. By Fiscal 2023, CRISIL Research expects affordable housing outstanding credit to increase at approximately 9% to 10% CAGR to ₹ 11.9 trillion. Growth would be driven by improved supply and demand of affordable houses, Government impetus to the segment through various incentives given to developers and first-time homebuyers and initiatives towards affordable housing such as PMAY. *(Source: CRISIL Report)*

Our Promoters

Our Promoters are TN V LLP and Aether. For details, see "*Our Promoters and Promoter Group*" beginning on page 196.

Offer Size

Offer(1)(2)	22,272,556* Equity Shares aggregating to ₹ 11,537.19 million
of which	
Fresh Issue(1)	5,115,830* Equity Shares aggregating to ₹ 2,650 million
Offer for Sale(2)(3)	17,156,726* Equity Shares aggregating to ₹ 8,887.19 million by the Selling Shareholders

* *Subject to finalization of Basis of Allotment*

(1) *The Fresh Issue has been authorized by a resolution of our Board dated July 31, 2019 and a resolution of our Shareholders, dated August 30, 2019.*

(2) *The Offer for Sale has been authorised by the Selling Shareholders as follows:*

Selling Shareholder	Number of Offered Shares*	Date of consent letter	Date of corporate authorisation/ board resolution
Promoter Selling Shareholders			
TN V LLP	*8,409,548 Equity Shares aggregating to ₹ 4,356.15 million*	*January 13, 2021*	*November 15, 2019*
Aether	*5,623,222 Equity Shares aggregating to ₹ 2,912.83 million*	*January 14, 2021*	*November 25, 2019*
Investor Selling Shareholder			
Bessemer	*2,325,501 Equity Shares aggregating to ₹ 1,204.61 million*	*January 13, 2021*	*November 26, 2019*
Individual Selling Shareholders			
P. S. Jayakumar	*548,938 Equity Shares aggregating to ₹ 284.35 million*	*January 14, 2021*	-
Manoj Viswanathan	*249,517 Equity Shares aggregating to ₹ 129.25 million*	*January 14, 2021*	-

* *Subject to finalization of Basis of Allotment*

(1) *The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of filing the Red Herring Prospectus with SEBI, and are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 327.*

Objects of the Offer

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

Particulars	Amount (in ₹ million)
Augmenting our capital base	2,650*
Total	**2,650***

* *(Less) Estimated Offer-related expenses in relation to the Fresh Issue*

For details, see "*Objects of the Offer*" beginning on page 86.

Pre-Offer Shareholding of our Promoters, the Promoter Group and the Selling Shareholders

S. No.	Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
1.	*Promoters (also the Promoter Selling Shareholders)*		
	TN V LLP	26,115,080	31.74
	Aether	17,365,814	21.11
	Total	**43,480,894**	**52.85**
2.	*Promoter Group*		
	NIL	-	-
	Total	-	-
3.	*Investor Selling Shareholder*		
	Bessemer	9,136,814	11.11
	Total	**9,136,814**	**11.11**
4.	*Individual Selling Shareholders*		
	P. S. Jayakumar	1,304,604	1.59
	Manoj Viswanathan	1,052,900	1.28
	Total	**2,357,504**	**2.87**

Summary of Restated Financial Information

(in ₹ million, other than share data)

Particulars	Six months ended September 30, 2020	Six months ended September, 2019	Financial Year		
			2020	2019	2018
Equity Share Capital	156.79	156.60	156.60	126.68	103.23
Net worth	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Total Revenue from operations	2,371.49	1,838.93	3,986.40	2,598.76	1,320.92
Profit after tax	529.53	367.41	792.49	452.04	159.96
Earnings per equity share of face value ₹ 2 each (basic and diluted) [1]					
- Basic (in ₹) (post sub-division basis)	6.76	5.33	10.77	7.82	3.10
- Diluted (in ₹) (post sub-division basis)	6.59	5.21	10.53	7.65	3.02
Net asset value per equity share (in ₹)[2]	126.06	113.58	119.24	82.59	63.01
Borrowings (other than debt securities)	23,971.20	22,956.31	24,938.05	19,256.41	10,198.76
Debt securities	2,394.58	-	-	-	-

Notes:

1. *Percentages for September 2019 and September 2020 are not annualised. They are not comparable.*

2. *Net Asset Value Per Equity Share =* *Net worth as per the restated financial information*

Number of equity shares outstanding existing as at the end of year/period adjusted for sub-division

Qualifications by the Statutory Auditors

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

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, and in case of our Group Company, outstanding litigation proceedings involving our Group Company which have a material impact on our Company, as on the date of this Prospectus, is provided below:

Types of Proceedings	Number of Cases	Amount (in ₹ million)*
Litigation filed against our Company		
Actions by statutory or regulatory authorities	4	0.02[(1)]
Indirect tax proceedings	1	5.38[(2)]
Litigation filed by our Company		
Criminal proceedings	17	15.94
Total	**22**	**21.34**
Litigation filed against our Directors		
Criminal proceedings	1	-
Actions by statutory or regulatory authorities	1	-
Total	2	-
Litigation filed against our Promoters		
Direct tax proceedings	1	Nil
Total	1	Nil

* *To the extent quantifiable.*

(1) *Such penalty levied by the regulatory authorities has been paid by our Company.*

(2) *An amount of ₹ 1.82 million has been paid under protest by our Company.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 322.

Risk Factors

For details in relation to certain risks applicable to us, see "*Risk Factors*" beginning on page 24.

Summary of Commitments of our Company

As of September 30, 2020, our commitments as provided for in our Restated Financial Information are as follows:

(*in ₹ million*)

Particulars	As of September 30, 2020
Other commitments - Undisbursed amount of housing and other loans	4,658.37

For details, see "*Restated Financial Information – Annexure 5*" beginning on page 232.

Summary of Related Party Transactions

(in ₹ million)

Nature of Transaction	Financial Year		
	2020	2019	2018
Remuneration	22.94	22.98	15.44
Exercise of ESOP	11.99	20.03	0.19
Sitting fees paid	2.60	1.80	1.35
Reimbursement of expenses	5.82	5.78	-
Technology fees	3.66	1.00	-
Legal and professional fees	3.81	1.50	-
Equity Infusion	2,515.44	1,500.00	-
Provision for commission	5.50	-	-

For details of the related party transactions and as reported in the Restated Financial Information, see "*Restated Financial Information – Annexure 6*" on page 244.

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

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 Prospectus.

Financing Arrangements

Except as disclosed below, there have been no financing arrangements whereby members of our Promoter Group, our Directors 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 the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Name	**Financed entity**	**Sale/ purchase/ allotment**	**Number of equity shares Allotted***	**Issue Price per equity share (in ₹)**	**Date of Allotment/ sale/ purchase of Equity Shares**
Promoter Group					
Waverly Pte. Ltd.	Aether	Allotment	596,222	1,116.00	June 29, 2019
		Allotment	298,201	1,116.00	September 19, 2019
		Purchase	14,480	1,116.00	October 1, 2019

* *Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Therefore, pursuant to the sub-division, the cumulative number of Equity Shares acquired by Aether during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus which have been financed by Waverly Pte. Ltd. is 4,544,515 Equity Shares.*

Weighted average price at which the Equity Shares were acquired by the Promoters and Selling Shareholders in the one year preceding the date of this Prospectus

The weighted average price at which the Equity Shares were acquired by the Promoters and Selling Shareholders in the one year preceding the date of this Prospectus is:

S. No.	**Category of Shareholders**	**Number of Equity Shares acquired**	**Weighted average price of acquisition per Equity Share (in ₹)***
1.	*Promoters (also the Promoter Selling Shareholders)*		
	TN V LLP	91,700	319.20
	Aether	N.A.	N.A.
2.	*Investor Selling Shareholder*		
	Bessemer	N.A.	N.A.
3.	*Individual Selling Shareholders*		
	P. S. Jayakumar	N.A.	N.A.
	Manoj Viswanathan	780,000	67.54

* *As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated January 27, 2021.*

Average Cost of Acquisition for Promoters and Selling Shareholders

The average cost of acquisition per Equity Share acquired by the Promoters and Selling Shareholders, as on the date of this Prospectus is:

S. No.	**Category of Shareholders**	**Number of Equity Shares acquired**	**Average cost of Acquisition per Equity Share (in ₹)***
1.	*Promoters (also the Promoter Selling Shareholders)*		
	TN V LLP	26,115,080	149.73
	Aether	17,365,814	149.10
2.	*Investor Selling Shareholder*		
	Bessemer	9,136,814	95.67
3.	*Individual Selling Shareholders*		
	P. S. Jayakumar	1,304,604	152.82
	Manoj Viswanathan	1,052,900	55.28

* *As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated January 27, 2021.*

Details of Pre-IPO Placement

Our Company has undertaken: (i) a preferential allotment of 2,240,639 Equity Shares to Orange Clove for cash at a price of ₹ 334.726 per Equity Share aggregating to approximately ₹ 750 million pursuant to the resolution of the Board dated October 15, 2020; and (ii) a preferential allotment of 122,000 Equity Shares to certain of its employees for cash at a price of ₹ 334.726 per Equity Share aggregating to ₹ 40.84 million pursuant to the resolution of the Board dated November 30, 2020. The size of the fresh issue of up to ₹ 3,440.84 million was reduced by approximately ₹ 790.84 million, pursuant to the Pre-IPO Placement, and accordingly, the Fresh Issue size was ₹ 2,650 million.

Sub-division or Consolidation of Equity Shares in the last one year

Our Company has not undertaken sub-division or consolidation of the equity shares of our Company in the last one year preceding the date of this Prospectus.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares and the industry in which we currently operate or propose to operate in India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Selected Statistical Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 97, 146, 203 and 297, respectively, as well as the financial, statistical and other information contained in this Prospectus.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section, such as those relating to non-payment or default by borrowers, our levels of indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "Forward-Looking Statements" on page 18.

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 Financial Information.

The industry-related information contained in this section is derived from the CRISIL Report and ICRA 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 Lead Managers, have independently verified the information in such reports or other publicly available information cited in this Prospectus.

Internal Risk Factors

Risks Relating to our Business

1. The Coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.

During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India where our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices.

Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as:

- it led to a closure of our Registered and Corporate Office as well as our branch offices and we moved to a work-from home model. We resumed operations at our branches in a staggered manner in compliance with the lockdown restrictions and government guidelines and were able to resume physical operations at all branches by September 30, 2020. A surge in the number of COVID-19 cases in the future could result in a complete or partial closure of, or other operational issues at our offices resulting from government action;

- it caused a material decline in general business activity, which resulted in slowing down of disbursements by our Company from ₹ 8,857.53 million for the six months ended September 30, 2019 to ₹ 2,959.48 million for the six months ended September 30, 2020;

- the RBI has issued guidelines relating to COVID-19 regulatory package dated March 27, 2020, providing moratorium of three months on the payment of all principal amounts and interest falling due between March 1, 2020 and May 31, 2020. It thereafter extended the moratorium on loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, we granted the moratorium option to certain of our customers for the period between March 1, 2020 and August 31, 2020. Moratorium was granted by us to 12,525 customers valued at ₹ 415.49 million, as of September 30, 2020, to be repaid by borrowers over a 12-month, 24-month or 36-month period. For further details, see "*Key Regulations and Policies in India - RBI's COVID-19 related measures for HFCs*" on page 172. The total provisions recognized by us towards the impact of COVID-19 on our financial assets is ₹ 159.41 million (₹ 89.99 million for the six months ended September 30, 2020 and ₹69.42 million for the financial year 2020);

- our customers who are primarily in the low and middle-income groups have less financial wherewithal than other borrowers and may default on their loan payments or additional interest payment obligations, in case the customers opt for the moratorium. We witnessed an increase in our bounce rate from 10.5% during the last quarter of the financial year 2020 to 28.3% during the second quarter of the financial year 2021;

- our inability to access debt and equity capital on acceptable terms, or at all, and a further disruption and instability in the global financial markets or deterioration in credit and financing conditions or downgrade of our or India's credit rating that may affect our access to capital and other sources of funding necessary to fund our operations or address maturing liabilities on a timely basis;

- the effects of the COVID-19 pandemic on our future results of operations, cash flows and financial condition could adversely impact our ability to service our debt obligations and comply with the covenants in our credit facilities and other financing agreements and could result in events of default and the acceleration of indebtedness, which could negatively impact our financial condition, results of operations and our ability to make additional borrowings;

- inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home;

- increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home;

- uncertainty as to what conditions must be satisfied before government authorities completely lift "stay-at-home" orders; and

- the potential negative impact on the health of our personnel, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

While COVID-19 has directly affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our customers at this time. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

Further, our Statutory Auditors have included emphasis of matters in their examination report on the Restated Financial Information, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on our Company's operations and the impact on the appropriateness of the impairment provision recognised towards the loan assets outstanding as at September 30, 2020 and March 31, 2020. For further details, see "*Restated Financial Information*" beginning on page 223.

The extent to which the COVID-19 pandemic will impact our financial performance is dependent on future developments, which are highly uncertain and therefore, our prior financial results are not necessarily indicative of results to be expected for future periods. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

2. ***Any disruption in our sources of funding could have an adverse effect on our business, results of operations and financial condition.***

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including term loans and working capital facilities; proceeds from direct assignment of loans; issuance of non-convertible debentures ("**NCDs**") and refinancing from the NHB to meet our capital requirements. Our business thus depends and will continue to depend on our ability to access a variety of sources of capital.

Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy including the effect of events such as the COVID-19 pandemic. We cannot assure you that our business will continue to generate sufficient cash to enable us to service our existing debt or to fund our other liquidity needs. Recently, certain NBFCs and HFCs in India have defaulted in the repayment of their borrowings, which has adversely affected the availability of funds to NBFCs and HFCs in general. Any such events in the future may lead to adverse perceptions about the housing finance sector as a whole and affect our ability to obtain financing at commercially reasonable terms.

Further, changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition. Our ability to raise debt to meet our funding requirements is also restricted by the limits prescribed under applicable regulations. For example, the NHB Directions permitted HFCs to borrow up to 14 times their net owned funds ("**NOF**") until March 31, 2020, after which this limit was reduced to 13 times of their NOF until March 31, 2021 and will reduce subsequently to 12 times of their NOF until March 31, 2022. As of September 30, 2020, we had Total Borrowings (including debt securities) of ₹ 26,365.78 million, which was 2.7 times our NOF of ₹ 9,881.90 million. As of March 31, 2020, March 31, 2019 and March 31, 2018, our Total Borrowings /NOF were 2.7, 3.7 and 3.1, respectively. Since our Company's incorporation, the highest value of our Total Borrowings /NOF at any period end was 3.7 as of March 31, 2019. Consequently, if we are unable to obtain adequate financing in a timely manner and on commercially reasonable terms, our business, results of operations and financial condition may be adversely affected.

3. ***Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- effecting any change in the ownership or control of our Company;
- effecting any change in the capital structure of our Company or any amendments to our Memorandum of Association or Articles of Association;
- effecting changes in the shareholding pattern of the Company, including shareholding of the promoters, directors;
- entering into any schemes of mergers, amalgamations, compromise or reconstruction;
- undertaking any guarantee obligation on behalf of any other person;
- declaring and paying dividend in the event our Company defaults or delays in debt repayment of any of the lenders or upon the occurrence of any event of default;
- utilization of funds for any other purpose other than for which approval has been granted or agreed to be granted;
- undertaking any activity other than activities indicated in the objects clause of the Memorandum of Association;
- 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; and
- effecting any change in management and operating structure of our Company.

Our Company has applied to its lenders and received all consents in relation to the Offer. Under these agreements, certain lenders also require us to maintain certain financial ratios such as asset coverage ratio, security cover ratio, interest coverage ratio and debt service coverage ratio. 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. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations and financial condition.

Further, under certain agreements in relation to the refinancing availed from the NHB, we are required to submit an undertaking from the shareholders who hold 20% or more of the Equity Share capital to the effect that any dilution of 10% or more, requires prior approval from the NHB. In terms of such requirement, our Promoters and Bessemer have provided such undertakings to the NHB. Further, under certain agreements in relation to the refinancing availed by us from the NHB, P.S. Jayakumar, one of the Selling Shareholders and one of our initial founders, is required to obtain approval of the NHB for any change in his shareholding in the Company. Our Company and such entities and individual have applied and received such approvals from the NHB, in connection with the Offer. Further, our Company has also received approval from RBI in connection with the Offer.

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

4. ***Our Auditor's reports on financial statements for Financial Year 2018, Financial Year 2019 and Financial Year 2020 include certain matters required under the Companies (Auditors Report) Order, 2016 ("CARO"). Further, our Statutory Auditors have included certain emphasis of matters in our Restated Financial Information.***

Our Auditor's reports on the financial statements for Financial Year 2018, Financial Year 2019 and Financial Year 2020 include certain matters as required under the CARO, in terms of Section 143(11) of the Companies Act, 2013. For instance, the Auditor's reports for Financial Year 2019 identifies matters such as undisputed amounts of ₹ 0.18 million due outstanding for more than six months, including an amount of ₹ 0.14 million being outstanding towards payments of professional tax as of March 31, 2019) and significant delays in deposit of statutory dues and the Auditor's report for Financial Year 2020 identifies matters such as significant delays in certain cases comprising of amounts which are individually not material. Further, our Statutory Auditors have included emphasis of matters in their examination report on the Restated Financial Information and in their reports on the audited financial statements for Financial Year 2020 and the six month period ended September 30, 2020, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on our Company's operations. There can be no assurance that our Auditor's observations for any future fiscal periods will not contain similar remarks, emphasis of matters or that matters, prescribed under CARO will not form part of our financial statements for the future fiscal periods and that such matters will not otherwise affect our results of operations in such future periods. For further details, see "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 223 and 297, respectively.

5. ***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 six months ended 30 September,		For the financial year		
	2020	2019	2020	2019	2018
	(₹ in million)				
Net cash generated from /(used in) operating activities	1,244.22	(4,424.67)	(8,273.92)	(7,905.68)	(5,064.00)
Net cash generated from / (used in) investing activities	(1,981.81)	(2,098.30)	(1,080.71)	(1,054.88)	562.51
Net cash generated from financing activities	1,426.19	6,995.40	8,974.62	10,587.66	3,571.83
Net increase / (decrease) in cash and cash equivalents	688.60	472.43	(380.01)	1,627.10	(929.66)

For further details, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 223 and 297, respectively. We cannot assure you that our net cash flow will be positive in the future.

6. ***Our Company, our Promoters and our Directors are involved in certain legal and other proceedings, including certain complaints in relation to our operations. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations and financial condition.***

In the ordinary course of business, our Company is involved in certain legal proceedings, which are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined adversely, could materially adversely affect our reputation, business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided favorably or that no further liability will arise from these claims in the future.

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. 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 ₹ 7.92 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 filed against our Company		
Actions by statutory or regulatory authorities	4	0.02(1)
Indirect tax proceedings	1	5.38(2)
Litigation filed by our Company		
Criminal proceedings	17	15.94
Total	**22**	**21.34**
Litigation filed against our Directors		
Criminal proceedings	1	-
Actions by statutory or regulatory authorities	1	-
Total	2	-
Litigation filed against our Promoters		
Direct tax proceedings	1	Nil
Total	1	Nil

* *To the extent quantifiable.*

(1) *Such penalty levied by the regulatory authorities has been paid by our Company.*

(2) *An amount of ₹ 1.82 million has been paid under protest by our Company.*

Further, in the past, certain complaints have been sent to us, the NHB, the SEBI and our credit rating agencies and certain queries have been sent by the lenders in relation to our business. Certain complaints are in the nature of whistleblower complaints and include allegations in relation to reporting of NPAs, recording of items such as processing fees, brokerage payments and expense reimbursements in the financial statements of the Company and allegations in relation to KMPs. We have responded to and clarified these matters with such entities. We cannot assure you that such complaints or matters will not occur in the future and cause volatility in the price of our Equity Shares.

Involvement in such proceedings could divert our management's time and attention and consume financial resources. Further, an adverse judgment in these proceedings could have an adverse impact on our business, results of operations and financial condition. For details, in relation to the proceedings involving our Company and Directors, see "*Outstanding Litigation and Material Developments*" on page 322.

We cannot assure you that any of the outstanding material litigation matters will be settled in our favour or in favour of our Company, Directors or Promoters, as applicable, or that no additional liability will arise out of these proceedings.

7. ***The risk of non-payment or default by borrowers may adversely affect our business, results of operations and financial condition.***

We primarily serve salaried customers in the low and middle-income groups. As of September 30, 2020, 73.1% of our Gross Loan Assets were from salaried customers, while 25.0% was from self-employed customers. Our customers may default in their repayment obligations due to various reasons including loss of employment, insolvency, lack of liquidity or personal emergencies such as the death of an income generating family member, including on account of events such as the COVID-19 pandemic. Some of our customers may not have credit histories supported by tax returns and other documents that would enable us to accurately assess their creditworthiness. We may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any misrepresentation by our customers or employees. It may therefore be difficult for us to carry out precise credit risk analysis on all of our customers. Although we follow certain procedures to evaluate the credit profiles of our customers at the time of sanctioning a loan, we also rely on the value of the property provided as underlying collateral.

Further, the self-employed customers to whom we lend are often considered to be higher credit risk customers due to their increased exposure to fluctuations in cash flows and to adverse economic conditions. To the extent we are unable to successfully manage the risks associated with lending to self-employed customers, it may become difficult for us to recover outstanding amounts of such loans. We cannot assure you that our risk management controls will be sufficient to prevent future losses on account of customer defaults, which may adversely affect our business, results of operations and financial condition.

Our ability to manage the credit quality of our loans, which we measure in part through non-performing assets ("**NPAs**"), is a key driver of our results of operations. Our total loan portfolio has grown rapidly in the last few years, and we anticipate that the size of our loan portfolio will continue to grow in the future as we pursue our expansion strategy. We classify NPAs in accordance with the NHB Directions and applicable Ind AS rules. Defaults by our customers for a period of more than 90 days result in such loans being classified as 'non-performing'. As of September 30, 2020 and 2019 and March 31, 2020, 2019 and 2018, our Stage 3 Loan Assets (Stage 3 Loan Assets represent the closing balance of loan assets overdue for 90 days or more as of the last day of the relevant year or period) were ₹ 275.79 million, ₹ 268.36 million, ₹ 315.36 million, ₹ 170.45 million and ₹ 80.68 million, respectively, while our Stage 3 Loan Assets to Gross Loan Assets was 0.74%, 0.86%, 0.87%, 0.70% and 0.60%, respectively. As of September 30, 2020 and 2019 and March 31, 2020, 2019 and 2018, our Stage 3 Loan Assets (Net) were ₹ 186.39 million, ₹ 211.79 million, ₹ 234.14 million, ₹ 128.05 million and ₹ 64.18 million, respectively, while our Stage 3 Loan Assets (Net) to Net Loan Assets was 0.51%, 0.68%, 0.65%, 0.53% and 0.48%, respectively. In addition, on account of our recent growth, a significant portion of our loan portfolio is relatively new and was disbursed during the last 36 months. We believe that the risk of delinquency in housing loans typically emerges 18 to 36 months from disbursement. We cannot assure you that we will be able to maintain or reduce our current levels of NPAs in the future. As the number of our loans that become NPAs increase, the credit quality of our loan portfolio decreases.

Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. Negative trends or financial difficulties or general economic slowdown could unexpectedly increase delinquency rates. 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.

8. ***Non-compliance with the NHB's or RBI's observations made pursuant to its periodic inspections and violations of regulations prescribed by the NHB or RBI, could expose us to certain penalties and restrictions.***

We are subject to periodic inspection by the NHB under the NHB Act, pursuant to which the NHB inspects 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. While prior to the notification of the NHB Act Amendments, the NHB had the power to conduct such inspections, pursuant to the NHB Act Amendments, the RBI will also have the power to direct the NHB to conduct such inspections. In its past inspection reports, the NHB has identified certain non-compliances with the policy circulars and guidelines issued by NHB and has also observed certain shortcomings and inadequacies in some of our policies, our KYC compliance and audit systems.

NHB has issued its inspection report for the Financial Year 2019, identifying certain deficiencies and observations, including in relation to inadvertent error in calculation of standard assets provision and incorrect inclusion of certain provisions for NPAs in the computation of Tier-II capital causing a change in the calculated NOF and CAR, , incorrectly classifying insurance part of the loan under housing loans in some instances, disclosure in the balance sheet of loans granted against gold jewelry as collateral, the Company's grievance redressal policy, and plot loan disbursed without obtaining sanction plan, architect certificate and affidavit cum undertaking. We have noted the observations, to the extent applicable, and furnished our responses and confirmed that we will ensure compliance.

Further, in the event the NHB or RBI finds that our Company is in violation of regulations prescribed them, we may be subject to penalties or investigations. For instance, the NHB has issued a show cause notice dated October 27, 2020 ("**October SCN**"), against our Company, alleging violation of certain provisions of the NHB Directions. Our Company has responded to the October SCN. However, the NHB levied a penalty of ₹ 0.01 million by its letter dated November 23, 2020, considering certain submissions of our Company as not acceptable. The penalty levied by NHB has been paid by our Company. Furthermore, in relation to the NHB's inspection report for the Financial Year 2019, the NHB has also issued a letter dated October 27, 2020 to our Company, requiring our Company to exercise due caution going forward and to strictly adhere to certain provisions of the regulations prescribed by the NHB. For details, see "*Outstanding Litigation and Material Developments – Litigation filed against our Company - Actions by regulatory and statutory authorities involving our Company*" on pages 322-323.

While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the NHB's or RBI's directions at any time in the future, we could be subject to penalties and restrictions imposed by the NHB or RBI. Imposition of any future penalty or adverse findings by the NHB or RBI, requiring corrective steps entailing a compliance cost for us, may have an adverse effect on our business, results of operations, financial condition and reputation.

9. ***There is a criminal proceeding against one of our Directors, which if determined against him, could harm our reputation. Further, our Chairman and Independent Director, Deepak Satwalekar, has been named in the suit filed accounts list maintained by TransUnion CIBIL Limited ("CIBIL").***

There is an outstanding criminal proceeding against one of our Directors, Maninder Singh Juneja as on the date of this Prospectus. Lakshmi Vilas Bank filed a first information report against National Bulk Handling Corporation Private Limited ("**NBHC**") and others including Maninder Singh Juneja, then managing director and chief executive officer of NBHC, before the Central Bureau of Investigation, in relation to the service provided by NBHC as a collateral management service provider to LVB. The FIR alleges inter alia a shortage of commodities stored in certain godowns, which were pledged in favour of the bank. Any adverse outcome of the investigation could inter alia harm our reputation and trading price of our Equity Shares. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 322. Further, based on a search of CIBIL's database, we understand that the name of Deepak Satwalekar, our Chairman and Independent Director, appears on the CIBIL list of suit filed accounts as on December 31, 2020 ("**CIBIL List**") as a director of a company of which he was previously a director. Deepak Satwalekar has written to CIBIL and has requested for the CIBIL List to be corrected. Although steps have been initiated to remove Deepak Satwalekar's name from the CIBIL List, there can be no assurance that CIBIL will remove his name from the CIBIL List in a timely manner or at all.

10. ***We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our 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. For further details, see "*Other Regulatory and Statutory Disclosures*" on page 327.

Further, while we have obtained a number of approvals required for our operations, certain approvals for which we have submitted applications are currently pending. In addition, renewal applications for certain other approvals, including professional tax enrolment and registration certificates have been made to the relevant revenue authorities in relation to certain of our branch offices. Further, applications for shops and establishments registrations in relation to certain of our branch offices are yet to be made or yet to be received. We are also in the process of applying for the renewal of certain approvals that have expired. For further details, see "*Government and Other Approvals*" on page 325. In addition, we may apply for more approvals, including the renewal of approvals, which may expire from time to time, and approvals in the ordinary course of business.

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. If there is any failure by us to comply with the applicable regulations, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

11. ***We conduct our business operations on leased premises, including our Registered and Corporate Office, and our inability to renew such leases may adversely affect our operations.***

As of September 30, 2020, we conducted our operations through 70 branches, of which 33 have been taken on lease and 37 have been taken on leave and license basis. The leave and license agreements in relation to our Registered and Corporate Office, read with the addendums thereto, are valid until April 30, 2021. Any adverse impact on the title of the owners from whose premises we operate, breach of the contractual terms of any agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. We may be unable to relocate our offices in a timely manner or at an acceptable cost, which may adversely affect our business and results of operations.

12. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. 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 162. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, any downgrade in our credit ratings below A- at any time during the currency of certain loans availed by us, may also trigger an event of default in such current loans borrowings. Further, any downgrade in our credit ratings could increase the probability that our lenders impose 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.

13. ***We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability.***

Our results of operations depend substantially on the level of our net interest income, which is the difference between our interest income (mainly comprising interest income on loan portfolio, assigned portfolio, and interest income on investments and on deposits with banks) and our finance cost. Any change in interest rates would affect our net interest income and spreads. Any increase in our cost of funds may lead to a reduction in our spreads, or require us to increase interest rates on loans disbursed to customers in the future to maintain our spreads. For the six months ended September 30, 2020 and 2019 and the financial years 2020, 2019 and 2018, our Spread (Average yield on Loans - Principal outstanding Less Average Cost of Borrowings (excluding assignments)) was 2.2%, 2.2%, 4.5%, 4.7% and 4.4%, respectively.

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 and other factors, which have historically resulted in changes in interest rates in India. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. An increase in general interest rates in the economy could also reduce the overall demand for housing finance and impact our growth. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin. Some of our customers may prepay their loans to take advantage of a declining interest rate environment. Similarly, an increase in interest rates could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our investments. In addition, while we take steps to minimize the risk of interest rate volatility, we currently do not enter into any specific interest rate hedging instruments to protect against interest rate volatility. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, result of operations and financial condition.

14. ***Our inability to detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation.***

We are required to comply with applicable anti-money-laundering ("**AML**") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Further, the NHB has during a previous inspection, observed that effective KYC implementation was not in place with proper management oversight, systems and controls and training at our Company. Although we have responded to the NHB stating that effective KYC implementation is in place and we believe that we have adequate internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation.

15. ***We rely significantly on our information technology systems for our business and operations and any failure, inadequacy or security breach in such systems could adversely affect our business, results of operations and reputation.***

We are a technology driven company and our business is dependent upon complex and interdependent information technology systems. We use our technology platforms to assist with functions such as lead generation and management, underwriting and risk management, collections and to perform data analytics. We have developed and use proprietary tools, cloud services, data lake and mobility applications. We have an integrated customer relationship management and loan management system. Our operations depend on our ability to process a high volume of transactions across our network of branches, which are connected through computer systems and servers to our corporate office. As part of our growth strategy, we intend to further develop and invest in our information technology systems and create an end-to-end digital process.

The size and complexity of our computer systems may make them potentially vulnerable to breakdown, system integration problems, malicious intrusion and computer viruses. Our financial, accounting, analytics or other data processing systems may fail to operate adequately, or at all, as a result of events that are beyond our control, including a disruption of electrical or communications services in markets in which we primarily operate. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive data to unauthorized persons. Data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Although we have not experienced any data security breaches in the past, any such security breaches or compromises of technology systems in the future could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

16. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.

We face potential liquidity risks because our assets and liabilities mature over different periods. Assets and liability mismatch, which represents a situation when the financial terms of an institution's assets and liabilities do not match, is a key financial parameter for us. We carefully monitor the contractual maturity periods of our assets and liabilities and categorize them on the basis of the number of years in which they mature. Although we had a positive asset-liability maturity profile as of September 30, 2020, we cannot assure you that we will be able to continue to maintain a favourable asset-liability position in the future. We meet a significant portion of our financing requirements through borrowings from banks, refinancing from the NHB, issuance of NCDs and through proceeds from direct assignment of loans. A significant portion of our assets, such as housing loans to our customers, have maturities with longer terms than our borrowings. Any mismatch in the maturity profile of our assets and liabilities may lead to a liquidity risk and have an adverse effect on our business and results of operations.

17. Our operations are concentrated in the states of Gujarat and Maharashtra and any adverse developments in these regions could have an adverse effect on our business and results of operations.

Our operations are concentrated in the states of Gujarat and Maharashtra and as of September 30, 2020 and March 31, 2020, 2019 and 2018, 39.0%, 39.7%, 40.8% and 38.0% of our Gross Loan Assets was from Gujarat, while 21.0%, 21.7%, 28.4% and 35.6% was from Maharashtra, respectively. As of September 30, 2020, of our 70 branches, 35 branches were located in the states of Gujarat and Maharashtra. For a comparison with our presence in other states, see "*Our Business – Branch Network*" on page 156. The real estate and housing finance markets in these states may perform differently from, and may be subject to market conditions that are different from, the housing finance markets in other regions of India. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India, could disrupt our business operations, require us to incur significant expenditure and change our business strategies. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business and results of operations.

18. Our inability to recover the full value of collateral, or amounts outstanding under defaulted loans in a timely manner, or at all, could adversely affect our business, results of operations and financial condition.

We offer housing loans and other loans to customers, where the primary collateral is real estate. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions prevalent in the real estate sector. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral.

Following the introduction of the SARFAESI Act in 2002 and the extension of its application to HFCs, we may now foreclose on collateral after 60 days' notice to a borrower whose loan has been classified as non-performing. However, the actual time taken for full foreclosure generally ranges between 90 to 180 days. Further, in a case before the Supreme Court of India in 2004, while the constitutional validity of the SARFAESI Act was affirmed, the right of a defaulting borrower to appeal to the Debt Recovery Tribunal ("**DRT**") was also affirmed. The DRT has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, we cannot assure you that any foreclosure proceedings would not be stayed by the DRT. In addition, we may be unable to realize the full value of our collateral, as a result of factors including delays in foreclosure proceedings. Further, in case insolvency proceedings are initiated under the IBC against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of a project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be a delay in recovery of amounts from such borrowers. For details, see "- *The bankruptcy code in India may affect our rights to recover loans from our customers*." on page 39. Any failure to recover the expected value of collateral security could expose us to a potential loss.

We may also encounter difficulties in repossessing and liquidating collateral. When a customer defaults under a financing facility, we typically repossess and then sell the collateral through an auction. However, we cannot assure you that we will be able to successfully repossess the collateral in the event of default under a loan agreement. We may also face challenges in title verification of the collateral provided by the customer, as there is no central land registry in India and title to the property can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular languages, as well as on account of actual or alleged short payment of stamp duty or registration fees (which may render the title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties). Moreover, we may also not be able to sell the collateral at a price sufficient to cover the amount owed under the financing facility, or at all. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our business, results of operations and financial condition.

19. We have experienced significant growth in recent years and we may not be able to sustain our growth or manage it effectively.

We have experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹ 1,342.37 million for the financial year 2018 to ₹ 4,196.57 million for financial year 2020 and was ₹ 2,431.93 million for the six months ended September 30, 2020, while our profit after tax grew from ₹ 159.96 million for the financial year 2018 to ₹ 792.49 million for the financial year 2020 and was ₹ 529.53 million for the six months ended September 30, 2020. Our Gross Loan Assets grew from ₹ 13,559.32 million as of March 31, 2018 to ₹ 37,300.12 million as of September 30, 2020 and the number of our branches has grown from 42 to 70 during the same period. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business and results of operations. We intend to continue expansion to pursue existing and potential market opportunities and increase the number of our branches to 90 by the end of the financial year 2022. Our ability to execute our growth strategies will depend, among other things, on our ability to identify key target markets correctly, manage our pricing to compete effectively, and scale up and grow our network efficiently. We will also need to manage relationships with a greater number of customers, service providers, lenders and other parties as we expand.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, processes, procedures and controls on a timely basis. If we fail to implement these systems, processes, procedures and controls on a timely basis, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Our ability to sustain our rate of growth also depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges. Further, a number of external factors beyond our control could also affect our ability to continue to grow our business and loan portfolio, such as demand for housing loans in India, domestic economic growth, the RBI's monetary and regulatory policies, NHB / RBI regulations, inflation, competition and availability of cost-effective debt and equity capital.

Further, we may also require additional regulatory approvals to expand to other lines of business, which we may not receive in a timely manner, or at all. For example, in January 2015 we had applied to the RBI for a license to operate as a small finance bank. However, our application did not qualify to receive such license.

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. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

20. The Indian housing finance industry is highly competitive and our inability to compete effectively could adversely affect our business and results of operations.

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

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital, and charge optimum interest rates at which we lend 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.

21. ***Any failure or significant weakness of our internal processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Further, the NHB has, during previous inspections suggested certain improvements to our internal audit and control procedures. We cannot assure you that that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our business, profitability and reputation.

22. ***Our inability to expand our business into new regions and markets in India could adversely affect our business, results of operations, financial condition and cash flows.***

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new markets in India. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with 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.

As we plan to expand our geographic footprint, we may be exposed to additional challenges, including identifying and collaborating with local business partners with whom we may have no previous business relations, obtaining necessary governmental approvals, successfully marketing our brand and products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. For instance, a number of states in India such as Gujarat, Maharashtra and Karnataka, have enacted laws to regulate money-lending transactions and there are civil and criminal penalties prescribed for non-compliance with the relevant money lending statutes. These laws also establish a maximum rate of interest that can be charged to customers. There is, however, ambiguity on whether HFCs and NBFCs are required to comply with provisions of these state money-lending laws. If it is judicially determined or clarified by relevant authorities that such statutes apply to HFCs, our business in such states could be affected. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations or the sub-optimal performance of our new branches may adversely affect our business, financial condition, results of operations and cash flows.

23. ***Our inability to maintain our capital adequacy ratio 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. 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 13.0% 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, at any point of time, 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" beginning on page 167. As of September 30, 2020, our CRAR in accordance with restated Ind AS financial information was 51.7%, with Tier I capital comprising 50.4% and Tier II capital comprising 1.3%. 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, 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 favorable to us, or at all, which may adversely affect the growth of our business.

24. We may not be able to identify, monitor and manage risks or effectively implement our risk management policies.

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. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our asset-liability management policy, credit policy, corporate governance policy, whistle blower policy, investment policy, recovery and collections policy, and KYC and anti-money laundering policy. 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.

However, our policies and procedures to identify, monitor and manage risks may not be fully effective. For instance, the NHB, during its previous inspection, had observed that the scope of the internal audit required improvement in establishing oversight on operational risk areas like outsourcing agencies, head office functions, business and risk involvement, business continuity planning preparedness, specifying time frame for compliance and closure processes. Some of our risk management processes may not be automated and subject to human error. Some of our methods of managing risks are based on the use of observed historical market behaviour and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the customers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Management of operational, legal or regulatory risks requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, results of operations and financial condition.

25. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions may adversely impact our financial performance.

We assign a portion of our receivables from our loan portfolio to banks and other financial institutions. Such direct assignment transactions are undertaken by us on the basis of our internal estimates of funding requirements, and may vary from time to time. During the six months ended September 30, 2020 and 2019 and the financial years 2020, 2019 and 2018, we had assigned assets worth ₹ 7,175.20 million, ₹ 4,746.42 million, ₹ 5,760.90 million, ₹ 2,920.65 million and ₹ 374.62 million, respectively. As of September 30, 2020 and 2019 and March 31, 2020, 2019 and 2018, our receivables assigned expressed as a percentage of our Gross Loan Assets were 19.2%, 15.2%, 15.9%, 12.0% and 2.8%, respectively. Any change in RBI or other government regulations in relation to assignments/securitizations by HFCs could have an adverse impact on our assignment/securitization program. In the event the bank or financial institution does not realize the receivables due under loans that have been assigned, the relevant bank or institution can enforce the underlying credit enhancements provided by our Company. Should the assignee banks or any other financial institutions seek to enforce the underlying credit enhancements such as bank guarantees and fixed deposits, which are provided up to a specified percentage of the underlying loans, it could have an adverse effect on our financial condition and results of operations.

26. The Indian housing finance industry is extensively regulated and any changes in laws and regulations applicable to HFCs could have an adverse effect on our business.

We are subject to the corporate, taxation and other laws in effect in India and the states in which we operate, which require continuous monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operations, prescribe various periodical compliances and filings, including but not limited to filing of forms and declarations with the relevant registrar of companies, the NHB and other relevant authorities. Pursuant to the NHB Act and various regulations, circulars and guidelines issued by the NHB, HFCs are currently required to comply with, among others, limits on borrowings, investments, interest rates and tenure on public deposits, prudential norms for income recognition, asset classification and provisioning for standard and non-performing assets, norms for creation of special reserves as well as minimum capital adequacy and liquidity requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment.

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.

Further, the NHB Act Amendments have come into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) HFCs are required to apply to the RBI for registration under the NHB Act, in place of NHB; (ii) the RBI has the power to determine the percentage of assets to be maintained in terms of its investments and its reserve fund to be maintained; (iii) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (iv) 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 notification of the RBI dated November 19, 2019 and the amendments to the 'Master Directions - Exemptions from the RBI Act, 1934' issued by the RBI on November 11, 2019, certain existing exemptions available to HFCs under the RBI Act have been withdrawn and accordingly HFCs shall also be subject to regulation and directions of the RBI. Additionally, the RBI has issued a revised framework for regulating HFCs by way of its circular dated October 22, 2020 ("Revised HFC Framework"). Further, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 have been made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, risk management and outsourcing, liquidity risk management framework and liquidity coverage ratio. 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. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our business and activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business.

Additionally, we are required to make several filings with the NHB, RBI, the RoC and other relevant authorities pursuant to the provisions of NHB regulations, the Companies Act and other regulations. We have made inadvertent errors in certain filings with such authorities pertaining to matters such as, including incorrect details for share premium in certain allotment forms, including the wrong date of appointment for certain directors in form filings, which could attract penalties. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. For further information on laws and regulations applicable to us, see "*Key Regulations and Policies in India*" beginning on page 167 and for details in relation to penalties levied by the NHB, see "*Risk Factors – Non-compliance with the NHB's or RBI's observations made pursuant to its periodic inspections and violations of regulations prescribed by the NHB or RBI, could expose us to certain penalties and restrictions*" on page 29.

27. ***We depend on the accuracy and completeness of information provided by our customers and certain third party service providers and our reliance on any misleading information may affect our judgment of their credit worthiness, as well as the value of and title to the collateral.***

While deciding whether to extend credit to customers, we rely, to a significant extent, on the information furnished to us by the customers for certain key elements of the credit assessment process, including their financial transactions and credit history. We follow the Know Your Customer guidelines prescribed by the NHB for potential customers, verify their place of employment and residence, as applicable, and verify details with the NHB's caution list. We may also rely on certain representations from customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on the collateral provided, we may depend on the respective registrars and sub-registrars of assurances, local legal agencies and lawyers, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral. Our reliance on any misleading information may affect our judgement of credit worthiness of potential customers, and the value of and title to the collateral. 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.

Further, we target first time home buyers and such customers may not have credit histories supported by tax returns and other documents that would enable us to accurately assess their creditworthiness. We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on retail customers in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we conduct credit checks of all our customers, including with credit bureaus, conduct site-visits and personal discussions, we cannot assure you that such credit information will be accurate or comprehensive. 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.

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

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

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

Further, pursuant to Section 36(1)(viii) of the (Indian) Income Tax Act, 1961 (the "**Income Tax Act**"), up to 20.00% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. The balance of our special reserve as of September 30, 2020 was ₹ 447.50 million. In addition, home buyers receive tax incentives on home loans for principal and interest payment of home loans, which has improved affordability levels of borrowers. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961. However, we cannot assure you that the Government will continue to make such benefits available to HFCs or home buyers.

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

29. We utilize the services of certain third parties for our operations and any interruption or deficiency in their services could have an adverse effect on our business.

We utilize the services of third parties from time to time in various aspects of our operations such as sourcing of customers, valuation of collateral and legal services. We have a diverse range of lead sourcing channels such as connectors, architects, contractors, accountants, affordable housing developers, in addition to conducting loan camps and micro marketing activities, and utilizing employee and customer referrals and branch walk-in customers. We generate customer leads from connectors who are generally individuals such as insurance agents, tax practitioners and local shopkeepers. For the six months ended September 30, 2020 and the financial year 2020, we sanctioned 2,591 and 15,591 loans on account of leads generated through 887 and 2,553 connectors, respectively. However, our arrangements with connectors are on a non-exclusive basis and they may work for our competitors in the future, which may adversely affect our ability to increase our customer base. We also engage with local property valuers and legal advisors in the regions in which we operate. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third party service providers. Any disruption, negligence, fraud or inefficiency in the services provided by our third party service providers could adversely affect our business and reputation.

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

We offer our customers variable interest rate loans which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing housing loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, some of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations and financial condition.

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

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, senior management, and our operational personnel. We believe that the inputs and experience of our senior management are valuable for the development of our business, operations and the strategic directions taken by our Company. Further, our underwriting team currently comprises only four personnel and certain applications and software that we use are developed in-house by our employees. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. During the six months ended September 30, 2020 and the financial years 2020, 2019 and 2018, attrition rate of our total employees was 5.5%, 36.2%, 36.1% and 27.1%, respectively. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The NHB during its previous inspections has highlighted the need for our Company to put in place necessary succession planning for the senior executives and second level functionaries. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, results of operations and financial condition.

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

As of September 30, 2020, we employed 675 personnel across our operations. Although we have not experienced any material employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

33. ***Our Promoters may not have adequate experience in the business activities undertaken by our Company.***

While our Company, including our operations, is managed by professionals, TN V LLP is primarily engaged in the business of making investments and is registered with SEBI as a Category II Alternative Investment Fund, while Aether is primarily engaged in the business of investing in Indian companies through the FDI route. Due to the nature of their core business activities, our Promoters may not have adequate experience in the business activities undertaken by our Company. For details, see "*Our Promoters and Promoter Group*" on page 196.

34. ***We propose to utilize the Net Proceeds of the Fresh Issue to maintain the minimum capital adequacy ratio and to meet future capital requirements arising out of the growth in our business and not for any specified projects.***

The Net Proceeds of the Fresh Issue will be utilised to increase our Company's Tier I capital base to maintain the minimum capital adequacy ratio in accordance with Regulation 30 of the NHB Directions and to meet our future capital requirements which are expected to arise out of growth of our business and assets, primarily our housing loans and other loans, and to ensure compliance with the NHB Directions. Consequently, we will not be using the Net Proceeds for any specified projects. For details, see "*Objects of the Offer*" on page 86.

35. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

We believe that the insurance coverage we maintain is reasonably adequate to cover the normal risks associated with the operation of our businesses. Our insurance policies, however, may not provide adequate coverage in certain circumstances, such as the COVID-19 pandemic and are subject to certain deductibles, exclusions and limits on coverage. All of the net value of our total fixed assets, as of September 30, 2020, are insured (excluding our leased properties, where the owners of such properties are responsible for insuring the property and our computer software). 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, or that we have obtained sufficient insurance to cover all potential losses. 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. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows could be adversely affected.

36. Fluctuations in the market values of our investments could adversely affect our result of operations and financial condition.

As part of our treasury management, we have formulated a board-approved investment policy in accordance with the NHB Directions. Our investment policy prescribes permissible investment assets such as mutual funds, fixed deposits, non-convertible debentures, subject to restrictions prescribed by our internal policies. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and monetary policies. Any decline in the value of these investments may have an adverse effect on our results of operations and financial condition.

37. 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 a debtor to our Company or a debtor files for voluntary insolvency, 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. Further, pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Specifically, in relation to cases where we have extended construction finance to developers or builders for specific projects, allottees in such real estate projects will be considered on par with our Company in terms of priority of repayment. 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. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be delay in recovery of amounts from such borrowers.

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

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

We have entered into various transactions with related parties. 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. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the Listing Regulations, in the interest of the Company and its minority shareholders and in compliance with the Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. For details of the related party transactions and as reported in the Restated Financial Information, see "*Restated Financial Information*" on page 223.

39. ***Our Promoters, Directors and Key Managerial Personnel have interests in us other than the reimbursement of expenses incurred and normal remuneration and benefits.***

Our Promoters, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in our Company, as well as to the extent of any dividends, bonuses or other distributions on such shareholding. Additionally, some of our Directors and Key Managerial Personnel may also be regarded as interested to the extent of employee stock options granted by our Company and which may be granted to them from time to time pursuant to the ESOP Schemes, as applicable. For details, see "*Capital Structure*" beginning on page 62.

We cannot assure you that our Promoters, Directors and our Key Managerial Personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For details, see "*Our Promoters and Promoter Group*", "*Our Management – Interests of Directors*" and "*Our Management – Interests of Key Managerial Personnel*" on pages 198-199, 186 and 194, respectively.

40. ***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 into. For details, see "*Financial Indebtedness*" on page 294. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time and may be subject to other requirements prescribed by the NHB or RBI, as the case may be. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 202.

41. ***We have referred to the data derived from industry reports commissioned from CRISIL Limited and ICRA Limited.***

We have commissioned the services of independent third party research agencies CRISIL Limited and ICRA Limited and have relied on the report titled "CRISIL Research – Industry Report on Affordable Housing Finance, November 2020" and "CRISIL Research – Industry Report on Affordable Housing Finance, November 2019" and ICRA's Report on Mortgage Finance Market for industry related data in this Prospectus. These reports use certain methodologies for market sizing and forecasting. Neither we, nor any of the Lead Managers have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

42. ***Our Promoters and some of our Directors may have interests in entities in businesses similar to ours, which may result in conflicts of interest with us.***

Our Promoters and some of our Directors may have investments or interests in entities engaged in businesses similar to ours, including in other geographies or across the financial services sector in general, which may, in the future, result in conflicts of interest with us. For details, see "*Our Promoters and Promoter Group*" and "*Our Management – Interests of Directors*" on pages 198-199 and 186, respectively.

43. ***During the last 12 months preceding the date of this 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 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 pages 66-69. 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.

44. ***Our Promoters will continue to hold a significant equity stake in our Company after the Offer.***

Following completion of the Offer, our Promoters, TN V LLP and Aether, will continue to hold a significant percentage of our Equity Share capital. Our Promoters will therefore have the ability to influence our operations including the ability to approve significant actions at Board and at shareholders' meetings such as issuing Equity Shares, paying dividends, and determining business plans and mergers and acquisitions strategies. In addition, if our Promoters do not act together, such matters requiring shareholders' approval may be delayed or may not occur at all, which could adversely affect our business.

Further, upon listing of the Equity Shares on recognized stock exchanges, pursuant to the Shareholders' Agreement, the amendments thereto and the Articles of Association, TN V LLP and Aether shall have the right to nominate Directors on our Board, subject to their shareholding at the time. For details in relation to rights to nominate Directors, "*History and Certain Corporate Matters - Summary of Key Agreements*" on pages 177-179. 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 Promoters. For details of our Equity Shares held by our Promoters, see "*Capital Structure*" on pages 72-74. For details of interests of our Promoters in our Company, see "*Our Promoters and Promoter Group"* on page 198-199.

45. ***We, together with our Shareholders, are required to comply with certain restrictive covenants in relation to their shareholding, under our financing agreements.***

Under certain agreements in relation to the refinancing availed from the NHB, we are required to submit an undertaking from the shareholders who hold 20% or more of the Equity Share capital to the effect that any dilution of 10% or more, requires prior approval from the NHB. In terms of such requirement, our Promoters and Bessemer have provided such undertakings to the NHB. Further, under certain agreements in relation to the refinancing availed by us from the NHB, P.S. Jayakumar, one of the Selling Shareholders and one our initial founders, is required to obtain approval of the NHB for any change in his shareholding in the Company. Such entities and individual have applied and received such approvals from the NHB in connection with the Offer. Additionally, our Promoters have undertaken that they shall not affect any dilution of more than 10% without prior approval of certain of our lenders, which have been obtained in connection with the Offer. In addition to restricting the transferability of shareholding of such shareholders, such restrictions could discourage or prevent a change in control, merger, consolidation, takeover or other business combination involving us, which might be beneficial to our Shareholders.

46. ***Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders are selling Equity Shares in the Offer for Sale and will receive proceeds as part of the Offer for Sale.***

The Offer includes an Offer for Sale of Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, in proportion to their respective portion of the Offered Shares transferred by each of them in the Offer for Sale, and we will not receive any such proceeds. For further details, see "*Objects of the Offer*" and "*Capital Structure*" beginning on pages 86 and 62, respectively.

External Risk Factors

Risks Related to India

47. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- downgrade of India's sovereign debt rating by an independent agency;

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war; and

- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years.

- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

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

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income and demographic changes. In addition, the Government of India is 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 pace of India's economic growth, the development of domestic capital markets and the on-going reform will affect India's housing finance industry. In addition, there can be no assurance that the Government policies and initiatives for the housing finance industry will continue at the same or expected pace in the future. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

49. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in 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 our Company, it may have an adverse tax impact on us; and

- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. 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, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

- The Finance (No. 2) Act, 2019 (the "**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 ("**NHB Act Amendments**") which have transferred the regulation authority over the housing finance sector from NHB to RBI. The NHB Act Amendments have come into force August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) HFCs are required to apply to the RBI for registration under the NHB Act, in place of NHB; (ii) the RBI has the power to determine the percentage of assets to be maintained in terms of its investments and its reserve fund to be maintained; (iii) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (iv) 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.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

50. Investors may not be able to enforce a judgment of a foreign court against our Company outside India.

Our Company is incorporated under the laws of India. Our Company's assets are located in India and a majority of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. 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 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 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.

51. 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.

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the

RBI's prior approval 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. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 364.

52. ***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 Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this 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. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this 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 Prospectus should be limited accordingly.

53. ***Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

Risks Related to the Offer

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

The Offer Price of the Equity Shares has been determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 90 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. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

55. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the 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. The Offer Price of the Equity Shares has been determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

56. ***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.

57. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" beginning on page 62, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to 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 voting 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 our 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

59. 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 were 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 could 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 ₹ 2 each(1)(2)		22,272,556* Equity Shares aggregating to ₹ 11,537.19 million
of which:		
(i)	Fresh Issue(1)	5,115,830* Equity Shares aggregating to ₹ 2,650 million
(ii)	Offer for Sale(2)	17,156,726* Equity Shares aggregating to ₹ 8,887.19 million by the Selling Shareholders
of which:		
A)	QIB Portion(3)	Not more than 11,136,277* Equity Shares
	of which:	
	Anchor Investor Portion	6,681,766* Equity Shares
	Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	4,454,511* Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(3)	222,726* Equity Shares
	Balance of QIB Portion for all QIBs including Mutual Funds	4,231,785* Equity Shares
B)	Non-Institutional Portion	Not less than 3,340,884* Equity Shares
C)	Retail Portion	Not less than 7,795,395* Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer		82,270,961 Equity Shares
Equity Shares outstanding after the Offer		87,386,791* Equity Shares
Utilisation of Net Proceeds		See "*Objects of the Offer*" beginning on page 86 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

* *Subject to finalisation of the Basis of Allotment*

(1) *Our Company has undertaken a: (i) preferential allotment of 2,240,639 Equity Shares to Orange Clove for cash at a price of ₹ 334.726 per Equity Share aggregating to approximately ₹ 750 million pursuant to the resolution of the Board dated October 15, 2020; and (ii) preferential allotment of 122,000 Equity Shares to certain of its employees for cash at a price of ₹ 334.726 per Equity Share aggregating to ₹ 40.84 million pursuant to the resolution of the Board dated November 30, 2020. The size of the fresh issue of up to ₹ 3,440.84 million was reduced by approximately ₹ 790.84 million pursuant to the Pre-IPO placement, and accordingly, the Fresh Issue size was ₹ 2,650 million.*

(2) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on July 31, 2019, and a special resolution passed by our shareholders at their meeting held on August 30, 2019.*

(3) *Each of the Selling Shareholders has authorised and consented to participate in the Offer for Sale. For details on the authorisation and consent of the Selling Shareholders in relation to their respective Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 327. The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of filing the 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.*

(4) *Subject to valid bids having been received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, is 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 Shareholders, 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 was met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale on a proportionate basis; and (ii) through the issuance of balance part of the Fresh Issue.*

(5) *Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, allocated 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 was reserved for domestic Mutual Funds only, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 350.*

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, was made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, were made available for allocation on a proportional basis. For further details, see "*Offer Procedure*" beginning on page 350.

For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 342.

SUMMARY OF FINANCIAL INFORMATION

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

The Restated Financial Information referred to above is presented under "Financial Information" beginning on page 223. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 297.

(*The remainder of this page is intentionally left blank*)

Restated Summary Statement of Assets and Liabilities

(*₹ in millions*)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Assets					
Financial assets					
Cash and cash equivalents	2,165.83	2,329.67	1,477.23	1,857.24	230.14
Bank balance other than cash and cash equivalents	2,042.77	423.21	743.32	62.59	72.04
Loans	29,721.64	26,179.57	30,139.14	21,347.05	13,087.35
Investments	2,192.12	2,777.43	1,455.58	1,029.17	-
Other financial assets	845.07	477.72	657.29	261.23	49.50
Total financial assets	**36,967.43**	**32,187.60**	**34,472.56**	**24,557.28**	**13,439.03**
Non-financial assets					
Current tax assets (net)	15.80	53.19	18.26	10.25	4.66
Deferred tax assets (net)	-	-	-	24.83	63.81
Property, plant and equipment	169.55	185.95	204.84	167.59	97.62
Capital work-in-progress	-	2.03	-	-	7.88
Intangible assets under development	-	-	-	-	2.61
Other intangible assets	3.57	5.15	5.17	6.71	3.50
Other non-financial assets	65.61	42.62	95.28	53.39	30.31
Total non-financial assets	**254.53**	**288.94**	**323.55**	**262.77**	**210.39**
Total assets	**37,221.96**	**32,476.54**	**34,796.11**	**24,820.05**	**13,649.42**
Liabilities and equity					
Liabilities					
Financial liabilities					
Payables					
Trade payables					
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.06	1.71	4.32	13.58	5.37
Debt securities	2,394.58	-	-	-	-
Borrowings (other than debt securities)	23,971.20	22,956.31	24,938.05	19,256.41	10,198.76
Other financial liabilities	754.70	490.70	353.76	248.23	136.74
Total financial liabilities	**27,120.54**	**23,448.72**	**25,296.13**	**19,518.22**	**10,340.87**
Non-financial liabilities					
Current tax liabilities (net)	12.07	-	-	-	-
Provisions	73.25	47.17	66.39	29.62	18.74
Deferred tax liabilities (net)	59.65	20.61	23.07	-	-
Other non-financial liabilities	74.55	67.01	74.16	40.81	37.66
Total non-financial liabilities	**219.52**	**134.79**	**163.62**	**70.43**	**56.40**
Total liabilities	**27,340.06**	**23,583.51**	**25,459.75**	**19,588.65**	**10,397.27**
Equity					
Share capital	156.79	156.60	156.60	126.68	103.23
Other equity	9,725.11	8,736.43	9,179.76	5,104.72	3,148.92
Total equity	**9,881.90**	**8,893.03**	**9,336.36**	**5,231.40**	**3,252.15**
Total liabilities and equity	**37,221.96**	**32,476.54**	**34,796.11**	**24,820.05**	**13,649.42**

Restated Summary Statement of Profit and Loss

(*₹ in millions, except per share data*)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations					
Interest income	2,074.38	1,603.82	3,547.33	2,319.25	1,299.58
Fees and commission income	12.19	10.99	38.40	33.38	14.45
Net gain on derecognition of financial instruments under amortised cost category	257.63	211.22	371.22	214.76	-
Other operating income	27.29	12.90	29.45	31.37	6.89
Total revenue from operations	**2,371.49**	**1,838.93**	**3,986.40**	**2,598.76**	**1,320.92**
Other income	60.44	98.80	210.17	110.45	21.45
Total income	**2,431.93**	**1,937.73**	**4,196.57**	**2,709.21**	**1,342.37**
Expenses					
Finance costs	1,112.90	918.37	1,938.28	1,265.44	659.64
Impairment on financial instruments	164.09	39.46	165.02	73.13	28.74
Employee benefits expense	298.01	301.75	611.09	431.77	250.80
Depreciation and amortisation	38.99	32.36	72.39	45.77	24.63
Other expenses	114.36	142.94	336.96	241.15	135.86
Total expenses	**1,728.35**	**1,434.88**	**3,123.74**	**2,057.26**	**1,099.67**
Profit before tax	703.58	502.85	1,072.83	651.95	242.70
Tax expense:					
- Current tax	143.07	89.21	231.90	160.53	120.36
- Deferred tax expense / (income)	37.09	46.23	48.44	39.38	(37.62)
- Excess provision for tax of earlier years written back	(6.11)	-	-	-	-
	174.05	**135.44**	**280.34**	**199.91**	**82.74**
Profit after tax	**529.53**	**367.41**	**792.49**	**452.04**	**159.96**
Other comprehensive income /(loss) (OCI)					
Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans	(2.05)	(3.12)	(2.14)	(1.37)	0.25
- Income tax relating to items that will not be reclassified to profit or loss	0.51	0.79	0.54	0.40	(0.09)
Other comprehensive income / (loss)	**(1.54)**	**(2.33)**	**(1.60)**	**(0.97)**	**0.16**
Total comprehensive income	**527.99**	**365.08**	**790.89**	**451.07**	**160.12**
Earnings per equity share					
Basic earnings per share (Rs.) (Face value - Rs. 2)	6.76	5.33	10.77	7.82	3.10
Diluted earnings per share (Rs.) (Face value - Rs. 2)	6.59	5.21	10.53	7.65	3.02
Face value of equity share	2.00	10.00	2.00	10.00	10.00

Restated Summary Statement of Cash Flows

(*₹ in millions*)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities					
Profit before tax	703.58	502.85	1,072.83	651.95	242.70
Adjusted for:					
Financial asset measured at amortised cost	(17.03)	62.15	117.41	117.82	88.94
Financial liabilities measured at amortised cost	7.09	(14.66)	(12.14)	(21.73)	(2.86)
Interest accrued but not due on borrowings and debt securities	164.63	127.93	37.37	20.76	16.04
Upfront gain on direct assignment	(173.88)	(164.74)	(258.22)	(194.96)	14.64
Depreciation and amortisation	38.99	32.36	72.39	45.77	24.63
Interest income on bank deposits	(51.23)	(34.57)	(70.17)	(21.64)	(12.28)
Loss on sale of property, plant and equipment (net)	-	0.05	0.05	-	-
Adjustment on financial lease liability	4.36	3.97	9.08	7.12	4.98
Unrealised gain on investments held for trading	(8.58)	(1.73)	1.44	(2.02)	-
Impairment on financial instruments	164.09	39.46	165.02	73.13	28.74
Dividend income	-	-	-	(7.69)	(4.75)
Fair valuation of ESOPs	12.00	15.71	33.23	19.90	27.79
Operating profit before working capital changes	**844.02**	**568.78**	**1,168.29**	**688.41**	**428.57**
Adjustments for working capital:					
- (Increase) / decrease in loans	268.75	(4,932.51)	(9,045.01)	(8,449.16)	(5,311.91)
- (Increase) / decrease in other financial assets	(19.03)	(51.75)	(139.87)	(16.77)	(4.10)
- (Increase) / decrease in other non-financial assets	34.55	13.41	(38.79)	(23.06)	(8.22)
- Increase / (decrease) in trade payables	(4.26)	(11.87)	(9.26)	8.21	(27.56)
- Increase / (decrease) in other financial liabilities	230.60	82.41	(9.87)	41.64	(35.43)
- Increase / (decrease) in other non-financial liabilities	7.21	24.58	5.87	1.66	21.97
- Increase / (decrease) in provisions	4.81	14.43	34.63	9.51	(1.46)
Cash generated from / (used in) operating activities	**1,366.65**	**(4,292.52)**	**(8,034.01)**	**(7,739.56)**	**(4,938.14)**
Income tax paid (net)	(122.43)	(132.15)	(239.91)	(166.12)	(125.86)
Net cash generated from / (used in) operating activities (A)	**1,244.22**	**(4,424.67)**	**(8,273.92)**	**(7,905.68)**	**(5,064.00)**
Cash flows from investing activities:					
Purchase of property, plant and equipment and other intangible assets	(5.66)	(25.76)	(42.34)	(66.51)	(44.20)
Proceeds from sale of property, plant and equipment and other intangible assets	0.03	0.04	0.04	-	-
Purchase of investments	(8,420.10)	(15,327.50)	(28,558.20)	(19,919.50)	-
Proceeds from investments	7,692.14	13,580.97	28,130.35	18,892.35	-
Net proceeds / (investment) in bank deposits	(1,298.54)	(350.58)	(663.34)	7.41	590.00
Interest received on bank deposits	50.32	24.53	52.78	23.68	11.96
Dividend income on investments	-	-	-	7.69	4.75
Net cash generated from / (used in) investing activities (B)	**(1,981.81)**	**(2,098.30)**	**(1,080.71)**	**(1,054.88)**	**562.51**
Cash flows from financing activities:					
Proceeds from issuance of share capital (including share premium)	5.55	3,284.20	3,284.20	1,523.78	0.66
Share issue expenses	-	(3.36)	(3.36)	(15.50)	-

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Proceeds of borrowings from banks and financial institutions	1,811.00	5,601.24	10,250.00	10,870.13	6,490.13
Repayment of borrowings from banks and financial institutions	(2,790.32)	(1,886.68)	(4,556.25)	(1,790.80)	(2,841.79)
Proceeds from debt securities	2,400.00	-	-	492.49	-
Repayment of debt securities	-	-	-	(492.49)	-
Proceeds / (repayment) of loans repayable on demand	(0.04)	-	0.03	0.05	(77.17)
Net cash generated from financing activities (C)	**1,426.19**	**6,995.40**	**8,974.62**	**10,587.66**	**3,571.83**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**688.60**	**472.43**	**(380.01)**	**1,627.10**	**(929.66)**
Cash and cash equivalents at the beginning of the period / year	1,477.23	1,857.24	1,857.24	230.14	1,159.80
Cash and cash equivalents at the end of the period / year	**2,165.83**	**2,329.67**	**1,477.23**	**1,857.24**	**230.14**
Components of cash and cash equivalents:					
Cash on hand	0.18	0.35	0.22	0.61	0.05
Balances with banks					
- with banks in current accounts	1,581.47	1,058.36	131.11	1,856.00	229.45
- held as wallet money	0.72	0.96	0.90	0.63	0.64
- deposits with original maturity of 3 months or less	583.46	1,270.00	1,345.00	-	-
Cash and cash equivalents	**2,165.83**	**2,329.67**	**1,477.23**	**1,857.24**	**230.14**
Changes in liabilities arising from financing activities					
Opening balance (Borrowings and debt securities)	24,938.05	19,256.41	19,256.41	10,198.76	6,630.45
Proceeds from borrowings	1,811.00	5,601.24	10,250.00	10,870.13	6,490.13
Proceeds from debt securities	2,400.00	-	-	492.49	-
Repayments of borrowings	(2,790.32)	(1,886.68)	(4,556.25)	(1,790.80)	(2,841.79)
Repayments of debt securities	-	-	-	(492.49)	-
Proceeds / (repayment) of loans repayable on demand	(0.04)	-	0.03	0.05	(77.17)
Others	7.09	(14.66)	(12.14)	(21.73)	(2.86)
Closing balance (Borrowings and debt securities)	**26,365.78**	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**

GENERAL INFORMATION

Our Company was incorporated as 'Home First Finance Company India Private Limited' at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 2010 issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, our Company was converted to a public limited company and consequently the name of our Company was changed to 'Home First Finance Company India Limited' and a fresh certificate of incorporation dated March 14, 2018 was issued by the RoC.

For details in relation to the change in the registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 174.

Corporate Identity Number: U65990MH2010PLC240703

Company Registration Number: 240703

Registered and Corporate Office of our Company

511, Acme Plaza
Andheri Kurla Road
Andheri East
Mumbai 400 059
Maharashtra, India

Address of the RoC

Our Company is registered with the RoC, situated at the following address:
The Registrar of Companies, Maharashtra at Mumbai
Everest, 5th Floor
100 Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors of our Company

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

Name	Designation	DIN	Address
Deepak Satwalekar	Chairman and Independent Director	00009627	401, The Orchid, 12th Road, Near Madhu Park, Khar (West), Mumbai 400 052
Sakti Prasad Ghosh	Independent Director	00183802	Block BJ 94, Sector II, Salt Lake City PS, Bidhannagar, Kolkata 700 091
Sujatha Venkatramanan	Independent Director	05340759	Ground floor Flat, 20, Ferncroft Avenue London NW3 7PH
Divya Sehgal	Nominee Director	01775308	Flat No 1307 and 1308, Wing A, 13th floor, Ashok Tower, Dr. Ambedkar Road, Parel, Sewri, Mumbai 400 012
Maninder Singh Juneja	Nominee Director	02680016	D 1002, Mayfair Meridian Ceasar Road, Amboli, Andheri West, Mumbai 400 058
Rajagopalan Santhanam	Nominee Director	00025669	1805, B Wing, Lake Primrose, Lake Homes, Powai, Mumbai 400 076
Vishal Vijay Gupta	Nominee Director	01913013	15A, D Block, Binny Crescent Apartments Nandidurga Road, Benson Town, Bangalore 560 046
Narendra Ostawal	Nominee Director	06530414	B, B-4101, Floor 41st, Plot CS no. 77, B Wing, One Avighna Park, Mahadeo Palav Marg, Currey Road, Parel, Mumbai 400 012
Manoj Viswanathan	Managing Director and Chief Executive Officer	01741612	1402, Panchatantra (1), Off Yari Road, Versova, Mumbai 400 061

For further details of the Directors, see "*Our Management*" beginning on page 180.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4 A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act has been delivered for filing to the RoC and a signed copy of this Prospectus to be filed under Section 26 of the Companies Act shall be delivered for filing with RoC at the office of the RoC at 100, Everest, Marine Drive, Mumbai 400 002.

Company Secretary and Compliance Officer

Shreyans Bachhawat is our Company Secretary and Compliance Officer. His contact details are as set forth below:

Shreyans Bachhawat
Company Secretary and Compliance Officer
511, Acme Plaza
Andheri Kurla Road
Andheri East
Mumbai 400 059
Maharashtra, India
Tel: +91 22 6694 0386
E-mail: corporate@homefirstindia.com

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg
Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: hffl.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Sagar Jatakiya
SEBI Registration no.: INM000012029

Credit Suisse Securities (India) Private Limited
9th Floor, Ceejay House
Plot F, Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
Maharashtra, India
Tel: +91 22 6777 3777
E-mail: list.hffcipo@credit-suisse.com
Investor Grievance E-mail: list.igcellmer-bnkg@credit-suisse.com
Website:
www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html
Contact Person: Rishi Agrawal
SEBI Registration No.: INM000011161

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
E-mail: hffl.ipo@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sameer Purohit/ Nidhi Wangnoo
SEBI Registration Number: INM000011179

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. 27, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: hffc.ipo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration no.: INM000008704

Legal Advisors to the Offer

Indian Legal Counsel to our Company

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

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel.: +91 22 4933 5555

International Legal Counsel to the Book Running Lead Managers

Sidley Austin LLP
Six Battery Road
Level 31
Singapore 049909
Tel: +65 6230 3900

Indian Legal Counsel to the Promoter Selling Shareholders, P. S. Jayakumar and Manoj Viswanathan

Cyril Amarchand Mangaldas
4th floor, Prius Platinum
D-3, District Centre
Saket, New Delhi 110 017
India
Tel: +91 11 6622 9000

Indian Legal Counsel to the Investor Selling Shareholder

Khaitan & Co
Embassy Quest
3rd Floor
45/1 Magrath Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 4339 7000

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: hffcl.ipo@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Statutory Auditors to our Company

Walker Chandiok & Co LLP
11th floor, Tower II,
One International Centre, S B Marg
Prabhadevi (West), Mumbai 400 013,
Maharashtra, India
Tel: +91 22 6626 2600
E-mail: sudhir.pillai@walkerchandiok.in
Peer Review Number: 011707
Firm Registration Number: 001076N/N500013

Changes in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Prospectus.

Bankers to the Offer

Escrow Bank

Axis Bank Limited
Ground Floor, Manek Plaza,
CST Road, Kalina,
Santacruz (East), Mumbai 400 098,
Maharashtra, India
Tel: 9167 007 761
Contact person: Vijayaraghavan Seshadri
E-mail: Kalina.Branchhead@axisbank.com
Website: www.axisbank.com
SEBI Registration No.: INBI00000017

Public Offer Account Bank/ Sponsor Bank/ Refund Bank

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation,
Churchgate, Mumbai 400020
Maharashtra, India
Tel: 022 66818911/23/24
Contact person: Mr. Saurabh Kumar
E-mail: kmr.saurabh@icicibank.com
Website: www.icicibank.com
SEBI Registration No.: INBI00000004

Bankers to our Company

Axis Bank Limited
Axis House, 8th Floor
Worli
Mumbai 400 025
Maharashtra, India
Tel: 022 2425 5879
Contact person: Abhinav Kumar
E-mail: abhinav2.kumar@axisbank.com
Website: www.axisbank.com

Bajaj Finance Limited
The Capital, Plot number C 70
G Block, B Wing, 16th floor, Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: 022 3950 0517
Contact person: Deepti Shetty
E-mail: deepti.shetty@bajajfinserv.in
Website: www.bajajfinserv.in

DCB Bank Limited
Peninsula Business Park, Tower A
6th Floor, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: 022 6618 7131
Contact person: Anil Yadav
E-mail: anil.yadav@dcbbank.com
Website: www.dcbbank.com

IDBI Bank
Mittal Court, B wing, 2nd Floor
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: 022 6127 9201/ +91 81404 11108
Contact person: Kailas V Shinde
E-mail: kv.shinde@idbi.co.in
Website: www.idbibank.in

HDFC Bank
Peninsula Business Park, Tower B
4th Floor, Unit 401 & 402
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: 022 3395 8046
Contact person: Lukesh Chaudhari
E-mail: Lukesh.Chaudhari@hdfcbank.com

Federal Bank
C Wing, 5th floor, Laxmi Tower
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: 022 6174 8742
Contact person: Soham Ranjan
E-mail: ccscfort@federalbank.co.in soham@federalbank.in
Website: www.federalbank.co.in

The Karur Vyasa Bank
1st floor, Gayathri Towers, 954
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 70457 98343
Contact person: Ramesh V
E-mail: rameshv@kvbmail.com
Website: www.kvb.co.in

Central Bank of India
Corporate Finance Branch, 1st floor
MMO Building, MG Road
Fort, Mumbai 400 001
Maharashtra, India
Tel: 022 4078 5801
Contact person: Anil Kumar
E-mail: dgmcfb3007@centralbank.co.in
Website: www.centralbankofindia.co.in

State Bank of India
2nd Floor, N.G.N Vaidya Marg
Horniman Circle, Fort
Mumbai 400 001
Tel: 022 2266 2361
Contact person: Chirojeet Sarkar
E-mail: c.sarkar@sbi.co.in
Website: www.sbi.co.in

CSB Bank
Head office: CSB Bhavan
P.O Box number 502, St. Mary’s College Road
Thrissur 680 020, Kerala, India
Branch office: Ground floor, Mafatlal House
H.T Parekh Marg, Churchgate
Mumbai 400 020, Maharashtra, India
Tel: 022 6839 5300
Contact person: CA Purimetla Kishore

Website: www.hdfcbank.com

ICICI Bank Limited
ICICI Bank Towers, Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: 022 4008 7425Contact person: Amit Bijalwan
Contact person: Amit Bijalwan
E-mail: amit.bijalwan@icicibank.com
Website: www.icicibank.com

Union Bank of India
Industrial Finance Branch, 1st Floor
239, Vidhan Bhavan Marg, Nariman Point
Mumbai 400 021
Tel: 022 2289 6728
Contact person: Mallikarjuna Reddy
E-mail: mallikarjuna.reddy@unionbankofindia.com
Website: www.unionbankofindia.co.in

Kotak Mahindra Bank Limited
27 BKC, C27, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: 022 6166 0386
Contact person – Prashant Kumar Giri
E-mail: prashantkumar.giri@kotak.com
Website: www.kotak.com

E-mail: purimetlakishore@csb.co.in
Website: www.csb.co.in

Bank of Baroda
8 Meghdhoot Junction of Linking and Turner Road Bandra
Mumbai 400 050
Maharashtra, India
Tel: 022 2645 3677
Contact person: Dattatray Hadpadkar
E-mail: www.bankofbaroda.in
Website: midbdr@bankofbaroda.com

Bank of India
92-93, 9th Floor, Free Press House
215, Free Press Journal Marg
Nariman Point, Mumbai 400 021
Tel: 022 2204 1552
Contact person: Gaurav Khaitan
E-mail: lcb.narimanpoint@bankofindia.co.in
Website: www.bankofindia.co.in

Syndicate Member

Kotak Securities Limited
4th floor,12 BKC, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6218 5470
Contact person: Umesh Gupta
E-mail: umesh.gupta@kotak.com
Website: www.kotak.com
SEBI Registration No.: INZ000200137

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:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers 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.	Axis, Credit Suisse, I-Sec and Kotak	Axis
2.	Drafting and approval of all statutory advertisement	Axis, Credit Suisse, I-Sec and Kotak	Axis
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.	Axis, Credit Suisse, I-Sec and Kotak	Kotak
4.	Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers to the Offer including co-ordination for agreements.	Axis, Credit Suisse, I-Sec and Kotak	Axis

Sr. No	Activity	Responsibility	Co-ordinator
5.	Appointment of Bankers to the Offer including co-ordination for agreements	Axis, Credit Suisse, I-Sec and Kotak	I-Sec
6.	Preparation of road show presentation	Axis, Credit Suisse, I-Sec and Kotak	Credit Suisse
7.	Preparation of FAQs for the road show team	Axis, Credit Suisse, I-Sec and Kotak	Credit Suisse
8.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	Axis, Credit Suisse, I-Sec and Kotak	Credit Suisse
9.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	Axis, Credit Suisse, I-Sec and Kotak	Axis
10.	Conduct non-institutional marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non-Institutional Investors	Axis, Credit Suisse, I-Sec and Kotak	Kotak
11.	Conduct retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Axis, Credit Suisse, I-Sec and Kotak	I-Sec
12.	Coordination with Stock-Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	Axis, Credit Suisse, I-Sec and Kotak	Kotak
13.	Managing the book and finalization of pricing in consultation with the Company.	Axis, Credit Suisse, I-Sec and Kotak	Axis
14.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer 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 and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	Axis, Credit Suisse, I-Sec and Kotak	I-Sec

IPO Grading

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

Monitoring Agency

Our Company has appointed a Monitoring Agency in accordance with Regulation 41 of SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

Axis Bank Limited
Akruti Centre Point, Ground Floor,
MIDC, Andheri East, Mumbai 400 093,
Maharashtra, India
Tel: +91 9167003951
Contact Person: Chetan Trivedi
Email: chetan.trivedi@axisbank.com, midcandheri.branchhead@axisbank.com
SEBI Registration No.: INBI00000017

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.

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 RII 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, RIIs 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?doRecognisdFpi=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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 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 dated November 26, 2020 from our Statutory Auditors, Walker Chandiok & Co LLP, Chartered Accountants, to include their name in this 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 on Restated Financial Information. Our Company has also received a written consent dated January 12, 2021 from our Statutory Auditors in relation to the statement of special tax benefits. Such consents have not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an expert 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 was decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, and which is included in this Prospectus or which has been advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Mumbai editions of the Marathi daily newspaper Tarun Bharat (Marathi being the regional language of Maharashtra, 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 was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 350.

All Bidders (other than Anchor Investors) have participated in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount was blocked by the SCSBs. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were 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 could revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors were 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 was on a proportionate basis. Further, allocation to Anchor Investors was on a discretionary basis.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" on pages 342, 347 and 350, 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.

Bidder should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after this 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

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated January 27, 2021. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

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

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025	5,568,139	2,884.30

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
Maharashtra, India Tel: +91 22 4325 2183 E-mail: hffl.ipo@axiscap.in		
Credit Suisse Securities (India) Private Limited 9th Floor, Ceejay House Plot F, Shivsagar Estate Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3777 E-mail: list.hffcipo@credit-suisse.com	5,568,139	2,884.30
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: hffl.ipo@icicisecurities.com	5,568,139	2,884.30
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. 27, "G" Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: hffc.ipo@kotak.com	5,568,039	2,884.24
Kotak Securities Limited 4th Floor, 12 BKC, G Block, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Tel: +91 22 6218 5470 E-mail: umesh.gupta@kotak.com	100	0.05

The aforementioned underwriting commitments are indicative and will be finalised after the 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, at its meeting held on January 27, 2021, 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.

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate Value at Face Value	Aggregate Value at Offer Price
A	**AUTHORISED SHARE CAPITAL(1)**		
	125,000,000 Equity Shares (having face value of ₹ 2 each)	250,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	82,270,961 Equity Shares (having face value of ₹ 2 each)	164,541,922	42,616,357,798
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS(2)**		
	Offer of 22,272,556* Equity Shares (having face value of ₹ 2 each)(2)(3)	44,545,112	11,537,184,008
	of which		
	Fresh Issue of 5,115,830* Equity Shares (having face value of ₹ 2 each) aggregating to ₹ 2,650 million(2)	10,231,660	2,649,999,940
	Offer for Sale of 17,156,726* Equity Shares (having face value of ₹ 2 each) aggregating to ₹ 8,887.19 million(3)	34,313,452	8,887,184,068
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	87,386,791* Equity Shares (having face value of ₹ 2 each)	174,773,582	45,266,357,738
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		8,421.27 million
	After the Offer		11,061.04 million

** Subject to finalisation of the Basis of Allotment. The Offer Price is ₹ 518 per Equity Share.*

(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 in the last ten years" on pages 174-176.*

(2) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on July 31, 2019, and a special resolution passed by our shareholders at their meeting held on August 30, 2019. Each of the Selling Shareholders have confirmed and authorized their respective participation in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures" on page 327.*

(3) *Our Company has undertaken a: (i) preferential allotment of 2,240,639 Equity Shares to Orange Clove Investments B.V. (an affiliate of Warburg Pincus) for cash at a price of ₹ 334.726 per Equity Share aggregating to approximately ₹ 750 million pursuant to the resolution of the Board dated October 15, 2020; and (ii) preferential allotment of 122,000 Equity Shares to certain of its employees for cash at a price of ₹ 334.726 per Equity Share aggregating to ₹ 40.84 million pursuant to the resolution of the Board dated November 30, 2020. The size of the fresh issue of up to ₹ 3,440.84 million was reduced by approximately ₹ 790.84 million pursuant to the Pre-IPO placement, and accordingly, the Fresh Issue size was ₹ 2,650 million.*

(4) *The Equity Shares being offered by each Selling Shareholder have been held by them for a period of at least one year prior to the date of filing of the 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 327.*

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
February 3, 2010	10,000	10	10	Initial subscription to the Memorandum of Association(1)	Cash
March 8, 2010	1,990,000	10	10	Further issue(2)	Cash
September 20, 2010	250,000	10	10	Further issue(3)	Cash
October 12, 2010	50,000	10	10	Further issue(4)	Cash
January 14, 2011	10,000	10	239.13	Further issue(5)	Cash

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
March 10, 2011	167,274	10	239.13	Further issue(6)	Cash
March 14, 2012	167,274	10	239.13	Further issue(7)	Cash
March 25, 2013	209,091	10	239.13	Further issue(8)	Cash
November 12, 2013	10,000	10	281.13	Further issue(9)	Cash
June 30, 2015	451,748	10	281.13	Preferential allotment(10)	Cash
March 4, 2016	437,520	10	281.13	Rights issue(11)	Cash
March 30, 2017	2,558,809	10	586.21	Preferential allotment(12)	Cash
	4,008,815	10	586.21@	Conversion of 4,008,815 Preference Shares into equity shares of face value ₹ 10(13)	Cash@
February 19, 2018	800	10	239.13	Allotment pursuant to ESOP 2012(14)	Cash
February 28, 2018	2,000	10	239.13	Allotment pursuant to ESOP 2012(15)	Cash
August 8, 2018	33,985	10	239.13	Allotment pursuant to ESOP 2012(16)	Cash
	10,750	10	281.13		
September 21, 2018	2,262,682	10	662.93	Preferential allotment(17)	Cash
November 19, 2018	30,000	10	281.13	Allotment pursuant to ESOP 2012 and ESOP II(18)	Cash
	7,150	10	586.21		Cash
June 29, 2019	2,030,797	10	1116.00	Preferential allotment (19)	Cash
September 19, 2019	897,348	10	1116.00	Preferential allotment (20)	Cash
	28,500	10	281.13	Allotment pursuant to ESOP 2012(21)	Cash
	35,000	10	239.13	Allotment pursuant to ESOP 2012(22)	Cash
October 30, 2019	Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Therefore, the cumulative number of Equity Shares pursuant to sub-division was 78,297,715 Equity Shares.				
July 2, 2020	3,480	2	117.242	Allotment pursuant to ESOP II(23)	Cash
September 24, 2020	1,075	2	47.826	Allotment pursuant to ESOP 2012(24)	Cash
	90,625	2	56.226	Allotment pursuant to ESOP 2012(25)	
October 12, 2020	650,000	2	47.826	Allotment pursuant to ESOP 2012(26)	Cash
	546,305	2	56.226	Allotment pursuant to ESOP 2012(27)	
	192,936	2	117.242	Allotment pursuant to ESOP II(28)	
	82,842	2	139.296	Allotment pursuant to ESOP II(29)	
October 15, 2020	2,240,639	2	334.726	Preferential allotment (30)	Cash
October 21, 2020	1,750	2	117.242	Allotment pursuant to ESOP II(31)	Cash
	1,742	2	139.296	Allotment pursuant to ESOP II(32)	
November 13, 2020	30,000	2	56.226	Allotment pursuant to ESOP 2012(33)	Cash
	6,525	2	117.242	Allotment pursuant to ESOP II(34)	

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
	3,327	2	139.296	Allotment pursuant to ESOP II[35]	
November 30, 2020	122,000	2	334.726	Preferential allotment [36]	Cash
Total	**82,270,961**				

[@] *Consideration for such equity shares was paid at the time of issuance of Preference Shares*

(1) Allotment of 4,950 equity shares each to Jaithirth Rao and P. S. Jayakumar and allotment of 100 equity shares to Sunil Narayan pursuant to subscription to the Memorandum of Association.

(2) Allotment of 995,000 equity shares each to Jaithirth Rao and P. S. Jayakumar.

(3) Allotment of 250,000 equity shares to Manoj Viswanathan.

(4) Allotment of 50,000 equity shares to Bhaskar Chaudhry.

(5) Allotment of 10,000 equity shares to Bessemer.

(6) Allotment of 83,637 equity shares each to Jaithirth Rao and P. S. Jayakumar.

(7) Allotment of 83,637 equity shares each to Jaithirth Rao and P. S. Jayakumar.

(8) Allotment of 209,091 equity shares to Jaithirth Rao.

(9) Allotment of 10,000 equity shares to Alpha TC Holdings Pte Limited.

(10) Allotment of 351,154 equity shares to Jaithirth Rao and allotment of 100,594 equity shares to P. S. Jayakumar.

(11) Allotment of 366,379 equity shares to Jaithirth Rao and allotment of 71,141 equity shares to P. S. Jayakumar.

(12) Allotment of 1,535,285 equity shares to TN V LLP and allotment of 1,023,524 equity shares to Aether.

(13) Allotment of 1,167,835 equity shares to TN V LLP, allotment of 778,556 equity shares to Aether and allotment of 2,062,424 Equity Shares to Bessemer pursuant to conversion of 1,167,835 Series B CCPS held by TN V LLP, conversion of 778,556 Series B CCPS held by Aether and conversion of 1,600,004 Series A CCPS and 462,420 Series B CCPS held by Bessemer, respectively.

(14) Allotment of 800 equity shares to Kiran Agarwal Todi.

(15) Allotment of 2,000 equity shares to Anisha B V.

(16) Allotment of 5,000 equity shares to Amod Soratur, allotment of 19,200 equity shares to Kiran Agarwal Todi, allotment of 10,000 equity shares to Kiran Agarwal Todi, allotment of 9,785 equity shares to Kiran Kumar B, allotment of 375 equity shares to Pradyumna S G and allotment of 375 equity shares to Vinod Mukunthan.

(17) Allotment of 1,357,609 equity shares to TN V LLP and allotment of 905,073 equity shares to Aether.

(18) Allotment of 30,000 equity shares to Kiran Agarwal Todi and allotment of 7,150 equity shares to Kiran Agarwal Todi.

(19) Allotment of 894,334 equity shares to TN V LLP, allotment of 596,222 equity shares to Aether, allotment of 476,423 equity shares to Bessemer, allotment of 4,480 equity shares to Manoj Viswanathan, allotment to 650 equity shares to Bhaskar Chaudhry, allotment of 13,440 equity shares to Nutan Gaba Patwari, allotment of 8,960 equity shares to Ajay Khetan, allotment of 11,648 equity shares to Gaurav Mohta, allotment of 6, 720 equity shares to Vilasini Subramaniam, allotment of 13,440 equity shares to Abhijeet Jamkhindikar, allotment of 1,792 equity shares to Arun Chandra Jupalli and allotment of 2,688 equity shares to Ramakrishna V.

(20) Allotment of 447,301 equity shares to TN V LLP, allotment of 298,201 equity shares to Aether, allotment of 150,946 equity shares to P. S. Jayakumar and allotment of 900 equity shares to Bhaskar Chaudhry.

(21) Allotment of 7,500 equity shares to Sakti Prasad Ghosh, allotment of 7,500 equity shares to Sujatha Venkatramanan, allotment of 12,000 equity shares to Amod Soratur and allotment of 1,500 equity shares to Rushi Trivedi.

(22) Allotment of 17,500 equity shares to Sakti Prasad Ghosh, allotment of 15,000 equity shares to Sujatha Venkatramanan and allotment of 2,500 equity shares to Amod Soratur.

(23) Allotment of 3,480 Equity Shares to Shankresh Katagi.

(24) Allotment of 1,075 Equity Shares to Kiran Kumar.

(25) Allotment of 75,000 Equity Shares to Kiran Kumar, 10,625 Equity Shares to Vinod Mukunthan and 5,000 Equity Shares to Rushi Trivedi.

(26) Allotment of 100,000 Equity Shares to Ajay Khetan, allotment of 57,500 Equity Shares to Anand Soni, allotment of 105,000 Equity Shares to Gaurav Mohta, allotment of 375,000 Equity Shares to Manoj Viswanathan and allotment of 12,500 Equity Shares to Manoj Yadav.

(27) Allotment of 5,000 Equity Shares to Anand Raju, allotment of 75,000 Equity Shares to Anand Soni, allotment of 315,680 Equity Shares to Manoj Viswanathan, allotment of 22,500 Equity Shares to Manoj Yadav, allotment of 20,000 Equity Shares to Namrata Doshi, allotment of 10,625 Equity Shares to Pradyumna SG, allotment of 25,000 Equity Shares to Pratiksha Mohanty, allotment of 12,500 Equity Shares to Rajarshi Mitra and allotment of 60,000 Equity Shares to Vilasini Subramaniam.

(28) Allotment of 38,550 Equity Shares to Abhijeet Jamkhindikar, allotment of 5,220 Equity Shares to Aditya Pokharna, allotment of 3,827 Equity Shares to Alok Bhardwaj, allotment of 5,220 Equity Shares to Deepak U, allotment of 3,827 Equity Shares to Dev Joshi, allotment of 3,375 Equity Shares to Hetal Shah, allotment of 5,220 Equity Shares to Ipsita Majumder, allotment of 5,220 Equity Shares to Kavita Semwal, allotment of 3,480 Equity Shares to Keyur Bhatt, allotment of 5,220 Equity Shares to Kunal Chauhan, allotment of 59,320 Equity Shares to Manoj Viswanathan, allotment of 2,610 Equity Shares to Pooja Mehta, allotment of 6,525 Equity Shares to Pradyumna SG, allotment of 3,827 Equity Shares to Raj Goyal, allotment of 6,525 Equity Shares to Rajarshi Mitra, allotment of 3,827 Equity Shares to Richa Singh, allotment of 5,219 Equity Shares to Sahithya Adusumilli, allotment of 5,220 Equity Shares to Sathish Kumar, allotment of 3,827 Equity Shares to Shamili Swamy, allotment of 6,525 Equity Shares to Suman Ranka, allotment of 3,827 Equity Shares to Vipul Rathore and allotment of 6,525 Equity Shares to Yashica Korde.

(29) Allotment of 1,806 Equity Shares to Aditya Pokharna, allotment of 1,296 Equity Shares to Akshay Kunte, allotment of 1,296 Equity Shares to Alok Bhardwaj, allotment of 1,296 Equity Shares to Aman Chandak, allotment of 871 Equity Shares to Ankita Soni, allotment of 1,296 Equity Shares to Ashok Raj, allotment of 1,296 Equity Shares to Avani Mehta, allotment of 1,296 Equity Shares to Avinash Gondane, allotment of 1,805 Equity Shares to Deepak U, allotment of 2,677 Equity Shares to Dev Joshi, allotment of 1,296 Equity Shares to Ganesh P, allotment of 871 Equity Shares to Gopinath J, allotment of 1,296 Equity Shares to Ipsita Majumder, allotment of 1,296 Equity Shares to Jatin Keswani, allotment of 1,806 Equity Shares to Kavita Semwal, allotment of 2,677 Equity Shares to Keyur Bhatt, allotment of 1,805 Equity Shares to Kunal Chauhan, allotment of 871 Equity Shares to Mayuri Langote, allotment of 871 Equity Shares to Mohamed Mufith, allotment of 1,296 Equity Shares to Mohith Aiyappa, allotment of 1,296 Equity Shares to Navatha Sageli, allotment of 871 Equity Shares to Nishi Jayakumar, allotment of 871 Equity Shares to Pooja Singh, allotment of 2,677 Equity Shares to Pradyumna SG, allotment of 1,806 Equity Shares to Raj Goyal, allotment of 29,760 Equity Shares to Ramakrishna V, allotment of 1,296 Equity Shares to Richa Singh, allotment of 1,806 Equity Shares to Sahithya Adusumilli, allotment of 2,677 Equity Shares to Saravanan M, allotment of 1,806 Equity Shares to Sathish Kumar, allotment of 1,296 Equity Shares to Shamili Swamy, allotment of 648 Equity Shares to Sharan A Makam, allotment of 871 Equity Shares to Shilpa Tiwari, allotment of 2,678 Equity Shares to Suman Ranka, allotment of 871 Equity Shares to Vamsi Krishna V, allotment of 1,296 Equity Shares to Vijaykumar Tiriveedhi and allotment of 1,296 Equity Shares to Vipul Rathore.

(30) Allotment of 2,240,639 Equity Shares to Orange Clove Investments B.V. (an affiliate of Warburg Pincus).

(31) Allotment of 1,750 Equity Shares to Kiran Kumar.

(32) Allotment of 871 Equity Shares to Vivek Ghumadwar and 871 Equity Shares to Arun Prasad K,

(33) Allotment of 30,000 Equity Shares to Manoj Yadav.

(34) Allotment of 6,525 Equity Shares to Rushi Trivedi.

(35) Allotment of 2,680 Equity Shares to Rushi Trivedi and allotment of 647 Equity Shares to Sharan A Makam.

(36) Allotment of 30,000 Equity Shares to Manoj Viswanathan, allotment of 30,000 Equity Shares to Ajay Khetan, allotment of 11,000 Equity Shares to Vilasini Subraminam, allotment of 10,000 Equity Shares to Gaurav Mohta, allotment of 3,000 Equity Shares to Prashant Gajaria, allotment of 3,000 Equity Shares to Gaurav Leekha, allotment of 3,000 Equity Shares to Sarwesh Singh, allotment of 3,000 Equity Shares to Sunil Anjana, allotment of 3,000 Equity Shares to Vimal Chauhan, allotment of 2,000 Equity Shares to Kamlesh Sanghvi, allotment of 2,000 Equity Shares to Rajarshi Mitra, allotment of 2,000 Equity Shares Bhavesh Yadav, allotment of 2,000 Equity Shares to Aditi Choudhary, allotment of 2,000 Equity Shares to Abhinav Jain, allotment of 2,000 Equity Shares to Dharam Joshi, allotment of 1,000 Equity Shares to RadhaKrishnan K, allotment of 1,000 Equity Shares to Ranan Rodrigues, allotment of 1,000 Equity Shares to Akhilesh Kumawat, allotment of 1,000 Equity Shares to Devarsh Shah, allotment of 1,000 Equity Shares to Chandansingh Charan, allotment of 1,000 Equity Shares to Rahil Parekh, allotment of 1,000 Equity Shares to Pankaj Tavate, allotment of 1,000 Equity Shares to Kunal Chauhan, allotment of 1,000 Equity Shares to Mansheel Kohli, allotment of 1,000 Equity Shares to Simona Almeida, allotment of 1,000 Equity Shares to Tanisha Erande, allotment of 1,000 Equity Shares to Yashica Korde, allotment of 1,000 Equity Shares to Shreyans Bachhawat and allotment of 1,000 Equity Shares to Neelima Verma.

II. Preference Share capital history of our Company

The history of the preference share capital of our Company is set forth below:

Date of Allotment of Preference Shares	Number of Preference Shares Allotted	Face Value per Preference Shares (in ₹)	Issue Price per Preference Shares (in ₹)	Nature of Allotment	Nature of consideration
January 14, 2011	408,183	10	239.13	Further issue(1)	Cash
March 14, 2012	418,183	10	239.13	Further issue(2)	Cash
March 25, 2013	773,638	10	239.13	Further issue(3)	Cash
November 12, 2013	1,661,825	10	281.13	Further issue(4)	Cash
March 4, 2016	746,986	10	281.13	Rights issue(5)	Cash
March 30, 2017	(4,008,815)	10	586.21	Conversion of 4,008,815 Preference Shares into Equity Shares(6)	Cash@
Total	**NIL**				

@ *Consideration for such equity shares was paid at the time of issuance of Preference Shares.*

(1) *Allotment of 408,183 Series A CCPS to Bessemer.*

(2) *Allotment of 418,183 Series A CCPS to Bessemer.*

(3) *Allotment of 773,638 Series A CCPS to Bessemer.*

(4) *Allotment of 1,661,825 Series B CCPS to Alpha TC Holdings Pte Limited.*

(5) *Allotment of 462,420 Series B CCPS to Bessemer and allotment of 284,566 Series B CCPS to Alpha TC Holdings Pte Limited.*

(6) *Allotment of 1,167,835 equity shares to TN V LLP, allotment of 778,556 equity shares to Aether and allotment of 2,062,424 equity shares to Bessemer pursuant to conversion of 1,167,835 Series B CCPS held by TN V LLP, conversion of 778,556 Series B CCPS held by Aether and conversion of 1,600,004 Series A CCPS and 462,420 Series B CCPS held by Bessemer, respectively.*

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

Our Company has not issued Equity Shares through bonus issue or for consideration other than cash or out of revaluation reserves.

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

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.

3. **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 ESOP 2012 and ESOP II, our Company does not have any employee stock option schemes.

4. **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 during a period of one year preceding the date of this 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 ₹)	Name of Allottees	Nature of consideration	Reason of allotment
July 2, 2020	3,480	2	117.24	Shankresh Katagi	Cash	Allotment pursuant to ESOP II
September 24, 2020	1,075	2	47.826	Kiran Kumar	Cash	Allotment pursuant to ESOP 2012

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Name of Allottees	Nature of consideration	Reason of allotment
	90,625	2	56.226	Kiran Kumar, Vinod Mukunthan, Rushi Trivedi	Cash	Allotment pursuant to ESOP 2012
October 12, 2020	650,000	2	47.826	Ajay Khetan, Anand Soni, Gaurav Mohta, Manoj Viswanathan, Manoj Yadav	Cash	Allotment pursuant to ESOP 2012
	546,305	2	56.226	Anand Raju, Anand Soni, Manoj Viswanathan, Manoj Yadav, Namrata Doshi, Pradyumna SG, Pratiksha Mohanty, Rajarshi Mitra and Vilasini Subramaniam.	Cash	Allotment pursuant to ESOP 2012
	192,936	2	117.242	Abhijeet Jamkhindikar, Aditya Pokharna, Alok Bhardwaj, Deepak U, Dev Joshi, Hetal Shah, Ipsita Majumder, Kavita Semwal, Keyur Bhatt, Kunal Chauhan, Manoj Viswanathan, Pooja Mehta, Pradyumna SG, Raj Goyal, Rajarshi Mitra, Richa Singh, Sahithya Adusumilli, Sathish Kumar, Shamili Swamy, Suman Ranka, Vipul Rathore and Yashica Korde.	Cash	Allotment pursuant to ESOP II
	82,842	2	139.296	Aditya Pokharna, Akshay Kunte, Alok Bhardwaj, Aman Chandak, Ankita Soni, Ashok Raj, Avani Mehta, Avinash Gondane, Deepak U, Dev Joshi, Ganesh P, Gopinath J, Ipsita Majumder, Jatin Keswani, Kavita Semwal, Keyur Bhatt, Kunal Chauhan, Mayuri Langote, Mohamed	Cash	Allotment pursuant to ESOP II

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Name of Allottees	Nature of consideration	Reason of allotment
				Mufith, Mohith Aiyappa, Navatha Sageli, Nishi Jayakumar, Pooja Singh, Pradyumna SG, Raj Goyal, Ramakrishna V, Richa Singh, Sahithya Adusumilli, Saravanan M, Sathish Kumar, Shamili Swamy, Sharan A Makam, Shilpa Tiwari, Suman Ranka, Vamsi Krishna V, Vijaykumar Tiriveedhi and Vipul Rathore.		
October 15, 2020	2,240,639	2	334.726	Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	Cash	Preferential allotment
October 21, 2020	1,750	2	117.242	Kiran Kumar	Cash	Allotment pursuant to ESOP II
	1,742	2	139.296	Vivek Ghumadwar and Arun Prasad K	Cash	Allotment pursuant to ESOP II
November 13, 2020	30,000	2	56.226	Manoj Yadav	Cash	Allotment pursuant to ESOP 2012
	6,525	2	117.242	Rushi Trivedi	Cash	Allotment pursuant to ESOP II
	3,327	2	139.296	Rushi Trivedi and Sharan A Makam	Cash	Allotment pursuant to ESOP II
November 30, 2020	122,000	2	334.726	Manoj Viswanathan, Ajay Khetan, Vilasini Subraminam, Gaurav Mohta, Prashant Gajaria, Gaurav Leekha, Sarwesh Singh, Sunil Anjana, Vimal Chauhan, Kamlesh Sanghvi, Rajarshi Mitra, Bhavesh Yadav, Aditi Choudhary,	Cash	Preferential allotment

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Name of Allottees	Nature of consideration	Reason of allotment
				Abhinav Jain, Dharam Joshi, RadhaKrishnan K, Ranan Rodrigues, Akhilesh Kumawat, Devarsh Shah, Chandansingh Charan, Rahil Parekh, Pankaj Tavate, Kunal Chauhan, Mansheel Kohli, Simona Almeida, Tanisha Erande, Yashica Korde, Shreyans Bachhawat and Neelima Verma.		

5. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this 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 (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**	2	43,480,894	-	-	43,480,894	52.85	43,480,894	-	43,480,894	52.85	-	-		-		-	43,480,894
(B)	**Public**	46*	38,790,067	-	-	38,790,067	47.15	38,790,067	-	38,790,067	47.15	-	-		-		-	38,790,067
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**48***	**82,270,961**	-	-	**82,270,961**	**100.00**	**82,270,961**	-	**82,270,961**	**100.00**	-	-		-		-	**82,270,961**

* *The number of shareholders is calculated based on the number of folios.*

6. **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 Prospectus:

	Name of the shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share capital (%) on a fully diluted basis**
1.	TN V LLP	26,115,080	30.22
2.	Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	25,191,802	29.15
3.	Aether	17,365,814	20.09
4.	Bessemer	9,136,814	10.57
5.	Manoj Viswanathan*	1,643,580	1.90
6.	Universal Trustees Private Limited***	1,588,000	1.84
7.	P. S. Jayakumar	1,304,604	1.51
	Total	**82,345,694**	**95.28**

* *Includes equity shareholding and stock options in force.*

** *Percentage is calculated on the basis of equity share capital and all stock options in force as on the relevant date.*

*** *In the capacity of trustee of Adivam Family Trust.*

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 Prospectus:

	Name of the shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share capital (%) on a fully diluted basis**
1.	TN V LLP	26,115,080	30.22
2.	Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	25,191,802	29.15
3.	Aether	17,365,814	20.09
4.	Bessemer	9,136,814	10.57
5.	Manoj Viswanathan*	1,643,580	1.90
6.	Universal Trustees Private Limited***	1,588,000	1.84
7.	P. S. Jayakumar	1,304,604	1.51
	Total	**82,345,694**	**95.28**

* *Includes equity shareholding and stock options in force.*

** *Percentage is calculated on the basis of equity share capital and all stock options in force as on the relevant date.*

*** *In the capacity of trustee of Adivam Family Trust.*

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 Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share capital (%) on a fully diluted basis**
1.	TN V LLP	35,997,070	42.82
2.	Aether	23,998,045	28.55
3.	Bessemer	12,744,235	15.16
4.	P. S. Jayakumar	4,037,775	4.80
5.	Manoj Viswanathan*	2,363,580	2.81
	Total	**79,140,705**	**94.14**

* *Includes equity shareholding and stock options in force.*

** *Percentage is calculated on the basis of equity share capital and all stock options in force as on the relevant date.*

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 Prospectus:

	Name of the Shareholder	**Pre-Offer**	
		Number of Equity Shares on a fully diluted basis	**Percentage of the Equity Share capital (%) on a fully diluted basis****
1.	TN V LLP	29,180,295	42.99
2.	Aether	19,453,530	28.66
3.	Bessemer	10,362,120	15.26
4.	P. S. Jayakumar	3,283,045	4.84
5.	Manoj Viswanathan*	2,341,180	3.45
	Total	**64,620,170**	**95.20**

* *Includes equity shareholding and stock options in force.*

** *Percentage is calculated on the basis of equity share capital and all stock options in force as on the relevant date.*

7. **History of the Equity Share Capital held by our Promoters**

As on the date of this Prospectus, our Promoters hold in aggregate 43,480,894 Equity Shares having face value of ₹ 2 each, constituting 52.85% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of Promoters' equity shareholding in our Company

The build-up of the equity shareholding of our Promoters 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 Capital (%)**	**Percentage of the Post-Offer Capital (%)**
TN V LLP							
March 30, 2017	Transfer from Alpha TC Holdings Pte Limited	6,000	Cash	10	586.21	0.04	0.03
	Transfer from Jaithirth Rao	125,455	Cash	10	586.21	0.76	0.72
	Transfer from Jaithirth Rao Trust	1,130,854	Cash	10	586.21	6.87	6.47
	Transfer from Manoj Viswanathan	30,000	Cash	10	586.21	0.18	0.17
	Transfer from Bhaskar Chaudhry	24,000	Cash	10	586.21	0.15	0.14
	Allotment	1,535,285	Cash	10	586.21	9.33	8.78
	Conversion of 1,167,835 Preference Shares(1) to 1,167,835 equity shares	1,167,835	Cash(2)	10	586.21	7.10	6.68
April 5, 2017	Transfer from P. S. Jayakumar	409,410	Cash	10	586.21	2.49	2.34
August 24, 2018	Transfer from Vinod Mukunthan	375	Cash	10	638.97	0.00	0.00
	Transfer from Pradyumna S G	375	Cash	10	638.97	0.00	0.00
August 27, 2018	Transfer from Kiran Agarwal Todi	11,306	Cash	10	638.97	0.07	0.06
	Transfer from Kiran Kumar	9,785	Cash	10	638.97	0.06	0.06

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 Capital (%)	Percentage of the Post-Offer Capital (%)
August 28, 2018	Transfer from Amod Soratur	5,000	Cash	10	638.97	0.03	0.03
September 21, 2018	Allotment	1,357,609	Cash	10	662.93	8.25	7.77
December 1, 2018	Transfer from Kiran Agarwal Todi	22,770	Cash	10	677.31	0.14	0.13
June 29, 2019	Allotment	894,334	Cash	10	1,116.00	5.44	5.12
September 19, 2019	Allotment	447,301	Cash	10	1,116.00	2.72	2.56
October 1, 2019	Transfer from Amod Soratur	20	Cash	10	1,116.00	0.00	0.00
October 11, 2019	Transfer from Rushi Trivedi	1,500	Cash	10	1,116.00	0.01	0.01
October 14, 2019	Transfer from Sakti Prasad Ghosh	13,200	Cash	10	1,116.00	0.08	0.08
October 18, 2019	Transfer from Sujatha Venkatramanan	7,000	Cash	10	1,116.00	0.04	0.04
October 30, 2019	Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Therefore, the cumulative number of Equity Shares held by TN V LLP, pursuant to sub-division was 35,997,070 Equity Shares.						
September 28, 2020	Transfer from Kiran Kumar	76,075	Cash	2	319.20	0.09	0.09
September 29, 2020	Transfer from Rushi Trivedi	5,000	Cash	2	319.20	0.01	0.01
September 30, 2020	Transfer from Vinod Mukunthan	10,625	Cash	2	319.20	0.01	0.01
October 15, 2020	Transfer to Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	(7,813,400)	Cash	2	334.726	(9.50)	(8.94)
January 13, 2021	Transfer to Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	(2,160,290)	Cash	2	334.726	(2.63)	(2.47)
Sub-Total (A)		**26,115,080**					
Aether							
March 30, 2017	Transfer from Alpha TC Holdings Pte Limited	4,000	Cash	10	586.21	0.02	0.02
	Transfer from Jaithirth Rao	83,636	Cash	10	586.21	0.51	0.48
	Transfer from Jaithirth Rao Trust	753,903	Cash	10	586.21	4.58	4.31
	Transfer from Manoj Viswanathan	20,000	Cash	10	586.21	0.12	0.11
	Transfer from Bhaskar Chaudhry	16,000	Cash	10	586.21	0.10	0.09

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 Capital (%)	Percentage of the Post-Offer Capital (%)
	Allotment	1,023,524	Cash	10	586.21	6.22	5.86
	Conversion of 778,556 Preference Shares to 778,556 Equity Shares[3]	778,556	Cash[2]	10	586.21	4.73	4.45
April 5, 2017	Transfer from P. S. Jayakumar	272,940	Cash	10	586.21	1.66	1.56
August 29, 2018	Transfer from Kiran Agarwal Todi	17,894	Cash	10	638.97	0.11	0.10
September 21, 2018	Allotment	905,073	Cash	10	662.93	5.50	5.18
December 1, 2018	Transfer from Kiran Agarwal Todi	15,180	Cash	10	677.31	0.09	0.09
June 29, 2019	Allotment	596,222	Cash	10	1,116.00	3.62	3.41
September 19, 2019	Allotment	298,201	Cash	10	1,116.00	1.81	1.71
October 1, 2019	Transfer from Amod Soratur	14,480	Cash	10	1,116.00	0.09	0.08
October 30, 2019	Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Therefore, the cumulative number of Equity Shares held by Aether, pursuant to sub-division was 23,998,045 Equity Shares.						
October 15, 2020	Transfer to Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	(5,195,697)	Cash	2	334.726	(6.32)	(5.95)
January 12, 2021	Transfer to Orange Clove Investments B.V. (an affiliate of Warburg Pincus)	(1,436,534)	Cash	2	334.726	(1.75)	(1.64)
Sub-Total (B)		**17,365,814**					
Total (A+B)		**43,480,894**					

(1) *1,167,835 Series B CCPS were transferred to TN V LLP on March 30, 2017 from Alpha TC Holdings Pte Limited at a price of ₹ 586.21 per Series B CCPS*

(2) *Consideration for such equity shares was paid at the time of issuance of Preference Shares*

(3) *778,556 Series B CCPS were transferred to Aether (Mauritius) Limited on March 30, 2017 from Alpha TC Holdings Pte Limited at a price of ₹ 586.21 per Series B CCPS*

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

b) *Shareholding of our Promoters and Promoter Group*

The details of shareholding of our Promoters and Promoter Group as on the date of this 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.	***Promoters***				
1.	TN V LLP	26,115,080	31.74	17,705,532	20.26
2.	Aether	17,365,814	21.11	11,742,592	13.44

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 (%)*
Total		**43,480,894**	**52.85**	**29,448,124**	**33.70**
B.	***Promoter Group***				
1.	NIL				
Total		**43,480,894**	**52.85**	**29,448,124**	**33.70**

** Subject to finalisation of the Basis of Allotment*

c) *Details of Promoters' Contribution and Lock-in*

In accordance with Regulation 14 and Regulation 16(a) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital (including vested options) of our Company held by our Promoters, 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 Promoters' 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 Promoters, 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 (including vested options)*
TN V LLP	342,781	March 30, 2017	Conversion of 1,167,835 Preference Shares to 1,167,835 equity shares#	10	586.21	2.08%	1.93%
TN V LLP	409,410	April 5, 2017	Transfer from P. S. Jayakumar	10	586.21	2.49%	2.30%
TN V LLP	375	August 24, 2018	Transfer from Vinod Mukunthan	10	638.97	0.00%	0.00%
TN V LLP	375	August 24, 2018	Transfer from Pradyumna S G	10	638.97	0.00%	0.00%
TN V LLP	11,306	August 27, 2018	Transfer from Kiran Agarwal Todi	10	638.97	0.07%	0.06%
TN V LLP	9,785	August 27, 2018	Transfer from Kiran Kumar	10	638.97	0.06%	0.06%
TN V LLP	5,000	August 28, 2018	Transfer from Amod Soratur	10	638.97	0.03%	0.03%
TN V LLP	1,353,642	September 21, 2018	Preferential allotment	10	662.93	8.23%	7.62%
Total (pursuant to sub-division)(3)	**10,663,370**			**2**	**-**	**12.96%**	**12.00%**
Aether	228,528	March 30, 2017	Conversion of 778,556 Preference Shares to 778,556 equity shares#	10	586.21	1.39%	1.29%
Aether	272,940	April 5, 2017	Transfer from P. S. Jayakumar	10	586.21	1.66%	1.54%
Aether	17,894	August 29, 2018	Transfer from Kiran Agarwal Todi	10	638.97	0.11%	0.10%

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 (including vested options)*
Aether	902,420	September 21, 2018	Preferential allotment	10	638.97	5.48%	5.08%
Total (pursuant to sub-division)(3)	**7,108,910**			**2**	**-**	**8.64%**	**8.00%**

** Subject to finalisation of Basis of Allotment*

#Consideration for such equity shares was paid at the time of issuance of Preference Shares

(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*

(3) *Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Accordingly, the number of Equity Shares has been adjusted for the sub-division and reclassification of equity shares of our Company from the face value of ₹ 10 each to ₹ 2 each.*

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *History of the Equity Share Capital held by our Promoters*" beginning on page 72.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash or 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 Promoters' contribution;

(ii) The Promoters' 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 Promoters and offered for Promoters' contribution are not subject to any pledge; and

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

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

In addition to 20% of the post-Offer shareholding (including vested options) of our Company held by our Promoters 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 ESOP 2012 and ESOP II 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 Promoters, 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.

The Equity Shares held by the Promoters 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 Promoters 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.

e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

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

8. Except for the issue of any Equity Shares pursuant to exercise of options granted under ESOP 2012 and ESOP II, 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 sub-division 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.

9. As on the date of filing of this Prospectus, the total number of shareholders (based on the number of folios) of our Company is 48.

10. Except as disclosed below, our Promoters, any member of our Promoter Group, any of the Directors of our Company 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 the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Name	Promoter/ Promoter Group/ Director of Promoter/ Directors/ Relatives of Directors	Sale/ purchase/ allotment	Number of equity shares	Issue Price per equity share (in ₹)	Date of allotment/ sale/ purchase
Promoter					
TN V LLP	Promoter	Allotment	894,334	1,116.00	June 29, 2019
Aether	Promoter	Allotment	596,222	1,116.00	
TN V LLP	Promoter	Allotment	447,301	1,116.00	September 19, 2019
Aether	Promoter	Allotment	298,201	1,116.00	
TN V LLP	Promoter	Purchase	20	1,116.00	October 1, 2019
Aether	Promoter	Purchase	14,480	1,116.00	
TN V LLP	Promoter	Purchase	1,500	1,116.00	October 11, 2019
TN V LLP	Promoter	Purchase	13,200	1,116.00	October 14, 2019
TN V LLP	Promoter	Purchase	7,000	1,116.00	October 18, 2019
Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000.					
TN V LLP	Promoter	Purchase	76,075	319.20	September 28, 2020
TN V LLP	Promoter	Purchase	5,000	319.20	September 29, 2020
TN V LLP	Promoter	Purchase	10,625	319.20	September 30, 2020
TN V LLP	Promoter	Sale	7,813,400	334.726	October 15, 2020
Aether	Promoter	Sale	5,195,697	334.726	
Aether	Promoter	Sale	1,436,534	334.726	January 12, 2021
TN V LLP	Promoter	Sale	2,160,290	334.726	January 13, 2021
Director					
Manoj Viswanathan	Managing Director and Chief Executive Officer	Allotment	4,480	1,116.00	June 29, 2019
Sakti Prasad Ghosh	Independent Director	Allotment	17,500	239.13	September 19, 2019
			7,500	281.13	
Sujatha Venkatramanan	Independent Director	Allotment	15,000	239.13	September 19, 2019
			7,500	281.13	
Sakti Prasad Ghosh	Independent Director	Sale	13,200	1,116.00	October 14, 2019

Name	Promoter/ Promoter Group/ Director of Promoter/ Directors/ Relatives of Directors	Sale/ purchase/ allotment	Number of equity shares	Issue Price per equity share (in ₹)	Date of allotment/ sale/ purchase
Sujatha Venkatramanan	Independent Director	Sale	7,000	1,116.00	October 18, 2019
Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000.					
Manoj Viswanathan	Managing Director and Chief Executive Officer	Allotment	375,000	47.83	October 12, 2020
		Allotment	315,680	56.23	
		Allotment	59,320	117.24	
		Sale	750,000	334.726	October 15, 2020
Sakti Prasad Ghosh	Independent Director	Sale	59,000	334.726	October 15, 2020
Sujatha Venkatramanan	Independent Director	Sale	37,500	334.726	October 23, 2020
Manoj Viswanathan	Managing Director and Chief Executive Officer	Allotment	30,000	334.726	November 30, 2020

11. Except as disclosed below, there have been no financing arrangements whereby members of our Promoter Group, our Directors 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 the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Name	Financed entity	Sale/ purchase/ allotment	Number of equity shares Allotted*	Issue Price per equity share (in ₹)	Date of Allotment/ sale/ purchase of Equity Shares
Promoter Group					
Waverly Pte. Ltd.	Aether	Allotment	596,222	1,116.00	June 29, 2019
		Allotment	298,201	1,116.00	September 19, 2019
		Purchase	14,480	1,116.00	October 1, 2019

* *Pursuant to a resolution passed by the Shareholders in the EGM held on October 30, 2019, our Company has sub-divided its authorised share capital, such that that 25,000,000 equity shares of ₹ 10 each aggregating to ₹ 250,000,000 were sub-divided and reclassified as 125,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 250,000,000. Therefore, pursuant to the sub-division, the cumulative number of Equity Shares acquired by Aether during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus which have been financed by Waverly Pte. Ltd. is 4,544,515 Equity Shares.*

12. 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.

13. As on the date of this Prospectus, 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.

14. 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 Prospectus.

15. Except the options granted pursuant to ESOP 2012 and ESOP II, 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 Prospectus.

16. 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.

17. Our Promoters and Promoter Group could not participate in the Offer, except to the extent of the Offer for Sale.

18. Except for any exercise of options vested pursuant to ESOP 2012 and ESOP II, 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 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.

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

20. 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 Promoters, 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.

21. All the transactions in the Equity Shares by our Promoter and the Promoter Group, if any, between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer were intimated to the Stock Exchanges within 24 hours of such transaction.

Our Company, pursuant to the resolutions by the Board on March 14, 2012 adopted ESOP 2012 which was amended by our Company pursuant to resolutions passed by our Board on November 28, 2013. The ESOP 2012 was ratified by the Shareholders on September 7, 2017.

The objective of ESOP 2012 is to reward employees for their association with the Company, to motivate them to contribute to the growth and profitability of our Company and to attract and retain talent in the Company.

22. As a regulatory requirement in connection with the proposed IPO, the ESOP 2012 was amended by our Company pursuant to resolutions passed by our Board on November 18, 2019 and Shareholders on November 22, 2019, primarily to align it with the provisions of the SEBI ESOP Regulations read with the circular number bearing reference number CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by SEBI. The ESOP 2012 was further amended pursuant to resolutions passed by our Board on March 14, 2020 and Shareholders on March 18, 2020.

The ESOP 2012 envisaged issuing a maximum of 2,908,180 options convertible into 2,908,180 Equity Shares. No further grants are proposed to be made under the ESOP 2012.

The details of the ESOP 2012, as certified by M. P. Chitale & Co., Chartered Accountants through a certificate dated January 27, 2021 are mentioned on post sub-division (from face value of ₹ 10 each to face value of ₹ 2 each) basis, are as follows:

Particulars	Total
Options granted	2,908,180
Options vested (excluding options that have been exercised)	530,000
Options exercised	2,023,180
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	530,000
Options forfeited/lapsed/cancelled	355,000
Money realised by exercise of options	105,271,319
Total number of options in force	530,000

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	For the period 1 April 2020 till the date of this Prospectus
Options granted	Nil	Nil	Nil	Nil
Options vested (excluding options that have been exercised) during the year/ period	150,125	76,500	82,000	
Options exercised during the year/ period	14,000	373,675	317,500	1,318,005
Exercise price of options granted (₹) during the year/ period	-	-	-	-
Exercise price of options exercised (₹) during the year/ period	14,000 Equity Shares - 47.83	169,925 Equity Shares - 47.83 203,750 Equity Shares - 56.23	175,000 Equity Shares - 47.83 1,42,500 Equity Shares - 56.23	651,075 Equity Shares - 47.83 6,66,930 Equity Shares - 56.23
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	2,614,930	2,193,005	1,855,505	530,000
Options forfeited/lapsed/cancelled	232,375	48,250	20,000	7,500
Variation in terms of options				NIL
Money realised by exercise of options (in ₹)	669,564	19,582,880.55	16,381,755	68,637,119.13
Total number of options in force	2,614,930	2,193,005	1,855,505	530,000

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	For the period 1 April 2020 till the date of this Prospectus
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				
Method of option valuation	Black Scholes Valuation Model			
Expected Volatility (%)	NA	NA	NA	NA
Dividend Yield (%)	NA	NA	NA	NA
Expected life (Years)	NA	NA	NA	NA
Risk free interest rate (%)	NA	NA	NA	NA
Weighted average exercise prices and weighted average fair value of options whose exercise price where:				
a) Exercise price equals market price* on the date of grant - Fair Value of options granted (₹) - Exercise Price (₹)	NA	NA	NA	NA
b) Exercise price is greater than market price on the date of grant - Fair Value of options granted (₹) - Exercise Price (₹)	NA	NA	NA	NA
c) Exercise price is less than market price on the date of grant - Fair Value of options granted (₹) - Exercise Price (₹)	NA	NA	NA	NA

* *Market price represents price as per the valuation report obtained for the purpose of grant.*

Employee wise details of options granted to Key Management Personnel under ESOP 2012

Name and Designation	No. of options granted during the year /period	No. of options lapsed / cancelled	No. of options exercised	No. of options outstanding at the end of the year/period
Fiscal Year ending March 2018				
Manoj Viswanathan	-	-	-	690,680
Kiran Agarwal Todi	-	-	4,000	296,000
Gaurav Mohta	-	-	-	325,000
Ajay Khetan	-	-	-	312,500
Vilasini Subramaniam	-	-	-	75,000
Fiscal Year ending March 2019				
Manoj Viswanathan	-	-	-	690,680
Kiran Agarwal Todi	-	-	296,000	-
Gaurav Mohta	-	-	-	325,000
Ajay Khetan	-	-	-	312,500
Vilasini Subramaniam	-	-	-	75,000
Fiscal Year ending March 2020				
Manoj Viswanathan	-	-	-	690,680
Gaurav Mohta	-	-	-	325,000
Ajay Khetan	-	-	-	312,500
Vilasini Subramaniam	-	-	-	75,000
Period from April 1, 2020 till the date of this Prospectus				

Name and Designation	No. of options granted during the year /period	No. of options lapsed / cancelled	No. of options exercised	No. of options outstanding at the end of the year/period
Manoj Viswanathan	-	-	690,680	-
Gaurav Mohta	-	-	105,000	220,000
Ajay Khetan	-	-	100,000	212,500
Vilasini Subramaniam	-	-	60,000	15,000

No options were granted to the Key Managerial Personnel during the Financial Year 2018, 2019, 2020 and in the period from April 1, 2020 till the date of this Prospectus. Further, no employee was granted options amounting to 5% or more of the options granted during the Financial Year 2018, 2019 and in the period from April 1, 2020 till the date of this Prospectus. Further, no employee was granted options which exceeded 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

Particular	Fiscal 2018	Fiscal 2019	Fiscal 2020	Period from April 1, 2020 till the date of this Prospectus
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Ind AS 33 'Earning Per Share' (₹) (Nominal value – ₹ 2)	3.02	7.65	10.53	6.59
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company				
Increase in profit/(loss) for the year (₹ million)	NA	NA	NA	NA
Revised EPS (₹)	NA	NA	NA	NA
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations in respect of options granted in the last three years				
Increase in profit/(loss) for the year (₹ million)	NA	NA	NA	NA
Revised EPS (₹)	NA	NA	NA	NA
Intention of the existing Key Managerial Personnel and whole-time directors to sell Equity Shares (held currently or which are to be allotted on exercise of options), within three months after the listing of Equity Shares pursuant to the Offer	Yes^			
Intention to sell Equity Shares arising out of ESOP 2012 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP 2012, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

23. Our Company, pursuant to the resolutions by the Board on January 30, 2018 and Shareholders on February 28, 2018, adopted ESOP II. As a regulatory requirement in connection with the proposed IPO, the ESOP II was amended by our Company pursuant to resolutions passed by our Board on November 18, 2019 and Shareholders on November 22, 2019, primarily to align it with the provisions of the SEBI ESOP Regulations read with the circular number bearing reference number CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by SEBI. The ESOP II was amended pursuant to resolutions passed by our Board on March 14, 2020 and Shareholders on March 18, 2020 and was further amended pursuant to resolutions passed by our Board and passed by our Shareholders, each on October 15, 2020. The ESOP II shall be subject to the ratification by shareholders of the Company post listing of equity shares on the stock exchanges.

The ESOP II envisages for a maximum of 4,125,290 options which are convertible into 4,125,290 Equity Shares.

The vesting schedule and conditions in ESOP II are separately provided for the non-management team and the management team. Vesting of options for the non-management team shall occur in six equal instalments and on occurrence of sale of Equity Shares basis specific conditions as detailed in ESOP II, all the unvested options shall vest immediately. The options granted to the management team is split into two portions for the purposes of vesting which is detailed in the ESOP II. The vesting of options is based on the criteria of time and performance of the management team employee and on achievement of milestones and similar to non-management team, on occurrence of sale of Equity Shares basis specific conditions as detailed in ESOP II, all the unvested options shall vest immediately. Further, the Board may, at its discretion, accelerate the vesting of up to 7% of the options on the listing of Equity Shares pursuant to the proposed IPO.

The ESOP II is in compliance with the SEBI ESOP Regulations. The details of the ESOP II, as certified by M. P. Chitale & Co., Chartered Accountants, through a certificate dated January 27, 2021 are mentioned on post sub-division (from face value of ₹ 10 each to face value of ₹ 2 each) basis, are as follows:

Particulars	Total
Options granted	4,567,765*
Options vested (excluding options that have been exercised)	944,563
Options exercised	328,352
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	3,621,780
Options forfeited/lapsed/cancelled	617,633
Money realised by exercise of options	40,435,427
Total number of options in force	3,621,780

* *Includes 442,475 options lapsed in ESOP scheme II which were reissued.*

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	For the period 1 April 2020 till the date of this Prospectus
Options granted	2,422,220	291,795	1,699,250	154,500
Options vested (excluding options that have been exercised)	-	297,765	288,426	733,798
Options exercised	-	35,750	-	292,602
Exercise price of options granted (₹)	2,422,220 options – ₹ 117.24	291,795 options – ₹117.21	1,658,500 options - 139.30 40,750 options - 223.20	154,500 options – 334.726
Exercise price of options exercised (₹)	-	117.24	-	204,691 options - 117.24 87,911 options - 139.30
-Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	2,422,220	2,340,740	3,886,636	3,621,780
Options forfeited/lapsed/cancelled	-	337,525	153,354	126,754
Variation in terms of options	NIL			
Money realised by exercise of options (in ₹)	-	4,191,402	-	36,244,026
Total number of options in force	2,422,220	2,340,740	3,886,636	3,621,780
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				
Method of option valuation	Black Scholes Valuation Model			
Expected Volatility (%)	30.00%	30.00%	1,658,500 options – 31.29%	154,500 options – 25.61% to 37.90%

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	For the period 1 April 2020 till the date of this Prospectus
			40,750 options – 20.88% to 24.47%	
Dividend Yield (%)	-	-	-	-
Expected life (Years)	6 years	6 years	6 years	6 years
Risk free interest rate (%)	1st year-6.63% 2nd year- 6.66% 3rd year- 6.79% 4th year- 6.93% 5th year- 7.05% 6th year- 6.92% 7th year- 7.08%	1st year- 6.79% 2nd year- 7.33% 3rd year- 7.57% 4th year- 7.74% 5th year- 7.78% 6th year- 7.89%	1,658,500 options- 1st year- 6.43% 2nd year- 6.52% 3rd year- 6.66% 4th year- 6.85% 5th year- 6.93% 6th year- 7.17% 40,750 options - 1st year- 5.49% 2nd year- 5.71% 3rd year- 5.92% 4th year- 6.10% 5th year- 6.27% 6th year- 6.42%	154,500 options - 1st year- 3.82% 2nd year- 4.39% 3rd year- 4.86% 4th year- 5.24% 5th year- 5.55% 6th year- 5.80%
Weighted average exercise prices and weighted average fair value of options whose exercise price where:				
a) Exercise price equals market price on the date of grant - Fair Value of options granted (₹) Exercise Price (₹)	1st year - 17.6 2nd year - 26.6 3rd year - 34.2 4th year - 41 5th year - 47 6th year - 52 7th year – 57 117.24	1st year - 17.8 2nd year - 27.4 3rd year - 35.4 4th year - 42.6 5th year - 48.8 6th year - 54.4 117.21	1,658,500 options - 1st year- 21.4 2nd year- 32.4 3rd year- 41.4 4th year- 49.6 5th year- 56.6 6th year- 63.6 139.30	154,500 options - 1st year – 55.88 2nd year – 72.09 3rd year – 85.42 4th year – 99.63 5th year – 114.22 6th year – 131.13 334.73
b) Exercise price is greater than market price* on the date of grant - Fair Value of options granted (₹) Exercise Price (₹)	- -	- -	40,750 options - 1st year - 27 2nd year - 38.8 3rd year - 50.4 4th year - 61.8 5th year - 74.4 6th year - 84.4 223.20	
c) Exercise price is less than market price on the date of grant - Fair Value of options granted (₹) Exercise Price (₹)	- -	- -	-	-

* *Market price represents price as per the valuation report obtained for the purpose of grant.*

Employee wise details of options granted to Key Management Personnel under ESOP II

Name and Designation	No. of options granted during the year /period	No. of options lapsed / cancelled	No. of options exercised	No. of options outstanding at the end of the year/period
Fiscal Year ending March 2018				

Name and Designation	No. of options granted during the year /period	No. of options lapsed / cancelled	No. of options exercised	No. of options outstanding at the end of the year/period
Manoj Viswanathan	650,000	-	-	650,000
Kiran Agarwal Todi	325,000	-	-	325,000
Gaurav Mohta	325,000	-	-	325,000
Ajay Khetan	350,000	-	-	350,000
Vilasini Subramaniam	250,000	-	-	250,000
Fiscal Year ending March 2019				
Manoj Viswanathan	-	-	-	6,50,000
Kiran Agarwal Todi	-	289,250	35,750	-
Gaurav Mohta	-	-	-	325,000
Ajay Khetan	-	-	-	350,000
Vilasini Subramaniam	-	-	-	250,000
Shreyans Bachhawat	10,235	-	-	10,235
Fiscal Year ending March 2020				
Manoj Viswanathan	-	-	-	650,000
Gaurav Mohta	-	-	-	325,000
Ajay Khetan	-	-	-	350,000
Vilasini Subramaniam	-	-	-	250,000
Nutan Gaba Patwari	325,000	-	-	325,000
Shreyans Bachhawat	15,750	-	-	25,985
Ramakrishna V.	150,000	-	-	150,000
Period from April 1, 2020 till the date of this Prospectus				
Manoj Viswanathan	-	-	59,320	590,680
Gaurav Mohta	10,000	-	-	335,000
Ajay Khetan	35,000	-	-	385,000
Vilasini Subramaniam	10,000	-	-	260,000
Nutan Gaba Patwari	25,000	-	-	350,000
Shreyans Bachhawat	-	-	-	25,985
Ramakrishna V.	12,000	-	29,760	132,240

List of Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year				
Name	**No. of options granted during the year/ period**	**No. of options lapsed / cancelled during the year/ period**	**No. of options exercised during the year/ period**	**No. of options outstanding out of the options granted during the year/period**
Fiscal Year ending March 2018				
Manoj Viswanathan	650,000	-	-	650,000
Kiran Agarwal Todi	325,000	-	-	325,000
Gaurav Mohta	325,000	-	-	325,000
Ajay Khetan	350,000	-	-	350,000
Vilasini Subramaniam	250,000	-	-	250,000
Fiscal Year ending March 2019				
Abhijeet Jamkhindikar	125,000	-	-	125,000
Arun Jupalli	125,000	-	-	125,000
Sunil Anjana	21,325	-	-	21,325
Fiscal Year ending March 2020				
Nutan Gaba Patwari	325,000	-	-	325,000
Ramakrishna V	150,000	-	-	150,000
Period from April 1, 2020 till the date of this Prospectus				
Gaurav Mohta	10,000	-	-	10,000
Ajay Khetan	35,000	-	-	35,000
Vilasini Subramaniam	10,000	-	-	10,000
Nutan Gaba Patwari	25,000	-	-	25,000

List of Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year				
Name	**No. of options granted during the year/ period**	**No. of options lapsed / cancelled during the year/ period**	**No. of options exercised during the year/ period**	**No. of options outstanding out of the options granted during the year/period**
Ramakrishna V	12,000	-	29,760	12,000

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					
Name	**Grant Period**	**No. of Options Granted**	**No. of Options lapsed / cancelled**	**No. of Options Exercised**	**No. of options outstanding**
Manoj Viswanathan	Fiscal Year ending March 2018	650,000	-	-	650,000

Particular	Fiscal 2018	Fiscal 2019	Fiscal 2020	Period from April 1, 2020 till the date of this Prospectus
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Ind AS 33 'Earning Per Share' (₹) (Nominal value – ₹ 2)	3.02	7.65	10.53	6.59
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company				
Increase in profit/(loss) for the year (₹ million)	NA	NA	NA	NA
Revised EPS (₹)	NA	NA	NA	NA
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations in respect of options granted in the last three years			NA	NA
Increase in profit/(loss) for the year (₹ million)	NA	NA	NA	NA
Revised EPS (₹)	NA	NA	NA	NA
Intention of the existing Key Managerial Personnel and whole-time directors to sell Equity Shares (held currently or which are to be allotted on exercise of options), within three months after the listing of Equity Shares pursuant to the Offer	Yes^			
Intention to sell Equity Shares arising out of ESOP II within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP II, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

^Intention to sell by Key Management Personnel (collectively, ESOP Scheme 2012 and ESOP Scheme II)

Particulars	No. of Equity Shares /Stock options
Ajay Khetan	400,000
Gaurav Mohta	400,000
Shreyans Bachhawat	15,000
Vilasini Subramaniam	75,000
Nutan Gaba Patwari	140,000
Ramakrishna V	10,000

OBJECTS OF THE OFFER

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

The Offer for Sale

Each of the Selling Shareholders 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, the Syndicate Agreement, the Underwriting 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, arising out of the growth of our business and assets.

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	2,650
2.	(Less) Estimated Offer-related expenses in relation to the Fresh Issue[(1)(2)]	97.56
	Net Proceeds	2,552.44

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

(2) For details, see " - Offer related Expenses" on pages 87-89.

Utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilised for increasing our Company's Tier I capital base to maintain the minimum capital adequacy ratio in accordance with Regulation 30 of the NHB Directions and to meet future capital requirements. For further details, see "*Risk Factors – We propose to utilize the Net Proceeds of the Fresh Issue to maintain the minimum capital adequacy ratio and to meet future capital requirements arising out of the growth in our business and not for any specified projects*." on pages 38-39.

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, Paragraph 9 C of Part A of Schedule VI of the SEBI ICDR Regulations (which requires 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) does not apply.

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 primarily offer customers home loans for the purchase or construction of homes. For details, see "*Our Business*" beginning on page 146.

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*" beginning on page 167.

As of September 30, 2020, our Company's CRAR **-** Tier I capital, in accordance with the Restated Ind AS Financial Information, was 50.40%. The Net Proceeds are proposed to be utilized for increasing our capital base. 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, primarily our housing loans and other mortgage loans, and to ensure compliance with the NHB Directions.

Accordingly, the Net Proceeds are proposed to be utilized for increasing our Company's 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.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ 588.22 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 Banks 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.

The costs, fees and expenses with respect to the Offer shall be borne by our Company and each of the Selling Shareholders in proportion to the Equity Shares issued or transferred by them, respectively in the Offer and as mutually agreed in the Offer Agreement, the Syndicate Agreement and in accordance with applicable law. The break-up for the estimated Offer expenses is as follows:

Activity	Estimated 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)	238.24	40.5	2.1
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)	46.97	8.0	0.4
Fees payable to Registrar to the Offer	1.47	0.3	0.0
Others			
- other advisors to the Offer	-	0.0	0.0
- fees payable to the Auditors	31.39	5.3	0.3
- regulatory filing fees, book building software fees, listing fees, etc.)	41.34	7.0	0.4
- printing and stationery	23.99	4.1	0.2

Activity	Estimated expenses(1) (in ₹ million)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
- fee payable to legal counsels	69.83	11.9	0.6
- advertising and marketing	112.75	19.2	1.0
- miscellaneous	22.24	3.8	0.2
Total estimated Offer expenses	**588.22**	**100**	**5.1**

(1) *Offer expenses include applicable taxes, where applicable.*

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

*Portion for RIBs**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% 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.

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*

Processing fees payable to the SCSBs on the portion for 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 Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

(4) *Selling commission on the portion for RIBs (using the UPI mechanism), Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% 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.

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ 10 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.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs procured through UPI Mechanism and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

* *Based on valid applications*

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

Members of the Syndicate / RTAs / CDPs	*₹ 30 per valid application (plus applicable taxes)*
Sponsor Bank	*₹ 8 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 has appointed a monitoring agency to monitor the utilization of the Net Proceeds. 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 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 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 Promoters or controlling Shareholders 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 the Companies Act, and Regulation 59 and Schedule XX of 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 Promoters, members of the Promoter Group, the Directors, the Group Company or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoters, the Directors, the Key Managerial Personnel or the Group Company 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 has been determined by our Company and the Promoter Selling Shareholders, 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 ₹ 2 each and the Offer Price is 259.00 times the face value.

Bidders should read "*Our Business*", "*Risk Factors*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 146, 24, 223 and 297, 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:

(a) Technology driven company with scalable operating model

(b) Customer centric organizational commitment

(c) Deep penetration in the largest housing finance markets with diversified sourcing channels

(d) Centralized, data science backed underwriting process

(e) Technology driven collections system

(f) Well-diversified and cost-effective financing profile

(g) Experienced management team with qualified operational personnel and marquee investors

For further details, see "*Our Business – Our Competitive Strengths*" beginning on page 148.

Quantitative Factors

Certain information presented below, relating to our Company, is based on the Restated Financial Information. For details, see "*Restated Financial Information*" beginning on page 223.

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 Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Six months ended September 30, 2020 (not annualised)	6.76	6.59	
Financial Year 2020	10.77	10.53	3
Financial Year 2019	7.82	7.65	2
Financial Year 2018	3.10	3.02	1
Weighted Average	8.51	8.32	

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. This does not include EPS for the six-months ended September 30, 2020.

(2) The figures disclosed above are based on the Restated Financial Information of our Company, as adjusted for the sub-division.

(3) The face value of each Equity Share is ₹ 2.

(4) Earnings per Share (₹)= Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/Weighted Average No. of equity shares

(5) Basic EPS and Diluted EPS calculations are in accordance with the relevant Indian accounting standard.

(6) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "Restated Financial Information" beginning on page 223.

2. **Price/Earning ("P/E") ratio in relation to Offer Price of ₹ 518 per Equity Share:**

Particulars	P/E (no. of times)
Based on Basic EPS for Financial Year 2020	48.10
Based on Diluted EPS for Financial Year 2020	49.19

Industry P/E ratio

	P/E Ratio	Name of the company	Face value of equity shares (₹)
Highest	61.41	Aavas Financiers Limited	10
Lowest	61.41	Aavas Financiers Limited	10
Industry Composite	61.41		

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 pages 91-92.*

(2) *P/E figures for the peer are computed based on closing market price as on January 8, 2021 at NSE, divided by Diluted EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2020.*

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

As per the Restated Financial Information of our Company:

Particulars	RoNW %	Weight
Six months ended September 30, 2020 (not annualised)	5.5%	
Financial Year 2020	10.9%	3
Financial Year 2019	10.7%	2
Financial Year 2018	5.1%	1
Weighted Average	9.8%	

Notes:

(1) *Return on Net Worth (%) = Net Profit after Tax before other comprehensive income (as restated) divided by average Net worth for the year/period. Average Net worth represents the simple average of net worth as of the last day of the relevant year or period and net worth as of the last day of the immediately prior year.*

(2) *Net worth has been computed as sum of paid up share capital and other equity.*

(3) *Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights. This does not include RoNW for the six-months ended September 30, 2020.*

4. **Net Asset Value per Equity Share of face value of ₹ 2 each (post sub-division)**

Net Asset Value per Equity Share	(₹)
As on September 30, 2020	126.06
After the Offer	
- At the Offer Price	150.07

Notes:

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

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

Name of Company	Face Value (₹ Per Share)	Closing price on January 8, 2021 (₹)	Revenue, for Financial Year 2020 (in ₹ million)	EPS (₹)		NAV[4] (₹ per share)	P/E[2]	RoNW[3] (%)
				Basic	Diluted[1]			
Home First	2	N.A.	3,986.40	10.77	10.53	119.24	N.A.	10.9%
Peer Group								
Aavas Financiers Limited	10	1,933.10	9,025.46	31.85	31.48	267.86	61.41	12.7%

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report of the company for the year ended March 31, 2020.
Source for Home First: Based on the Restated Financial Information for the year ended March 31, 2020 adjusted for sub-division.

Notes:

(1) Diluted EPS refers to the Diluted EPS sourced from the annual report of the company for the 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 8, 2021, divided by the Diluted EPS provided under Note 1 above.

(3) Return on Net Worth (%) = Net Profit after Tax before other comprehensive income (as restated) divided by average Net worth for the year/period. Average Net worth represents the simple average of net worth as of the last day of the relevant year or period and net worth as of the last day of the immediately prior year.

(4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares

The Offer Price of ₹ 518 has been determined by our Company and the Promoter Selling Shareholders, 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. Bidders should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Information*" beginning on pages 24, 146, 297 and 223, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 24 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
Home First Finance Company India Limited
511, Acme Plaza
Andheri Kurla Road
Chakala, Andheri (East)
Mumbai – 400 059
Maharashtra, India

Re: **Proposed initial public offering of equity shares of face value of Rs. 2 each (the "Equity Shares") of Home First Finance Company India Limited (the "Issuer" or "Company" and such offering, the "Offer")**

1. This report is issued in accordance with the terms of our engagement letter dated November 9, 2020.

2. The accompanying Statement of possible special tax benefits available to the Company and its shareholders (hereinafter referred to as the "**Statement**") enclosed herewith as **Annexure A** under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications), as amended under the Finance Act, 2020, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as "**GST Act**"), presently in force in India, (collectively referred as "Tax Laws"), has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report, which is to be included in the Red Herring Prospectus (RHP) and in the Prospectus, is the responsibility of the management of the Company and has been approved by the IPO Committee of the Board of directors of the Company (the "**Board**"), at its meeting held on January 12, 2021 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the SEBI ICDR Regulations and the Companies Act, 2013, along with the rules thereunder, as amended (collectively, the "**Companies Act**"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and the shareholders of the Company, in accordance with the Tax Laws, presently in force in India as on the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act and the SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information provided herein.

   Several of the benefits mentioned in the Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.

   The 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.

   Further, we give no assurance that the revenue authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law 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.

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Tax Laws, presently in force in India as on the date of our report.

   Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits as per the Statement in future; or

   (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the RHP and in the Prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, the concerned stock exchanges and Registrar of Companies, Mumbai.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 21105782AAAAB4960

Place: Mumbai
Date: 12 January, 2021

Annexure A

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

Under the Income Tax Act, 1961 (hereinafter referred to as the "Act")

1. Special tax benefits available to the Company under the Act

- The Company is registered as a housing finance company (HFC) and hence, as per the provisions of section 36(1)(viia) of the Act, the Company could claim a deduction of provision created for bad and doubtful debts in its books of accounts to the extent of five per cent of its total income (computed before making any deduction under this section and Chapter VI-A), subject to certain conditions, while computing its income under the head "Profits and gains of business or profession".

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

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

- Subject to certain specified conditions, the Company is eligible to claim a deduction under section 36(1)(viii) of the Act, in respect of an amount not exceeding 20 per cent of the profits derived from an eligible business, provided such amount is transferred to a special reserve account created and maintained for this purpose. However, where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital and general reserves, no further deduction shall be allowable in respect of such excess.

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

- Section 43D of the Act provides that 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 or actually received by the Company, whichever is earlier.

2. Special tax benefits available to the shareholders under the Act

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

Under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the 'GST Act')

1. Special tax benefits available to the Company under the GST Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the Shareholders under the GST Act

There are no special tax benefits applicable in the hands of the shareholders for investing in the shares of the Company.

Notes:-

1. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive, but just indicative. Further, the special tax benefits discussed in this statement are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice, which the investors may wish to take before making any investments. In view of the individual nature of the tax consequences accompanied with 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 issue.

3. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. the Company or its shareholders will continue to obtain these benefits in future;

    ii. the conditions prescribed for availing the benefits have been/ would be met with; and

    iii. the revenue authorities/courts will concur with the view expressed herein.

4. The above views are based on the existing provisions of law and our interpretation of the law, which are subject to change from time to time and are not binding on the income-tax department or on its officials / authorities or on any other Regulator.

5. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

For and on behalf of Home First Finance Company India Limited

Manoj Viswanathan
Managing Director and Chief Executive Officer
Place: Mumbai
Date: January 12, 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is taken from the reports titled "CRISIL Research – Industry Report on Affordable Housing Finance, November 2020" and "CRISIL Research – Industry Report on Affordable Housing Finance, November 2019", prepared by CRISIL (the "**CRISIL Report**") and the report entitled "ICRA's Report on Mortgage Finance Market" dated November 2019, prepared by ICRA (the "**ICRA Report**"). Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

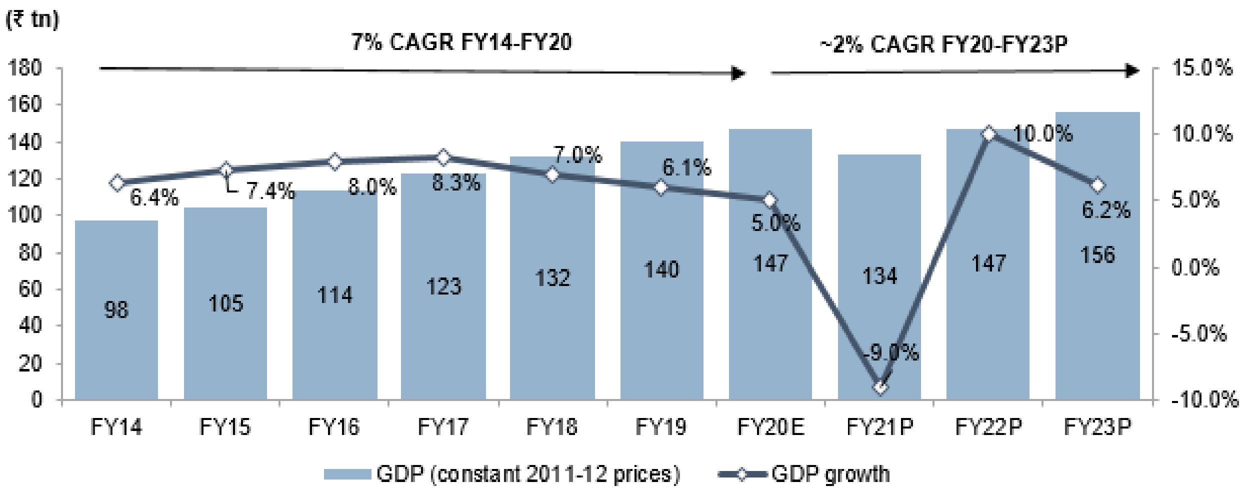
While preparing its report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements prepared in accordance with Indian GAAP and available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the Indian GAAP financial information of our Company in this section is not comparable with Ind AS financial information presented in this Prospectus.

Overview

Fiscal 2020 was volatile for the global economy. The first three quarters of Fiscal 2020 were entangled in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainties arising from BREXIT. The fourth quarter of Fiscal 2020 was significantly affected by the COVID-19 pandemic, which has infected approximately 55.3 million people in over 200 countries, as of November 17, 2020, leading to considerable economic disruption. Growing restrictions on the movement of people and lockdowns in the affected countries have led to demand, supply and liquidity shocks. While the lockdowns in India have been gradually lifted and the economic activity seems to be reviving, globally, especially in Europe, there is a second wave of cases.

CRISIL Research expects the Indian economy to shrink by 9.0% in Fiscal 2021 on account of the COVID-19 pandemic. After slow growth in the first half of the Fiscal 2021, due to the COVID-19 pandemic, gross domestic product ("**GDP**") growth is expected to be positive towards the end of Fiscal 2021 with economic activity picking up gradually. Over the coming months, the manufacturing sector is expected to revive faster as compared with the services sector. CRISIL Research expects agricultural GDP to grow by 2.5% (year-on-year) in Fiscal 2021, on account of a largely well-distributed monsoon and healthy sowing and ground water situation.

The following table sets forth India's GDP growth over Fiscals 2014 to 2023:

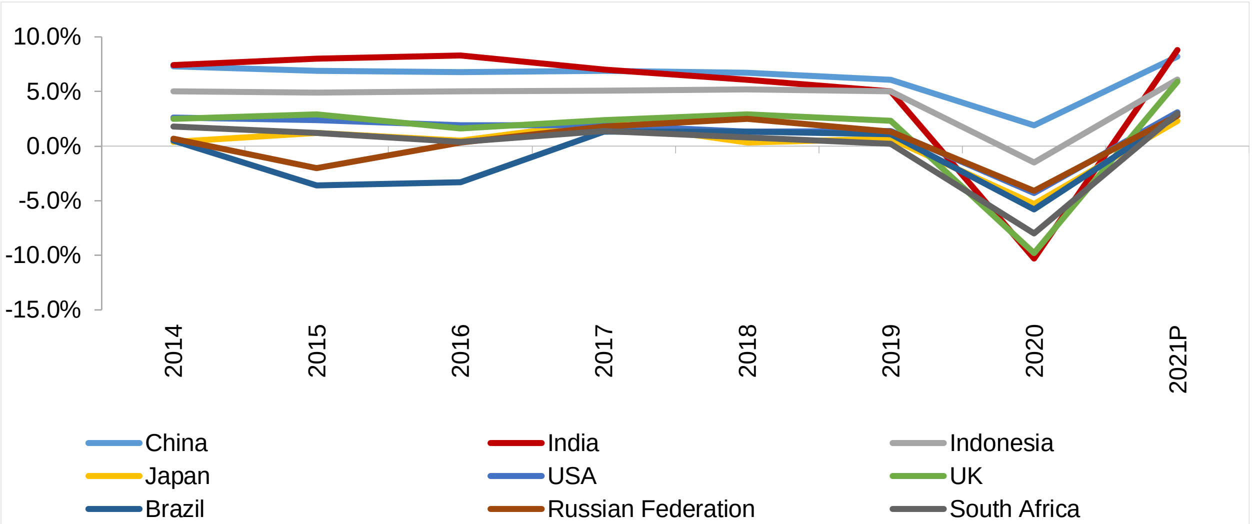


Note: E - Estimated and P – Projected
(Source: CRISIL Report)

CRISIL Research expects India's GDP to grow at approximately 10.0% in Fiscal 2022 and at approximately 6.2% in Fiscal 2023, on account of rapid urbanization, rising consumer aspiration and increasing digitisation along with the Government support in the form of reforms and policies. For example, the Government has recently announced production-linked incentives across identified sectors with an aim to drive the growth of India as a manufacturing destination.

As of October 2020, the International Monetary Fund ("**IMF**") forecasted India's GDP to decline by 10.3% in 2020 as compared to 1.8% growth estimated in April 2020. However, as per the IMF, India's GDP is expected to recover sharply and grow at 8.8% in 2021.

The following graph sets forth GDP growth of the world's major economies over Fiscals 2014 to 2021:



Note: GDP growth is based on constant prices, P: Projected
(Source: CRISIL Report)

Measures taken during the COVID-19 Pandemic

Moratorium on loan repayments: The RBI initially permitted the lending institutions to allow a moratorium of three months on repayment of instalments for term loans outstanding and payment of interest on working capital facilities, as of March 1, 2020. The moratorium was further extended by another three months till August 31, 2020.

Loan restructuring: The RBI announced a one-time loan restructuring scheme, pursuant to which accounts that were in default for not more than 30 days as of March 1, 2020, would be eligible for such restructuring.

Enhancing liquidity: Apart from reducing repo and reverse repo rate, the RBI reduced the cash reserve ratio ("**CRR**") requirements of all the banks by 100 bps to 3.0% of net demand and time liabilities ("**NDTL**"). Further, the minimum daily CRR balance maintenance was reduced to 80.0% from 90.0% up to June 26, 2020. The RBI also increased the borrowing limits under the marginal standing facility from 2.0% to 3.0% of bank's NDTL up to June 30, 2020.

Supporting financial market liquidity: The RBI initially announced targeted long-term repo operations ("**TLTROs**") worth ₹ 1 trillion for a tenure of up to three years to provide liquidity support to various economic sectors and the banks. Under the TLTRO scheme, the banks can invest the borrowed amount in investment grade corporate bonds, commercial papers and non-convertible debentures. Subsequently, TLTROs worth ₹ 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.

Pushing credit growth: The RBI postponed the implementation of net stable funding ratio as well as deferred the last tranche of capital conservation to April 1, 2021, to encourage banks to lend during such challenging times. The RBI also announced a ₹ 500 billion refinancing facility for NABARD (₹ 250 billion), SIDBI (₹ 150 billion) and NHB (₹ 100 billion) to increase credit availability to micro-finance, micro, small and medium enterprises and the housing sector.

Addressing rupee volatility: The RBI allowed the banks in India which operate International Financial Services Centre banking units to participate in the non-deliverable forward market with effect from June 1, 2020.

'Aatmanirbhar' package: The Government announced the 'Aatmanirbhar package', which includes several measures to boost the economy, such as a ₹ 450 billion partial guarantee scheme for NBFCs and a ₹ 300 billion special liquidity scheme for NBFCs, HFCs and MFIs; collateral-free loans to MSMEs; subordinate debt for stressed assets of MSME; equity infusion of ₹ 500 billion in MSMEs; clearing MSME dues; a ₹ 3 trillion guarantee scheme for MSMEs; global tenders disallowed up to ₹ 2 billion; loan interest subvention scheme of ₹ 15 billion and special credit facility of ₹ 50 billion for street vendors.

'Aatmanirbhar 3.0' stimulus package: The finance minister, on November 12, 2020, announced a ₹ 2.65 trillion stimulus package, pursuant to which 12 stimulus measures were rolled out to boost employment, help housing infrastructure, enhance ease of doing business and extend the deadline for the credit line guarantee scheme, among others. Further, an additional outlay of ₹ 180 billion was announced for Pradhan Mantri Awaas Yojana Urban ("**PMAY-U**"), which will help ground 1.2 million houses and complete 1.8 million houses. This move is expected to create additional 7.8 million jobs and improve production and sale of steel and cement.

Unchanged policy rates: On October 9, 2020, the RBI kept the repo rate, reverse repo rate and marginal standing facility rates unchanged at 4%, 3.35% and 4.25% respectively. The status quo on rates was guided by inflation, which continue to remain elevated, thereby causing the RBI to move cautiously given its inflation targeting mandate.

Interest on interest waiver: The Government has directed all the lending institutions to credit the difference between compound and simple interest for six months of the moratorium period to eligible borrowers by November 5, 2020. Thereafter, reimbursement from the Government of an equivalent amount can be claimed by the lending institution by December 15, 2020.

Key Growth Drivers

World's second largest population: As per the Census of India, 2011, India's population was approximately 1.2 billion and comprised nearly 246 million households. The population is expected to increase to approximately 1.4 billion by 2021 and approximately 1.5 billion by 2031.

Favourable demographics: Currently, India has one of the largest young population in the world, with a median age of 28 years. CRISIL Research expects that approximately 90% of Indians will be below the age of 60 years by the calendar year 2020, of which 63% will be between 15 and 59 years. Comparatively, US, China and Brazil is expected to 77%, 83% and 86% of their population below the age of 60 years by the calendar 2020.

Increasing per capita GDP: India's per capita income is estimated to have grown at 3.1% in Fiscal 2020 compared with 5.8% in Fiscal 2019. As per the IMF, India's per capita income (at constant prices) is expected to grow at a CAGR of 6.7% over Fiscals 2020 to 2025, on account of GDP growth and sustained low inflation.

Increasing financial penetration: With increasing financial literacy and mobile penetration along with the launch of the Pradhan Mantri Jan Dhan Yojana ("**PMJDY**"), there has been an increase in the participation of individuals from non-metro cities in the banking system, driving demand for financial products in smaller cities.

State Wise GDP Contribution

GDP growth has been varied across states with Gujrat growing at the fastest rate of 10% CAGR (over Fiscals 2015 to 2020), followed by Karnataka (9.9%), Telangana (9.8%), Haryana (9.1%) and Assam (9.1%). As per the Ministry of Statistics and Programme Implementation, India's overall GDP per capita at constant prices stood at ₹ 108,620 in Fiscal 2020. Compared with this, states such as Delhi, Haryana and Karnataka have significantly higher real per capita income ("**PCI**") than other states as well as the PCI of India, as illustrated below:

States	Real GDP (Fiscal 2020) - ₹ billion	GDP growth - CAGR (Fiscals 2015 to 2020)	Contribution to India's GDP	Real per capita income (Fiscal 2020) – ₹
Maharashtra*	20,391	7.2%	14.0%	147,450
Tamil Nadu	13,129	8.0%	9.0%	153,853
Gujarat*	11,864	10.0%	8.1%	153,495
Uttar Pradesh	11,873	7.3%	8.2%	45,648
Karnataka	12,010	9.9%	8.2%	161,931
West Bengal	7,932	6.7%	5.4%	71,757
Rajasthan	7,116	6.4%	4.9%	81,355
Andhra Pradesh	6,720	8.6%	4.6%	115,333
Telangana	6,633	9.8%	4.6%	153,927
Delhi	6,344	8.2%	4.4%	283,636
Kerala*	5,594	7.4%	3.8%	148,078
Haryana	5,722	9.1%	3.9%	180,026
Madhya Pradesh	5,618	7.9%	3.9%	59,929
Punjab	4,189	6.1%	2.9%	120,569
Odisha	4,024	8.3%	2.8%	80,330
Bihar	4,150	8.2%	2.8%	31,287
Assam*	2,340	9.1%	1.6%	60,695
Chhattisgarh	2,435	5.6%	1.7%	71,938
Jharkhand	2,400	5.2%	1.6%	57,863
Uttarakhand*	1,933	8.1%	1.3%	155,151

Note: (*) – As of Fiscal 2019, contribution to India's GDP is calculated by calculating state GDP as a percentage of India's total GDP

(Source: CRISIL Report)

Trends in Housing Savings

The following table sets forth trends in household savings (current prices, year-on-year):

Indicator	Year-On-Year Growth					
	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Household Saving	**8.2%**	**2.2%**	**6.7%**	**1.5%**	**6.0%**	**12.0%**
Gross Financial Saving	14.1%	11.9%	5.6%	19.0%	-3.9%	30.0%
Saving in Physical Assets	5.4%	-3.3%	6.8%	-12.9%	22.0%	10.0%
Saving in Gold and Silver Ornaments	9.0%	0.4%	23.9%	12.0%	-0.5%	-10.8%
Financial Liabilities	13.9%	8.6%	5.1%	2.3%	21.6%	58.0%
Net Financial Saving of Household Sector	**14.2%**	**13.4%**	**5.8%**	**26.2%**	**-12.7%**	**16.4%**

(Source: ICRA Report)

Key Structural Reforms: Long-Term Positives for Indian Economy

Financial Inclusion. The Government has two key schemes to increase financial inclusion – the PMJDY and Pradhan Mantri Jeevan Jyoti Bima Yojana ("**PMJJBY**"). The PMJDY's mission is to ensure that every household in India has a bank account, can access their account from anywhere and has affordable access to all financial services such as savings and deposit accounts, remittance, credit and insurance. As of September 9, 2020, 406 million new accounts have been opened, of which 65% are in rural and semi-urban areas with total deposits of ₹ 1,298 billion. The PMJJBY is a one-year life insurance scheme that offers a life cover of ₹ 0.2 million at a premium of ₹ 330 per annum per member, which can be renewed every year. The Government also has an accident insurance scheme, the Pradhan Mantri Suraksha Bima Yojana ("**PMSBY**"), which offers ₹ 0.2 million cover for death and full disability at a premium of ₹ 12 annually.

Implementation of GST. Introduced on July 1, 2017, GST is an indirect tax regime that subsumed multiple cascading taxes levied by the Central and State Governments. Its implementation has resulted in structural changes in the supply chain and logistics network in India.

Thrust on Affordable Housing. The Government has launched an affordable housing initiative, PMAY-U that promises houses for all by 2022. As part of the scheme, the Government has been giving incentives to developers to build houses that the poor can afford. During Fiscals 2020 to 2024, CRISIL Research expects overall residential construction to increase at a CAGR of 6% to 7%, in value terms, compared with a negative growth of 1.5% in the last five years, primarily driven by the PMAY-U scheme. Further, the Government has extended the deadline for the first time homebuyers' to avail additional ₹ 150,000 interest deduction on affordable home loans by a year till March 31, 2021.

IBC. IBC is a reform that structurally strengthens identification and resolution of stressed assets in India. It enhances the credit enforcement structure and provides certainty to the timelines for resolution of insolvency. It attempts to simplify legal processes, preserves value for creditors and provides them with greater certainty of outcome. The code is a strong message to borrowers to adhere to credit discipline. The effective implementation of the IBC is expected to enhance investors' confidence in India.

The following table represents improvement in recovery rates post implementation of bankruptcy reforms in select countries:

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: CRISIL Report)

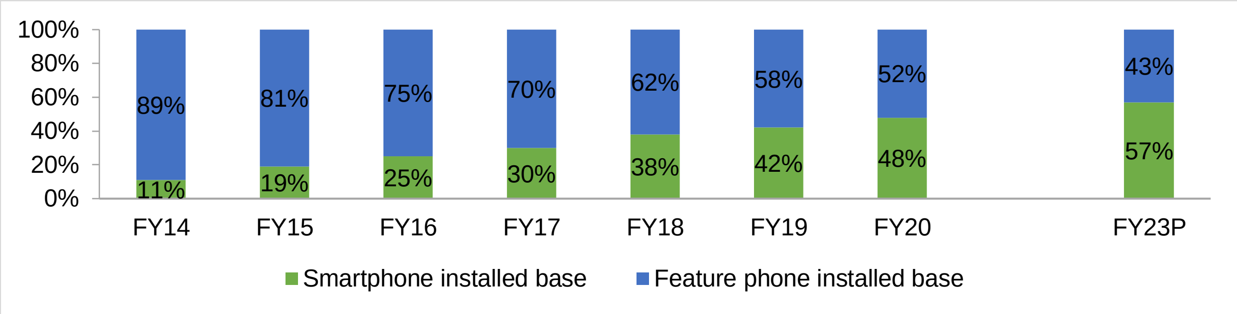
Reduction in Tax Rates for Domestic Companies and New Manufacturing Companies. On September 20, 2019, the Finance Minister announced the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in the Income Tax Act, 1961 to allow any domestic company an option to pay income tax at the rate of 22% subject to condition that they will not avail any exemption or incentive. The effective tax rate for these companies shall be 25.17% inclusive of surcharge and cess. Also, such companies shall not be required to pay minimum alternate tax. In order to attract fresh investment in manufacturing and thereby provide boost to 'Make-in-India' initiative of the Government, another new provision has been inserted in the Income Tax Act with effect from Fiscal 2020, which allows any new domestic company incorporated on or after October 1, 2019 making fresh investment in manufacturing, an option to pay income tax at the rate of 15%. This benefit is available to companies which do not avail any exemption or incentive and commences their production on or before March 31, 2023. The effective tax rate for these companies shall be 17.01% inclusive of surcharge and cess. Also, such companies shall not be required to pay minimum alternate tax. Further, in order to provide relief to companies that continue to avail exemptions or incentives, the rate of minimum alternate tax has been reduced from existing 18.5% to 15.0%. *(Source: CRISIL Report)*

Digitisation: Catalyst for the Next Growth Cycle

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping surmount the challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. With increasing smartphone penetration and faster data speeds, consumers are now embracing digitisation as they find it more convenient.

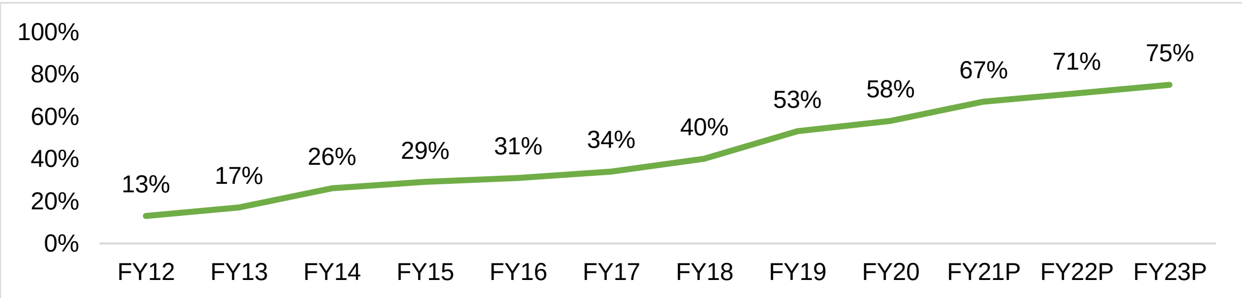
*Mobile and internet penetration***:** Higher mobile penetration, improved connectivity and faster and cheaper data speed have helped India begin its shift from a cash-dominated economy to a digital one, supported by the Aadhaar and bank account penetration. CRISIL Research expects the share of smartphones to increase significantly in the coming years in line with the increase in the internet users. The total number of internet users in the country is expected to be more than 883 million by Fiscal 2023, resulting in 75% internet penetration.

The following graph sets forth increased adoption of smartphones:



(Source: CRISIL Report)

The following graph sets forth data subscribers as a proportion of overall subscribers:



(Source: CRISIL Report)

Rise in 4G penetration and smartphone usage. Digital revolution has paved the way for digital payments. India had 1,158 million wireless subscribers as of March 2020, and the number is growing at a steady pace every year. The reach of mobile network, internet and electricity is also helping digital payments expand to remote areas.

According to NITI Aayog report of January 2017, digital payments and per capita transactions in India are amongst the lowest (11 non-cash transactions per capita per annum) compared to China (26), Mexico (32), South Africa (70), Brazil (142), UK (355) and Singapore (728).

CRISIL Research expects the share of mobile banking and prepaid payment instruments to increase drastically in the coming years. Improved data connectivity, lower digital payment penetration and proactive government measures are expected to drive digital adoption in India. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

The Housing Scenario in India

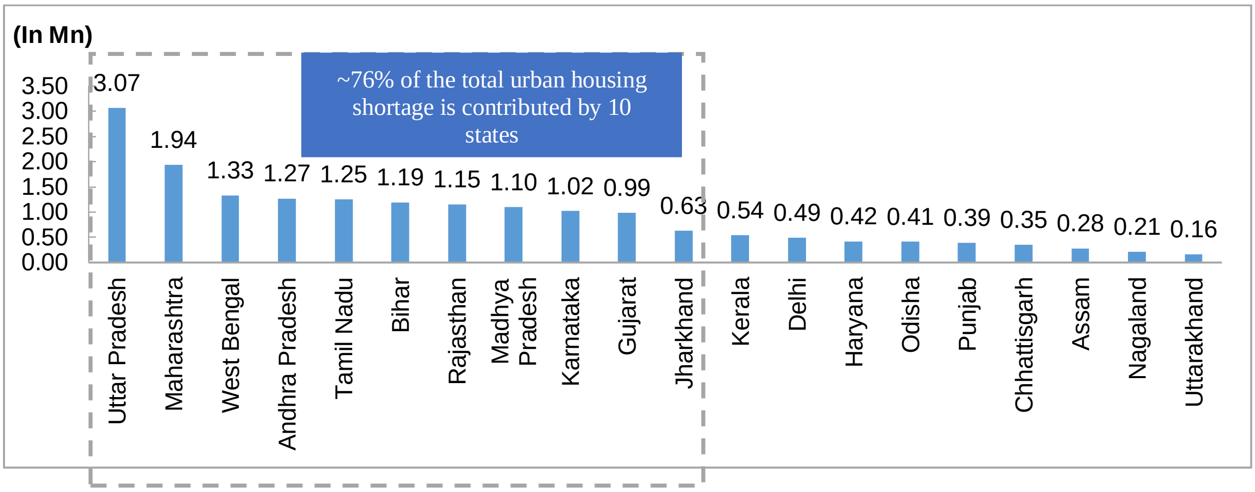
As per Census of India, 2011, the number of households increased from 192 million in 2001 to 247 million in 2011, at a CAGR of 1.3%. During the same period, housing stock increased from 187 million (2001) units to 245 million (2011). Out of these 245 million houses, approximately 61 million houses are obsolescent or congested or non-serviceable.

The Housing Shortage in India

Despite the constant focus on the housing segment, housing in India is far from adequate. The GoI, in its Twelfth Five Year Plan (2012 to 2017), accorded this issue utmost importance and focused on increasing the amount of housing units available both in the urban as well as the rural sector. As per the estimates of the Twelfth Five Year Plan, the shortage of housing in the urban segment stood at 18.78 million. The economically weaker section ("**EWS**") accounts for three-fourths of the shortage and the lower income group ("**LIG**") approximately accounts for a quarter of housing shortage.

As per the estimates of the Twelfth Five Year Plan, 10 states accounted for approximately 76% of the urban housing shortage. Uttar Pradesh has a housing shortage of over three million, followed by Maharashtra (1.94 million), West Bengal (1.33 million), Andhra Pradesh (1.27 million) and Tamil Nadu (1.25 million).

The following graph sets out state-wise urban housing shortage:



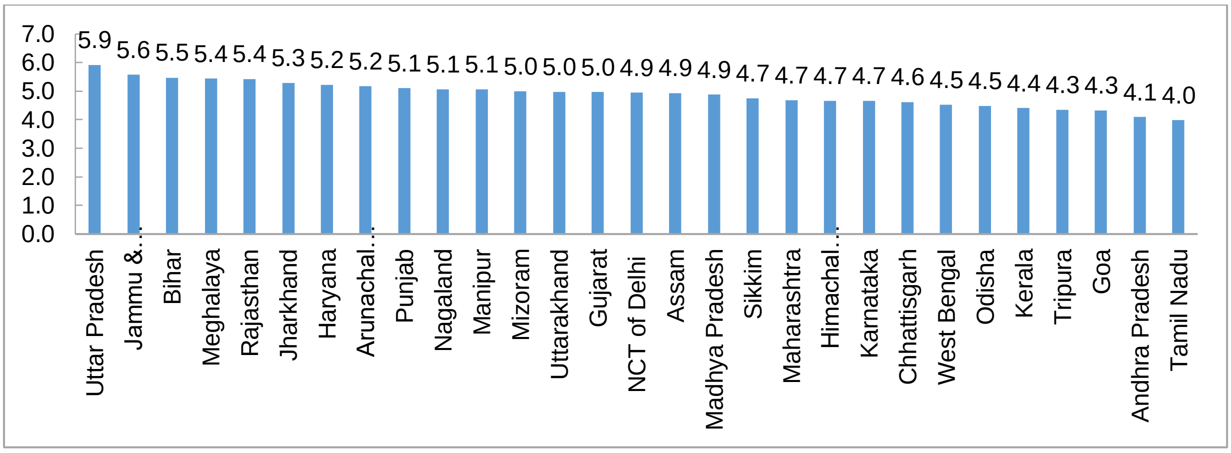
Note: The data above is as of 2012, when Telangana was not a separate state and was a part of Andhra Pradesh

(Source: CRISIL Report)

Household Sizes and Number of Dwelling Rooms

With increased urbanisation, India is also moving towards higher nuclearisation leading to smaller family sizes. This is also reflected in the steady reduction in average household size from 5.5 members per household as of 1991 to 5.3 members in 2001 to 4.8 members, as per Census 2011. Furthermore, according to the Census of India, 2011, majority of the Indian households live in a one-room or two-room house. According to the National Sample Survey Organisation ("**NSSO**") Survey on Housing Conditions conducted in 2012, the average floor area of a dwelling unit was 40.03 sq. m in rural India and 39.20 sq. m in urban India during 2012. The average household size in India was 4.5. It was 4.8 in rural India and 4.2 in urban India. The states of Uttar Pradesh and Jammu and Kashmir had the highest average household size of 5.9 and 5.6 respectively, whereas in the states of Andhra Pradesh and Tamil Nadu, the average household size was 4.1 and 4.0 respectively.

The following graph sets out state-wise average household size:

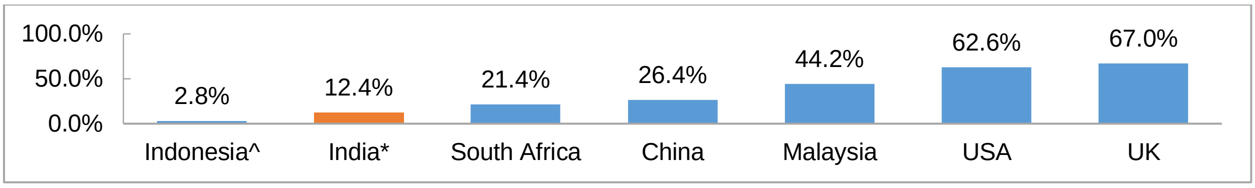


(Source: CRISIL Report)

India's Mortgage Penetration Lower than Other Economies

As of March 2019, the total outstanding retail housing loans in India was ₹ 18.7 trillion, translating into a mortgage-to-GDP ratio of 12.4%. While the ratio has improved over the last few years, it is still lower than several other emerging and developed economies. CRISIL Research analysis indicates the mortgage penetration in India is 9 to 11 years behind other regional emerging markets such as China. Going forward, CRISIL Research expects a steady and gradual increase in mortgage penetration due to various structural drivers, such as a young population, smaller family sizes, increased urbanisation and rising income levels.

The following graph sets forth Mortgage-to-GDP ratio in India compared with other countries (2017):



Note: (*) – As of calendar year 2019, (^) As of calendar year 2016

(Source: CRISIL Report)

The following table sets forth trend in Mortgage-to-GDP ratio of different countries:

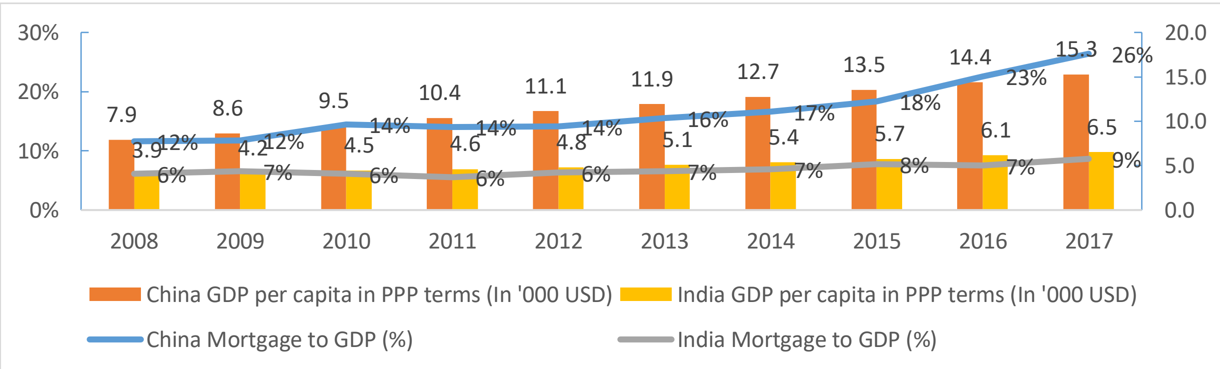
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Indonesia	1.6%	1.8%	2.0%	2.2%	2.4%	2.4%	2.7%	2.8%	2.8%	NA
India	6.2%	6.6%	6.1%	5.5%	6.3%	6.6%	6.9%	7.7%	7.5%	8.7%
South Africa	45.4%	33.2%	29.7%	23.3%	24.0%	21.3%	21.2%	18.1%	22.0%	21.4%
China	11.6%	11.8%	14.5%	14.1%	14.1%	15.5%	16.6%	18.4%	22.6%	26.4%
Malaysia	28.2%	35.0%	33.9%	31.7%	34.7%	35.0%	36.1%	33.6%	42.0%	44.2%
USA	82.7%	75.9%	80.1%	72.8%	68.8%	66.3%	63.8%	62.7%	62.9%	62.6%
UK	78.2%	80.2%	77.1%	74.2%	73.3%	71.3%	69.0%	68.7%	67.2%	67.0%

(Source: CRISIL Report)

Rise in Per Capita Income to Drive the Growth of Mortgage Penetration in India

The mortgage penetration in China is correlated to the GDP per capita of the country. The GDP-to-mortgage ratio of China has grown from 12% in 2008 to 26% in 2017. The per capita income of the country has increased from USD 7,900 to USD 15,300 during the same period. India has gone through a similar trajectory with mortgage penetration in the country increasing from 6% in 2008 to 9% in 2017 that is correlated to the increase in per capita income of the country from USD 3,900 in 2008 to USD 6,500 in 2017. CRISIL Research expects that India will continue on this trajectory to reach mortgage penetration of 15% by Fiscal 2024.

The following graph sets forth mortgage penetration levels (2008-2017):

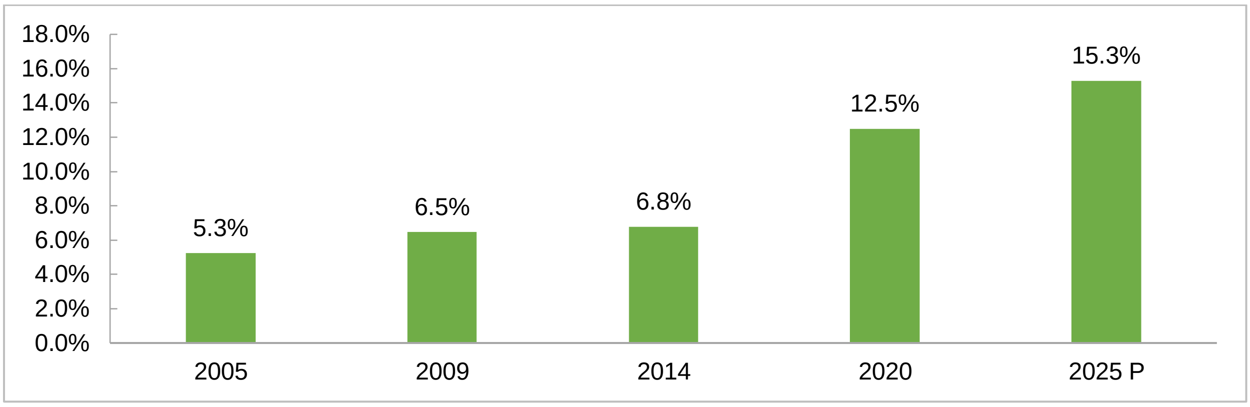


(Source: CRISIL Report)

India's Mortgage Penetration Expected to Touch 15.3% by 2025

In Fiscal 2020, India's mortgage-to-GDP ratio stood at 12.5%. Though low compared with other developing countries, it has significantly improved from 6.5% in Fiscal 2009. The factors that contributed to the improvement are rising incomes, improving affordability, growing urbanisation and nuclearisation of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Given the expected steady growth, CRISIL Research projects the ratio at 15.3% by Fiscal 2025.

The following graph sets forth trend in Mortgage-to-GDP ratio in India (2005-2025P):



(Source: CRISIL Report)

Factors Affecting Mortgage-to-GDP Ratio in India

Mortgage penetration in India is lower than other emerging economies owing to lower per capita income and higher proportion of informal employment in the country. However, CRISIL Research believes rising urbanisation, growing disposable income, and favourable demographics will lead to higher mortgage penetration going forward.

Low per capita GDP in India: An analysis by CRISIL Research indicates that housing loan penetration increases at relatively higher levels of per capita GDP. In other words, India's lower per capita income acts as a constraint to deeper mortgage penetration.

Relatively high house prices: Housing demand has a direct relationship with affordability of homes and annual income. Though affordability of homes has improved in the last few years due to real estate prices remaining stagnant and rising incomes, home prices are obstinately high in several parts of the country. Affordability is arrived at dividing home price with average annual income.

High percentage of population in informal employment: Higher proportion of informal employment makes income assessment difficult and increases credit risk premiums, thereby impacting the mortgage market growth. According to a report by the International Labour Organisation ("**ILO**"), the overall proportion of informal workers in total employment is nearly 92% in India based on a survey conducted in 2011 to 2012. These informal workers includes workers in the unorganised sector and informal workers in organised sector (i.e. workers without access to social security).

Information asymmetry in smaller cities: Data availability in India has improved with access to a number of online property portals and databases. However, information asymmetry persists, especially in smaller cities, where reliable valuation is also generally difficult to obtain.

Inadequate legal infrastructure: According to the World Bank's Ease of Doing Business index, India ranks low in registering property. A country's legal and regulatory support that ensures ease in dealing with property-related matters and cost-effective foreclosure of loans in a timely manner is critical for development of the housing loan market. However, India lags behind in this respect. *(Source: CRISIL Report)*

State-Wise Mortgage Penetration in India

The mortgage-to-GDP ratio as of March 2018 varies widely for the top 15 states ranging between 5.7% and 15.6%. Maharashtra has the highest mortgage penetration with the ratio at 15.6% followed by Karnataka (12.4%), Telangana (12.0%), Tamil Nadu (11.1%) and Delhi (10.5%).

The following table sets forth state-wise Mortgage-to-GDP ratio (Fiscal 2018):

States	Per Capita Income (₹ '000)	Home mortgage loan outstanding as a % of GDP
Maharashtra	176	15.6%
Karnataka	188	12.4%
Telangana	181	12.0%
Tamil Nadu	172	11.1%
Delhi	329	10.5%
Haryana	203	10.0%
Kerala	184	8.3%
Andhra Pradesh	144	8.2%
Gujarat	175	7.9%

States	Per Capita Income (₹ '000)	Home mortgage loan outstanding as a % of GDP
Uttar Pradesh	55	7.6%
Rajasthan	99	6.7%
Uttarakhand	182	6.7%
Madhya Pradesh	83	6.1%
Punjab	143	5.8%
Chhattisgarh	90	5.7%

Note: Figures for Gujarat, Kerala, Haryana, Madhya Pradesh and Punjab are based on Fiscal 2017 reported numbers. Figures for other states are based on Fiscal 2018 numbers.

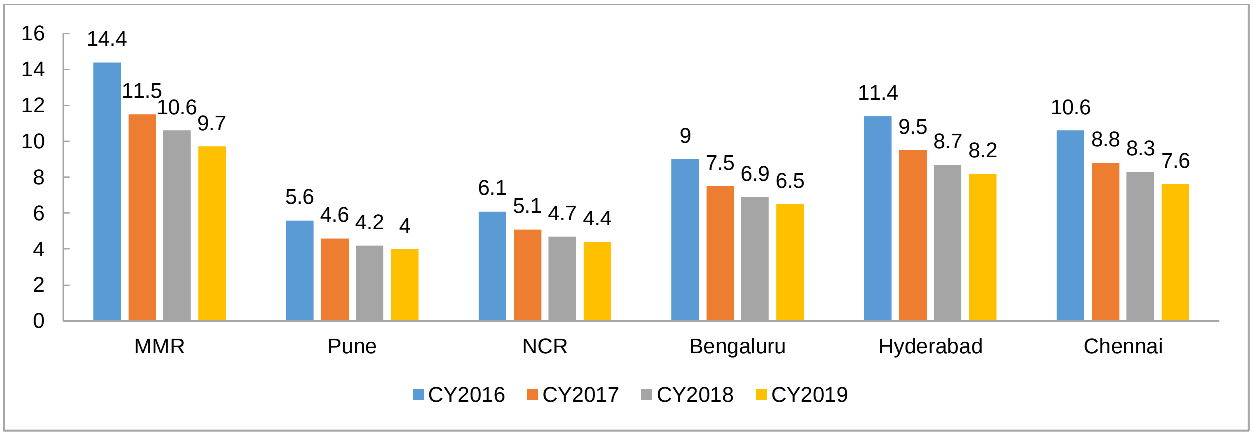
(Source: CRISIL Report)

CRISIL Research's analysis indicates a direct correlation between a state's mortgage penetration and its per capita income.

Trends on Affordability for Major Cities

Housing demand has a direct relationship with affordability of homes and annual income. Though affordability of homes has improved in the last few years due to real estate prices remaining stagnant and rising incomes, home prices are obstinately high in several parts of the country. Affordability is arrived at dividing home price with average income.

The following graph depicts improvement in affordability for major cities:



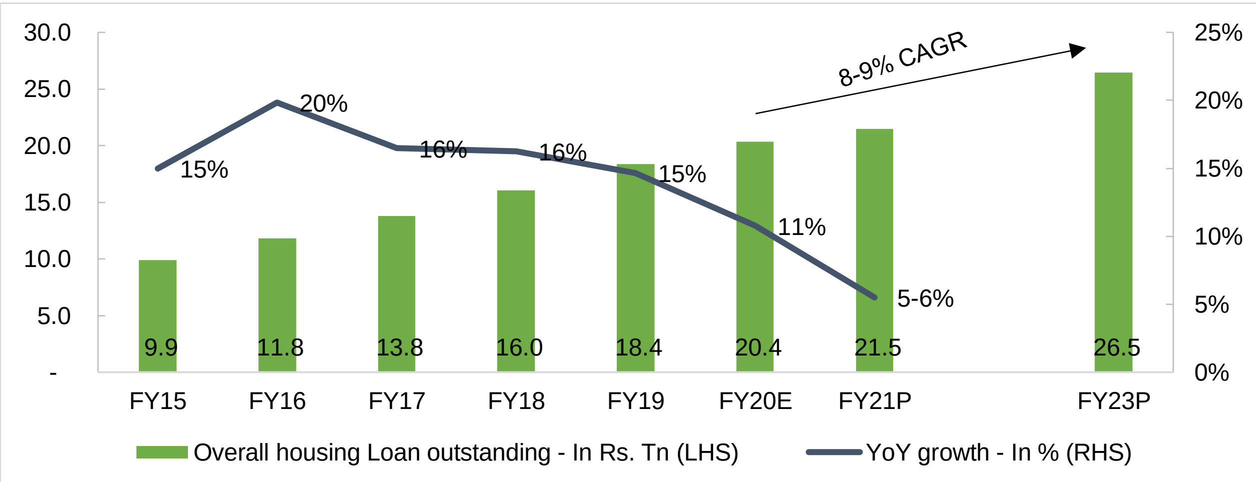
Note: Affordability = Home Price/Average Income

(Source: CRISIL Report)

Indian Housing Finance Market

The Indian housing finance market experienced a healthy growth in housing loan outstanding of approximately 16% over Fiscals 2015 to 2020 on account of a rise in disposable income, healthy demand and a greater number of players entering the segment.

The following graphs set forth growth in housing loan disbursement and credit outstanding over periods indicated below:



(Source: CRISIL Report)

CRISIL Research estimates the total housing loan outstanding of ₹ 20.4 trillion in Fiscal 2020. Growth in the total housing loan outstanding declined in Fiscals 2019 and 2020 due to slow growth of the HFCs post the IL&FS default and the economic slowdown. The COVID-19 pandemic has further intensified the issues that were already being faced by the housing finance sector. The first quarter of Fiscal 2021 was severely impacted due to disruptions caused by the COVID-19 pandemic and the resultant lockdown. The nationwide lockdown has had a cascading impact on the construction activity. The migrant labourers, who account for 80% of the construction workforce, returned to their villages during the pandemic. The restricted income growth and limited employment opportunities that have weakened demand from end-buyers, particularly self-employed borrowers. However, the second quarter of Fiscal 2021 witnessed a rise in demand for housing loans for major HFCs and banks as represented in the table below:

Entity	Outstanding growth		Disbursement growth		Collection efficiency
	Q1FY21	Q2FY21	Q1FY21	Q2FY21	As of September 2020
HDFC Limited	11.8%	10.3%	NA	11.0%*	96.30%
LIC Housing Finance	6.1%	5%	-65%	2.2%	96%
Can Fin Homes	9.7%	6.3%	-79%	-38%	NA
Bajaj Housing Finance	52%	31%	NA	NA	NA
Aditya Birla Housing Finance	2.6%	0.3%	NA	NA	94% (Oct 2020)
Aavas Financiers Limited	17.5%^	25.80%	-68.3%	3.5%	NA
Motilal Oswal Home Finance (formerly Aspire Home Finance)	-4.3%^	-5.10%	-27.9%	14.8%	103%
ICICI Home Finance	NA	-6.10%	NA	NA	NA
Overall banks	12.5%	8.5%	NA	NA	NA

Note: NA - Not available.

(*) - Only for individual loans, (^) - AUM growth.

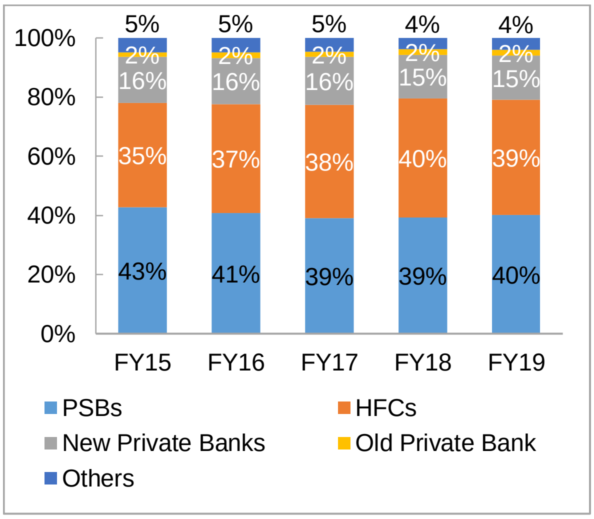
(Source: CRISIL Report)

CRISIL Research expects total housing loan outstanding to grow at a CAGR of 5% to 6% in Fiscal 2021 and at 8% to 9% CAGR over Fiscals 2020 and 2023.

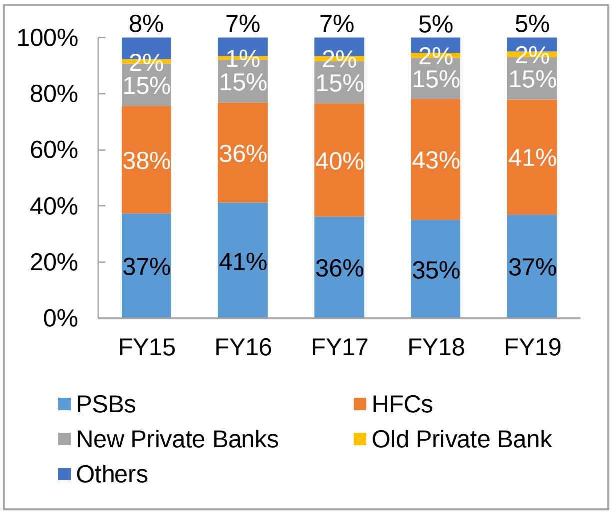
Market Share of Various Players in Housing Finance

The following graphs set forth market share of various players based on housing loan outstanding and housing loan disbursement:

Market share based on housing loan outstanding



Market share based on housing loan disbursement



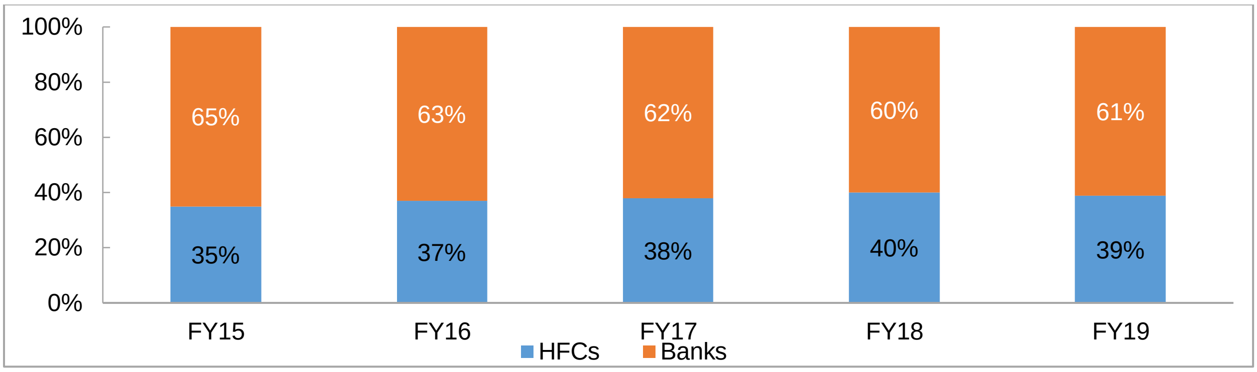
Note: The above classification of player groups is done as per the RBI. Others primarily include foreign banks, non-banking financing companies, regional rural banks, and cooperative banks.

(Source: CRISIL Report)

Although public sector banks lead in terms of value, in terms of volume, housing finance companies ("**HFCs**") have the highest market share compared with other lending institutions. The market share of HFCs, in terms of volume, have increased from 35% in Fiscal 2015 to 47% in Fiscal 2019, which can be attributed to rising focus of HFCs on lower ticket size loans and their relatively stronger market presence in this category compared with banks. *(Source: CRISIL Report)*

__Market Share Growth of HFCs Loses Momentum due to Liquidity Crisis__

With tightened liquidity post the Infrastructure Leasing and Financial Services ("**IL&FS**") default in September 2018, HFCs have encountered structural challenges in the form of increased refinancing risk and asset-liability mismatch, which slowed down disbursements in Fiscal 2019. HFCs' access to funds from the debt capital markets has also declined considerably, especially for those companies with high negative asset liability management ("**ALM**") mismatches. Consequently, several players in the industry have been focusing on managing ALM rather than growing their book. Resultantly, overall credit growth in housing loans for HFCs declined 8% on-year in Fiscal 2019. Hence, of the total amount of home loan outstanding of ₹ 18.7 trillion as of March 2019, HFCs accounted for 39% share.



Note: Market share is based on retail finance-housing outstanding,

(Source: CRISIL Report)

__Share of Top 15 States in Housing Loan Outstanding and Loan Disbursement__

The housing loan market remains fairly concentrated in top 15 states which account for approximately 93% of the loan outstanding as of March 2019. Maharashtra tops with the overall share of 23% followed by Karnataka (10%), Tamil Nadu (9%), Gujarat (8%) and Telangana (6%). Cumulatively, the top four states account for over half the housing loans outstanding.

The following table sets forth the share of few states in housing loan outstanding and housing loan disbursement:

States	Housing Loan Outstanding					Housing Loan Disbursement				
	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Maharashtra	24%	24%	24%	24%	23%	24%	24%	24%	25%	24%
Karnataka	10%	10%	10%	10%	10%	11%	10%	10%	9%	9%
Tamil Nadu	11%	11%	10%	10%	9%	7%	7%	8%	9%	8%
Gujarat	7%	7%	7%	8%	8%	9%	8%	9%	8%	8%
Uttar Pradesh	6%	6%	7%	6%	6%	5%	6%	6%	6%	6%
Telangana	6%	6%	5%	6%	6%	7%	6%	6%	6%	6%
Delhi	5%	5%	5%	4%	4%	5%	5%	5%	5%	6%
Andhra Pradesh	4%	4%	4%	4%	4%	3%	4%	4%	4%	4%
Haryana	5%	4%	4%	4%	4%	5%	4%	4%	4%	4%
Rajasthan	3%	3%	3%	3%	4%	4%	4%	4%	4%	4%
Madhya Pradesh	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Chhattisgarh	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

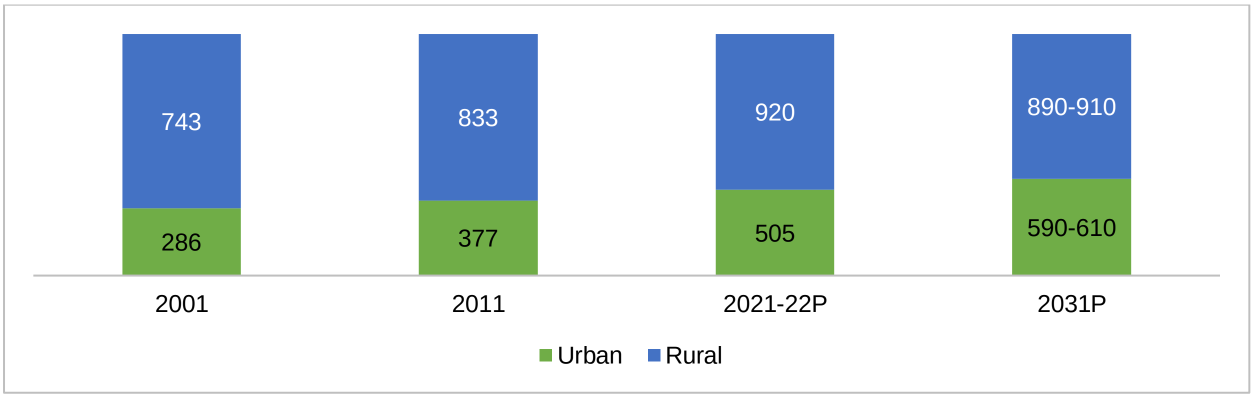
(Source: CRISIL Report)

__Growth Drivers for Housing Finance__

Higher transparency in the sector, increasing affordability and urbanisation, and government incentives is expected to push up the housing finance market over the next five years.

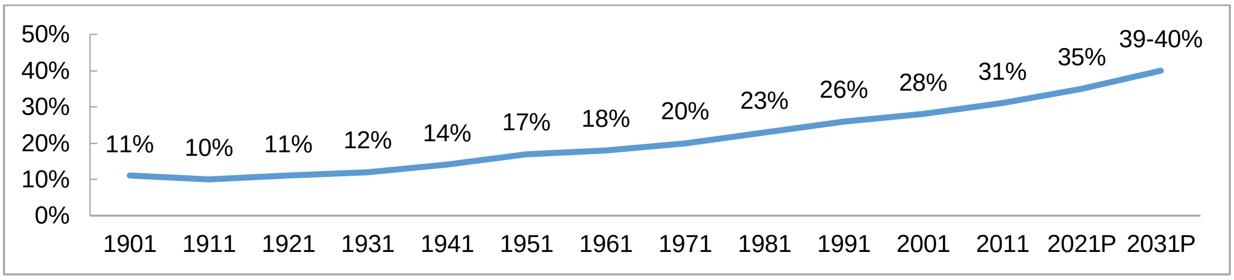
Rising Urbanisation. The share of urban population in relation to the total population has been consistently rising over the years. The urban population was 377 million in 2011, marking a CAGR of 2.8%; rural population was 833 million, marking a CAGR of 1.16%. Urbanisation levels rose from 28% in 2001 to approximately 31% in 2011. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects approximately 36% of the country's population to live in urban areas by 2020. This percentage is expected to increase further in the years to come, thereby translating into higher demand for housing and related amenities in the urban areas.

The following graph sets forth the urban and rural growth over the period indicated:



(Source: CRISIL Report)

The following graph sets forth urban population as a percentage of total population:



(Source: CRISIL Report)

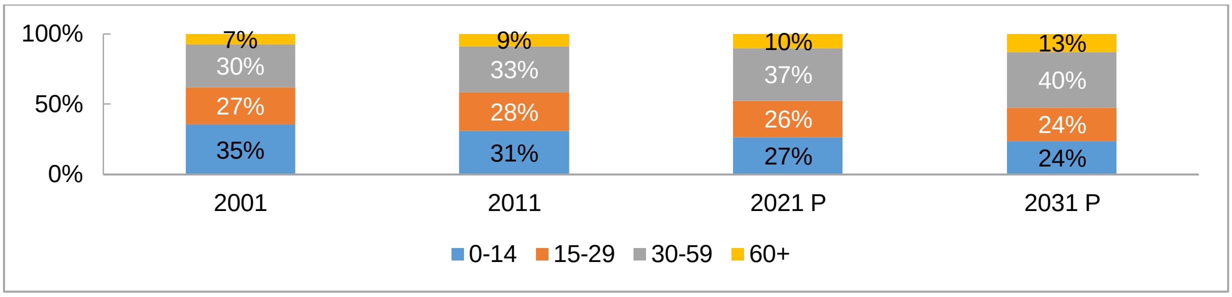
The following table sets forth state-wise urban population as a percentage of total population:

States	Urban population as a percentage of total population	States	Urban population as a percentage of total population
Chandigarh	97%	Nagaland	29%
NCT of Delhi	97%	Madhya Pradesh	28%
Goa	62%	Jammu and Kashmir	27%
Mizoram	52%	Tripura	26%
Kerala	48%	Rajasthan	25%
Tamil Nadu	48%	Sikkim	25%
Maharashtra	45%	Jharkhand	24%
Gujarat	43%	Arunachal Pradesh	23%
Karnataka	39%	Chhattisgarh	23%
Punjab	37%	Uttar Pradesh	22%
Haryana	35%	Meghalaya	20%
Andhra Pradesh	33%	Orissa	17%
West Bengal	32%	Assam	14%
Uttarakhand	31%	Bihar	11%
Manipur	30%	Himachal Pradesh	10%

(Source: CRISIL Report)

Favourable demographics: Currently, India has one of the largest young population in the world, with a median age of 28 years. CRISIL Research expects that approximately 90% of Indians will be below the age of 60 years by the calendar year 2020, of which 63% will be between 15 and 59 years. Comparatively, US, China and Brazil is expected to have 77%, 83% and 86% of their population below the age of 60 years by the calendar year 2020.

The following graph sets forth India's demographic dividend (2001-2031P):



(Source: CRISIL Report)

Rising Nuclearisation. Nuclearisation refers to formation of multiple single families out of one large joint family. Each family lives in a separate house, while the ancestral house may be retained or partitioned to buy new houses. Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes, and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future. Average household size has fallen from 5.5 in 1991 to 5.3 in 2001 and 4.8 in 2011, as per Census 2011.

Changing Floor Space Requirement. Floor space requirement is dependent on the family size as well as affordability determined by income levels. With increasing nuclearisation, the per capita floor space area required reduces as the family size shrinks. As income rises, people shift to bigger houses, thus increasing demand. For lower income groups, floor space required is marginally higher in rural areas than in urban areas. This may be attributed to lower prices in rural areas.

Rising Demand for Independent Houses. Indians traditionally prefer to live in independent houses. However, the increase in population density, especially in urban areas, has increased the demand for flats. This will continue to drive the demand for such homes, which are often self-constructed, especially in the smaller cities.

Declining Age of Home Loan Borrowers. Average age of borrowers has been declining over the years and was estimated at 33 years in Fiscal 2020. CRISIL Research expects this figure to decline further to 30 years in Fiscal 2025 with growth in salaries and people's strengthening preference for accumulating assets, both for investment purpose and tax benefits. *(Source: CRISIL Report)*

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 is expected to, consequently, increase the demand for loans. Under the "Housing for All" mission, 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: Under the PMAY-G, the target is to construct 12 million houses by Fiscal 2022 under the Phase-II of the scheme. Of this, 11.7 million have been constructed as of October 5, 2020. Further, under the PMAY-U, the target is to construct 11 million houses over Fiscals 2016 to 2022. Of this, 10.8 million have been sanctioned as of October 5, 2020. Of the sanctioned houses, 3.78 million have been constructed. The flow of funds from the Government remains crucial for the success of both the schemes.

Interest Subsidy under PMAY: Under the "Housing for All" scheme, in order to expand institutional credit flow to the urban population, the Government had introduced the CLSS as a demand-side intervention. In May 2020, the Government extended the CLSS until March 2021. This move is expected to boost the loan disbursements over the coming fiscals. The subsidy will be provided on home loans for eligible urban population to acquire and construct houses. For loans of up to ₹ 0.6 million for EWS and 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 ₹ 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 ₹ 0.6 to 1.8 million per annum.

Category	**Annual Household Income (₹)**	**Loan Amount (₹)**	**Interest Subsidy**	**Size of the proposed house (carpet area; sq. mt)**
EWS and LWG	Up to 0.6 million	0.6 million	6.5%	60
MIG 1	Between 0.6 – 1.2 million	0.9 million	4%	160
MIG 2	Between 1.2 – 1.8 million	1.2 million	3%	200

(Source: CRISIL Report)

Last Mile Affordable Housing Funding Package. The Government has announced ₹ 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 ₹ 100 billion and outside investors, such as Life Insurance Corporation of India, private capital and sovereign wealth funds and development finance institutions, will contribute roughly the same amount. The objective of this move is to focus on the construction of unfinished units, and this move is expected to benefit roughly 0.35 million projects in India.

Relaxation of External Commercial Borrowings Guidelines. The Government also announced that the guidelines of External Commercial Borrowings ("**ECB**") would be relaxed to facilitate financing of home buyers. This will be carried out in consultation with the RBI to help identify eligible beneficiaries under PMAY. The relaxation to be provided will be in addition to the existing norms for the ECB for affordable housing.

Tax Incentives. The Government has traditionally used tax concessions to promote the housing and housing finance sectors. In the Union Budget for Fiscal 2020, the Government enhanced interest deduction on loans taken until March 31, 2020, for purchase of houses valued up to ₹ 4.5 million to ₹ 0.35 million from ₹ 0.2 million. Other tax benefits available for home loan consumers include: (i) annual interest payments of up to ₹ 200,000 (₹ 300,000 for senior citizens) on housing loans can be claimed as a deduction from taxable income; (ii) principal repayments of up to ₹ 150,000 on a housing loan are allowed as a deduction from gross total income; and (iii) an additional deduction in respect of interest of ₹ 50,000 per annum has been provided exclusively for first-time home buyers, given the property value is up to ₹ 5 million and the loan is up to ₹ 3.5 million.

Real Estate (Regulation and Development) Act, 2016. The implementation of the Real Estate (Regulation and Development) Act (the "**RERA Act**") in 2016 had a direct impact on the supply-demand dynamics in the sector. The RERA Act is expected to improve transparency, timely delivery, and organized operations over time. The RERA Act does not permit developers to launch new projects unless they are registered with the real estate authority. The RERA Act also puts an end to fund diversion across projects as it mandates 70% of the funds collected from customers for a specific project to be maintained in a separate escrow account, and used only for the same project.

GST. GST is expected to bring in transparency and simplicity on account of the availability of input tax credit ("**ITC**") paid on inputs, capital goods and input services. 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. Over the last two years, completed projects were being preferred by end-users because of the additional GST burden and execution risks associated with under-construction properties. With the implementation of the RERA framework as well as reduction in GST, end-user confidence towards under-construction properties is expected to improve, resulting in growth in the housing segment.

Facility of Corpus Withdrawal by Employees' Provident Fund Organisation. To promote the "Housing for All" by 2022 scheme, the Government has streamlined and eased various related means for people to avail benefits and, in turn, promote the housing sector. In a similar effort, the Employees' Provident Fund Organisation ("**EPFO**"), in 2017, allowed its members to withdraw up to 90% of their provident fund accumulations (if it is less than the cost of the property) to make down payment for a house. To help boost the housing sector, only fresh purchases are allowed this facility and not purchases from the secondary market. EPFO has also allowed its members to use their provident fund contributions to pay monthly equated monthly instalments for home loans. *(Source: CRISIL Report)*

Regulator Initiatives

Risk Weight Rationalisation on Housing Loans. Until October 2020, risk weight for housing loans was allocated on the basis of the ticket size and loan-to-value ("**LTV**") ratio. However, for all the new housing loans sanctioned up to March 31, 2022, risk weight for housing loans will be allocated only on the basis of the LTV ratio. While such revised risk weight allocation will be applicable to all ticket sizes, housing loans above ₹ 7.5 million will benefit the most as risk weight allocation for these loans will reduce from 50% to 35%.

The following table sets forth the existing risk weight allocation:

Outstanding loan	LTV ratio	Risk weight
< ₹ 30 lakh	<80%	35%
	80-90%	50%
₹ 30-75 lakh	<80%	35%
> ₹ 75 lakh	<75%	50%

The following table sets forth the revised risk weight allocation:

LTV ratio	Risk weight
<80%	35%
80-90%	50%

(Source: CRISIL Report)

Regulatory Authority on HFCs Shifted from NHB to the RBI. The Union Budget 2019-2020 announced the transfer of regulatory power on HFCs from NHB to the RBI. This is expected to 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.

Increase in Public Sector Lending Eligibility. The RBI has increased (under the notification released in June 2018) the eligibility for public sector lending ("**PSL**") in housing loans with a view to converge PSL guidelines with PMAY. The eligibility has been increased from ₹ 2.8 million to ₹ 3.5 million for metropolitan centres and from ₹ 2 million to ₹ 2.5 million for other centres. The cost of dwelling unit has been capped at ₹ 4.5 million in metropolitan centres and at ₹ 3 million in other centres.

NHB's Refinance Schemes 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.

Increased Refinancing Limits. NHB has raised refinancing target from ₹ 240 billion in July 2018 to ₹ 300 billion for July 2019. Further, the RBI has increased the celling for lending to a single NBFC from 10% to 15% until December 2019. The RBI has also reduced the minimum holding requirement for NBFCs raising funds through securitisation of loans of original maturity above five years. The NBFCs will now be allowed to securitise loans after showing six months of repayments against the earlier requirement of 12 months.

Access to SARFAESI Helps HFCs Accelerate Recoveries. Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest ("**SARFAESI**") Act, 2002, allows lenders in India auction commercial or residential properties to recover loans. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 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. *(Source: CRISIL Report)*

Government's thrust to Housing Sector through PMAY

PMAY-U, for ensuring housing for all in urban areas, was launched on June 25, 2015, to be implemented during 2015 to 2022. The mission provides central assistance to implementing agencies through states/union territories and central nodal agencies for providing houses to all eligible families/beneficiaries.

Eligibility for CLSS and CRISIL Research's Analysis

Eligibility for CLSS				
Parameters	**EWS**	**LIG**	**MIG- I**	**MIG- II**
Annual household income:	Up to ₹ 0.3 million (Up to 5 thousand)	Between ₹ 0.3 million and ₹ 0.6 million	Between ₹ 0.6 million and ₹ 1.2 million)	Between ₹ 1.2 million and ₹ 1.8 million
Eligible housing loan amount for interest subsidy (₹)	₹ 0.6 million		₹ 0.9 million	₹ 1.2 million
Interest subsidy (% p.a.)	6.5%		4.0%	3.0%
Maximum loan tenure	20 years			
Dwelling unit carpet area	Up to 60 sq. MT	Up to 60 sq. MT	Up to 160 sq. MT	Up to 200 sq. MT
	CRISIL Research's assessment			
Discount rate for NPV calculation of interest subsidy (%)	9.0%			
Home loan rate assumed for EMI savings calculation	8.65%			
Effective reduction in housing loan principal amount	₹ 267,000		₹ 235,000	₹ 230,000
Per month EMI saving	₹ 2,345		₹ 2,062	₹ 2,019
Aspiration property value	₹ 1.2 million (4X annual household income)	₹ 2.4 million (4X annual household income)	₹ 6.0 million (5X annual household income)	₹ 9.0 million (5X annual household income)
CLSS benefit as % of property value	22%	11%	4%	3%

Note: The per-month EMI saving is on account of the upfront payment of subsidy to the beneficiary. The subsidy will be credited to the borrower's account upfront, and the borrower will pay the EMI as per agreed rates on the remainder of the principal.

(Source: CRISIL Report)

PMAY-U: Status

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 October 5, 2020, the progress of PMAY-U is represented below:

Houses sanctioned	10.8 million
Houses grounded for construction	6.7 million
Houses completed	3.7 million
Total investment	₹ 6,490 billion
Central assistance released	₹ 767 billion

(Source: CRISIL Report)

PMAY-U Housing Demand and Targets

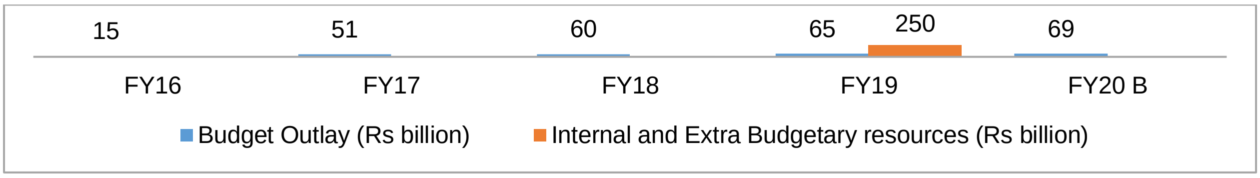
As per the publicly available documents, under PMAY-U, demand reported so far by states/union territories is around 11.2 million. As on October 5, 2020, the number of houses sanctioned is 10.8 million and the number of houses where construction is completed is 3.7 million, which adds to 33% of the reported demand. To achieve the target, 7.5 million houses still need to be constructed. According to a statement of the Housing and Urban Affairs Minister in June, all the houses will be sanctioned by the first quarter of next year. The construction of houses and delivery of houses is expected to be completed by 2022. *(Source: CRISIL Report)*

Government Expenditure on PMAY-U

To achieve the target for housing for all by 2022, the Central Government needs to contribute a whopping ₹ 1.5 trillion in seven fiscals through 2022, at an average ₹ 0.15 million per house. As on August 14, 2020, the Government has already sanctioned ₹ 1.68 trillion. However, the central assistance released is about ₹ 0.77 trillion, which amounts to only one-third of the required assistance. Approximately ₹ 1 trillion still needs to be released from the Government to achieve the target by 2022.

Budgetary Allocation of Funds under PMAY-U

The following graph sets out the budgetary allocation under PMAY-U:



Note: B-Budgeted, P-Projected, IEBR may include bonds raised through entities such as Housing and Urban Development Corporation Limited.

(Source: CRISIL Report)

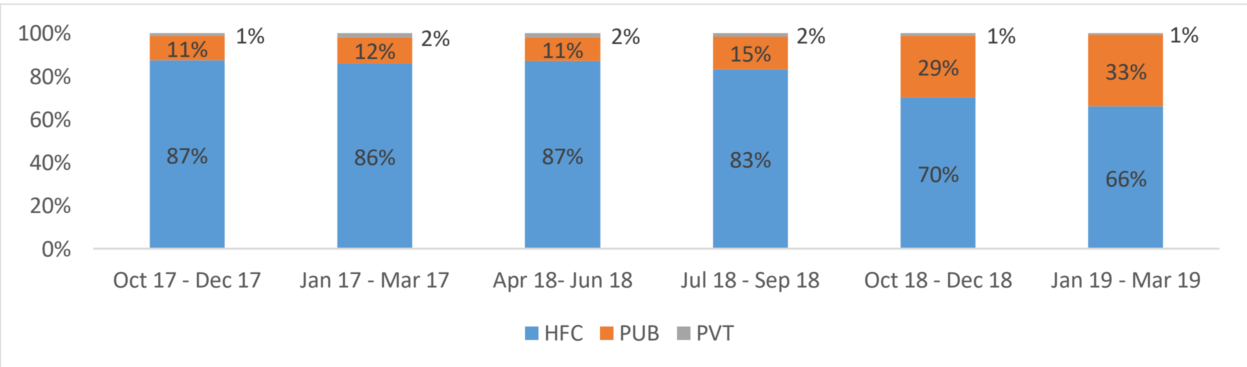
Momentum in Implementation of PMAY-U

The implementation of PMAY-U gained momentum last year. Project investment of about ₹ 3,327 billion was approved from January 2018 to March 2019. Also, the number of housing units sanctioned and completed were the highest in the above period. A major driver for this progress is the extra budgetary resources of ₹ 250 billion provided by the Government.

PMAY-U Offers High Potential for HFCs

The scheme's massive scale has supported growth in allied industries such as cement, steel and also housing finance disbursements. For example, in Fiscal 2019, aggregate disbursements by financiers under PMAY was ₹ 153 billion, accounting for approximately 3% of the total housing loans disbursed during the fiscal. Over the next few years as well, the scheme offers huge potential for growth for HFCs, given the quantum of construction activity envisaged. Most beneficiaries under the scheme would have relatively low-income levels, and, therefore, financiers focusing on this class of borrowers would benefit the most.

The following graph depicts that HFCs account for majority share in overall PMAY disbursement:



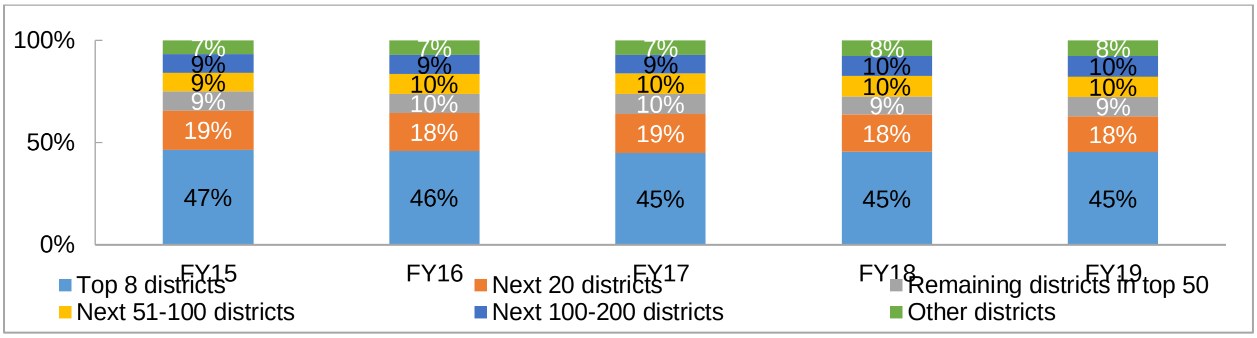
Note: HFC – Housing Finance Companies, PUB – Public Sector Banks, PVT – Private Sector Banks

(Source: CRISIL Report)

Distribution of Housing Demand

Faster growth in smaller districts and muted demand for high-ticket housing in metros have led to increased share of smaller districts (tier-II and below cities) in housing loans over the last couple of years. The top 50 districts in the country account for 72% of the housing demand in the country for the fiscal year 2019. Share of smaller districts in the home loan disbursements has grown in the last two years, as illustrated in the graph below. CRISIL Research expects the trend to continue going forward.

The following graph sets out district-wise share in housing loans:



1) *The districts have been classified on the basis of home loan disbursements in Fiscal 2019.*

2) *Mumbai Metropolitan Region (“**MMR**”), National Capital Region (“**NCR**”), Bengaluru and Kanpur have each been considered as one district.*

3) *MMR includes Thane and Mumbai, NCR includes Delhi, Gurugram, Gautam Buddha Nagar, Ghaziabad and Faridabad, Bengaluru includes Bengaluru Urban and Bengaluru Rural, Kanpur includes Kanpur Nagar and Kanpur Dehat.*

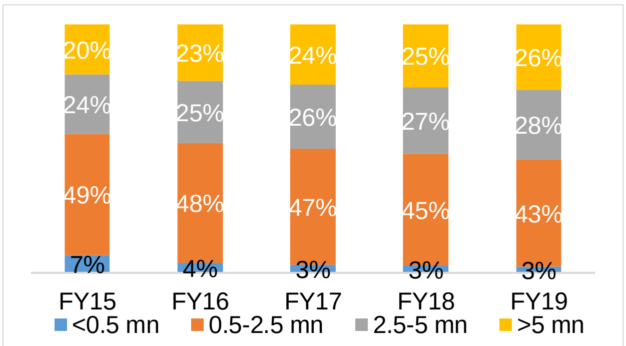
(Source: CRISIL Report)

Healthy Housing Finance Market Growth

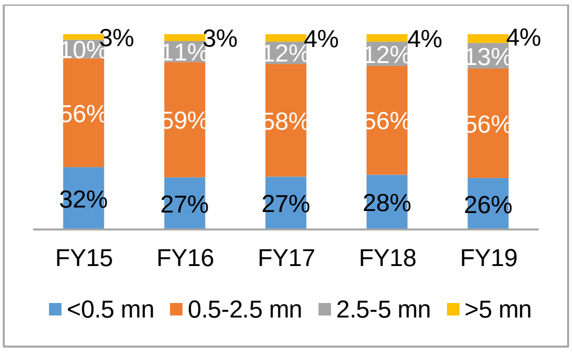
The housing loan market grew at approximately 18% CAGR between Fiscals 2014 and 2019. The share of the higher ticket segment increased from 44% in Fiscal 2015 to 54% in Fiscal 2019. The expansion in share was driven by increased housing project launches in the premium segment. The market of share of higher ticket size segment is slowly increasing in terms of volume but more than 80% of the market share still lies with the lower ticket size segment (less than ₹ 2.5 million).

The following graph sets forth the ticket size-wise loan outstanding mix in value and volume terms:

Ticket size-wise loan outstanding mix: Value terms



Ticket size-wise loan outstanding mix: Volume terms



(Source: CRISIL Report)

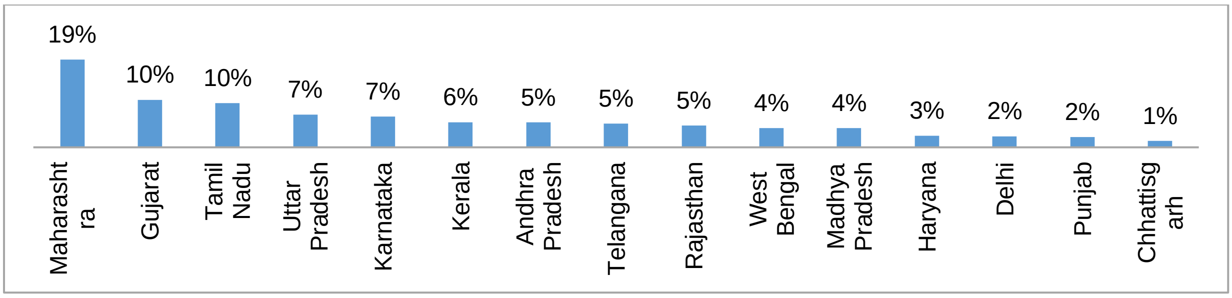
Top 15 States Comprising Bulk of the Share across Loan Buckets

Top 15 states, Maharashtra, Madhya Pradesh, Gujarat, Kerala, Tamil Nadu, Rajasthan, Uttar Pradesh, Karnataka, West Bengal, Andhra Pradesh, Telangana, Punjab, Chhattisgarh, Odisha and Haryana, comprise bulk of the share across loan buckets.

In ticket size less than ₹ 0.5 million, these top 15 states contribute to 93% of the loan outstanding. Maharashtra tops in the list, accounting for 18% share, followed by Madhya Pradesh (14%), Gujarat (8%), Kerala (8%), and Tamil Nadu (7%).

In ticket size between ₹ 0.5 to 2.5 million, the top 15 states comprise 92% share of loan outstanding. Maharashtra tops in the list again with a 19% share, followed by Gujarat (10%), Tamil Nadu (10%), Uttar Pradesh (7%), and Karnataka (7%).

Ticket size between ₹ 0.5 and 2.5 million



(Source: CRISIL Report)

In ticket size between ₹ 2.5 to 5.0 million, the above 15 states contribute 94% share of loan outstanding. Maharashtra tops in the list with 23% share, followed by Karnataka (13%), Tamil Nadu (11%), Telangana (8%), and Uttar Pradesh (7%). In ticket size greater than ₹ 5.0 million, the above 15 states comprise 97% of the loan outstanding. Maharashtra once again tops in the list with 33% share, followed by Karnataka (13%), Delhi (9%), Tamil Nadu (8%), and Haryana (6%). *(Source: CRISIL Report)*

The following table sets forth the market size of home loans in certain cities in India, in terms of origination, in the bucket size of ₹ 500,000 to ₹ 2,500,000, for the periods indicated:

(in ₹ million)

Location	Q1 Fiscal 2018	Q4 Fiscal 2020
	Market size	Market size
Jaipur	7,883.04	7,698.52
Ahmedabad	11,117.83	11,155.22
Surat	16,800.86	10,167.89
Indore	4,926.55	6,277.92
Nagpur	3,222.41	3,487.70
Raipur	2,508.95	2,550.87
Hyderabad	14,068.72	11,144.21
Bengaluru	12,483.72	9,322.08
Chennai	8,373.23	6,611.43

(Source: CRISIL Report)

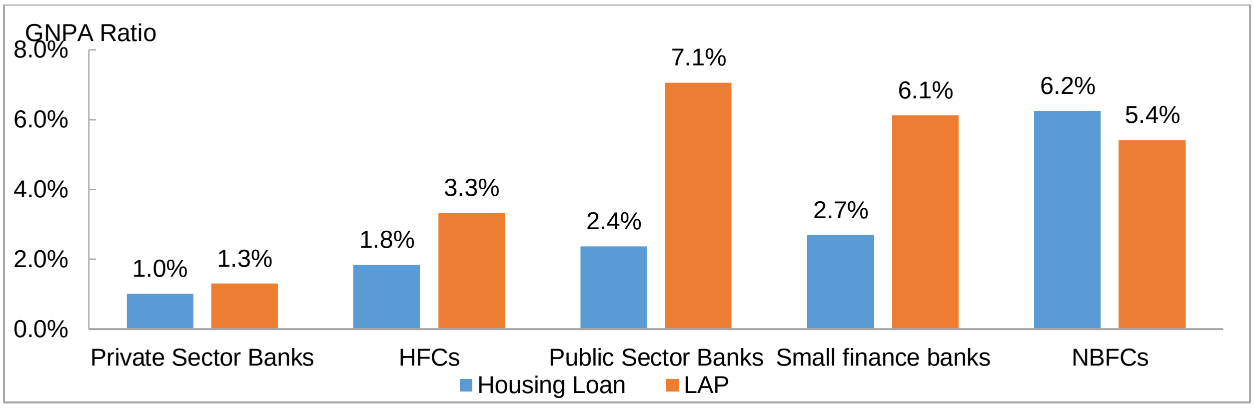
HFCs are Transitioning their Product Mix Towards Higher-Yielding Assets

CRISIL Research estimates that housing loans account for approximately 60% of the HFCs' total loan portfolio. Loan against property ("**LAP**"), the fastest growing product in the HFC portfolio, comprised approximately 20% of the HFCs' loan portfolio as of Fiscal 2019, up significantly from 12% share four years ago. The share of developer loans and other corporate loans remained relatively stable at approximately 20%. Over the next two to three years, with HFCs increasingly looking at conserving liquidity and getting cautious on funding developers, CRISIL Research expect the share of developer loans in the overall outstanding loans to come down. The growth in the LAP portfolio of HFCs is also likely to moderate, given growing concerns on asset quality. *(Source: CRISIL Report)*

HFCs' Asset Quality Better than Overall Market

As compared with the asset quality in housing loans of all financiers, the asset quality of loans extended by the HFCs is better, with 1.8% of gross non-performing assets ("**GNPAs**") as a proportion of advances in the housing loan segment, and 3.3% of GNPAs in the LAP segment, as of March 2019. However, the GNPAs for HFCs have been rising through the past three years; a similar trend was visible in all player groups, including public sector banks, private banks, and NBFCs.

The following graph compares asset quality across lenders, as of March 2019:



Note: The above classification of player groups is done as per the RBI

(Source: CRISIL Report)

Roll Rates Indicate Improving Asset Quality

An analysis of roll rate for the industry in Fiscal 2019 indicates a significant decrease of loans rolled forward in each bucket. For example, the percentage of loans rolled forward from 1 to 29 days past due ("**DPD**") bucket to 30-59 DPD bucket decreased from 19.7% in April 2018 to 13.6% in March 2019. In other buckets as well, such a trend was observed indicating a steady improvement in the asset quality scenario. Also, the roll forward rates came down steadily, indicating an improvement in the asset quality scenario. The movement in the roll backward rates suggest an improvement in asset quality as well. For example, the percentage of loans rolled backward from 60 to 89 DPD bucket to 30 to 59 DPD bucket rose from 5.5% in April 2018 to 10.6% in March 2019. A similar trend was observed in most other buckets as well.

The following table sets our roll rates for the industry in Fiscal 2019:

(in %)

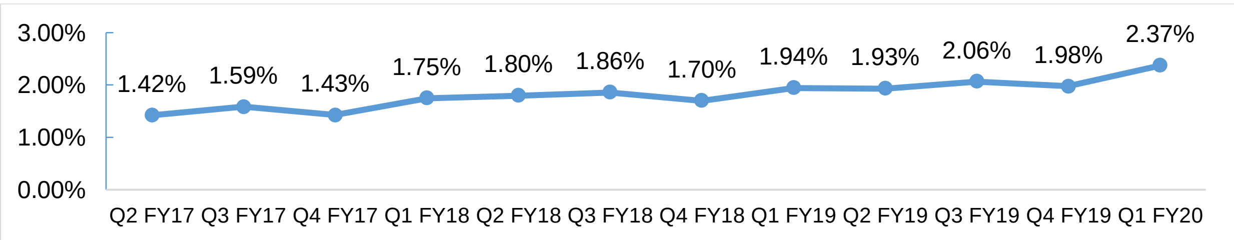
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Roll Forward												
Current to 1-29 dpd	2.2	1.8	1.0	1.7	1.1	1.2	1.6	1.4	1.5	1.1	1.2	1.4
1-29 to 30-59 dpd	19.7	18.2	7.7	13.0	9.9	10.3	14.6	9.6	11.8	11.8	8.1	13.6
30-59 to 60-89 dpd	36.8	25.2	15.3	20.3	19.6	17.9	22.8	19.6	16.5	19.7	14.8	12.9
60-89 to 90+ dpd	14.5	9.7	6.0	10.2	5.3	5.5	8.1	4.8	6.4	7.1	5.3	4.9

(Source: CRISIL Report)

HFCs and NBFCs Weather Strong Headwinds

Following demonetisation in November 2016, the GNPA ratio of NBFCs and HFCs gradually rose, from 1.42% in the second quarter of Fiscal 2017 to 1.86% in third quarter of Fiscal 2018. Financiers, though, did not face any major impact on disbursement after the event of demonetisation.

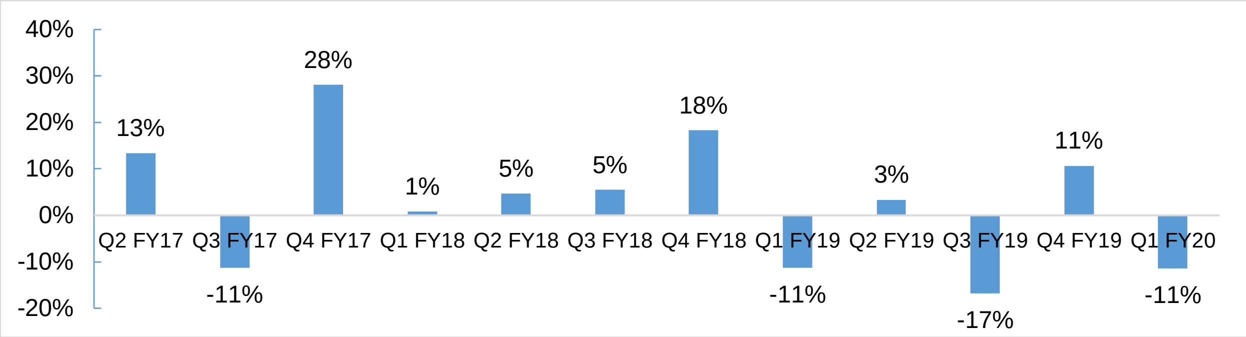
The following graph sets forth GNPA% for NBFCs and HFCs in home loans:



(Source: CRISIL Report)

However, the liquidity crisis following a series of defaults by IL&FS in September 2018 had a considerable impact on NBFCs and HFCs. Access to funds was hugely impacted, which led to higher cost of funds. Disbursements declined 17% on-quarter in the third quarter of Fiscal 2019, immediately after being hit by the liquidity crisis, thereafter recovering with 11% on-quarter growth in the last quarter of Fiscal 2019. Moreover, several NBFCs and HFCs increased their interest rates post the event. Due to the liquidity crunch in the market, which led to the contraction of credit supply, the disbursements declined 11% on-quarter in the first quarter of Fiscal 2020.

The following graph sets forth disbursement growth of HFCs and NBFCs (on-quarter):



(Source: CRISIL Report)

Non-banks are expected to reduce their dependence on short-term funding sources post the recent liquidity crunch, which was primarily owing to improper asset-liability maturity management. Because of limited access to funds, HFCs and NBFCs shifted towards securitisation as a mechanism to raise funds to meet their liquidity requirements. In fact, the securitisation and direct assignment of mortgages more than doubled to approximately ₹ 930 billion in Fiscal 2019, from approximately ₹ 357 billion the previous fiscal. *(Source: CRISIL Report)*

State-Wise Analysis of HFC Groups in Overall Housing Finance Industry

HFCs have seen steady growth in the past four years with a CAGR of 23% in overall housing finance industry. But there are wide variations across states and districts within the state that indicate the intensity of the presence of the HFCs and their impact. In the overall housing finance industry, the credit extended by HFCs is approximately ₹ 7.3 trillion, as of March 2019. The top 15 states have a market share of 89% in terms of credit outstanding of HFCs in the industry. Maharashtra is at the top with a market share of 25%, followed by Tamil Nadu (10%), Karnataka (9%), Uttar Pradesh (7%) and Gujarat (7%).

The following table sets out the state and district wise assessment of HFCs housing loans within overall housing loans (as of March 2019):

State	No. of districts	Credit outstanding of HFCs in overall housing industry (₹ billion)	HFC Groups	Share of HFC Groups in overall housing credit outstanding	Growth in Credit outstanding of HFC Groups (four-year CAGR – Fiscals 2015-2019)	Top 5 districts on the basis of credit outstanding	Concentration of overall housing credit outstanding of HFCs in top 5 districts
Maharashtra	34	1818	Large	81%	19%	Thane, Pune, Mumbai, Nashik, Raigarh	88%
			Medium	13%	30%		83%
			Small	6%	86%		65%
			Affordable	***9%***	***49%***		62%
Tamil Nadu	32	754	Large	84%	9%	Chennai, Kancheepuram, Madurai, Tiruvallur, Coimbatore	69%
			Medium	7%	46%		70%
			Small	9%	17%		57%
			Affordable	***4%***	***76%***		59%
Karnataka	31	638	Large	81%	17%	Bangalore, Mysore, Dakshin Kannada, Udipi, Hubli	89%
			Medium	14%	57%		93%
			Small	5%	37%		80%
			Affordable	***5%***	***51%***		86%
Uttar Pradesh	72	528	Large	89%	21%	Ghaziabad, Lucknow, Gautam Buddha Nagar, Agra, Kanpur Nagar	64%
			Medium	9%	61%		86%
			Small	2%	80%		77%
			Affordable	***4%***	***188%***		80%
Gujarat	26	522	Large	70%	30%	Surat, Ahmedabad, Vadodra, Rajkot, Valsad	77%
			Medium	21%	27%		76%
			Small	9%	125%		79%
			Affordable	***17%***	***31%***		64%
Telangana	9	439	Large	82%	17%	Hyderabad, K.V.	92%
			Medium	13%	62%		97%

State	No. of districts	Credit outstanding of HFCs in overall housing industry (₹ billion)	HFC Groups	Share of HFC Groups in overall housing credit outstanding	Growth in Credit outstanding of HFC Groups (four-year CAGR – Fiscals 2015-2019)	Top 5 districts on the basis of credit outstanding	Concentration of overall housing credit outstanding of HFCs in top 5 districts
			Small	5%	34%	Rangareddy, Medak, Warangal, Karim Nagar	88%
			Affordable	***4%***	***124%***		95%
Haryana	19	320	Large	88%	14%	Gurgaon, Faridabad, Panchkula, Karnal, Sonipat	80%
			Medium	10%	57%		88%
			Small	2%	66%		81%
			Affordable	***4%***	***144%***		86%
Delhi	8	312	Large	76%	18%	South West Delhi, North West Delhi, East Delhi, West Delhi, South Delhi	84%
			Medium	19%	64%		85%
			Small	5%	61%		82%
			Affordable	***9%***	***153%***		81%
Rajasthan	32	242	Large	79%	20%	Jaipur, Jodhpur, Ajmer, Kota, Udaipur	67%
			Medium	12%	41%		77%
			Small	9%	123%		65%
			Affordable	***13%***	***59%***		60%
Madhya Pradesh	50	239	Large	68%	21%	Indore, Bhopal, Gwalior, Jabalpur, Ujjain	76%
			Medium	22%	33%		56%
			Small	10%	169%		56%
			Affordable	***24%***	***48%***		48%
Andhra Pradesh	14	203	Large	76%	24%	Visakhapatnam, Krishna, East Godavari, Guntur, West Godavari	61%
			Medium	14%	85%		73%
			Small	10%	29%		72%
			Affordable	***6%***	***151%***		62%
Chhattisgarh	18	61	Large	89%	20%	Raipur, Durg, Bilaspur, Korba, Raigarh	90%
			Medium	8%	38%		82%
			Small	2%	129%		90%
			Affordable	***4%***	***44%***		80%

As can be seen in the table above, Affordable HFCs have grown between 31% to 188% CAGR during Fiscals 2015 to 2019, in the above states. *(Source: CRISIL Report)*

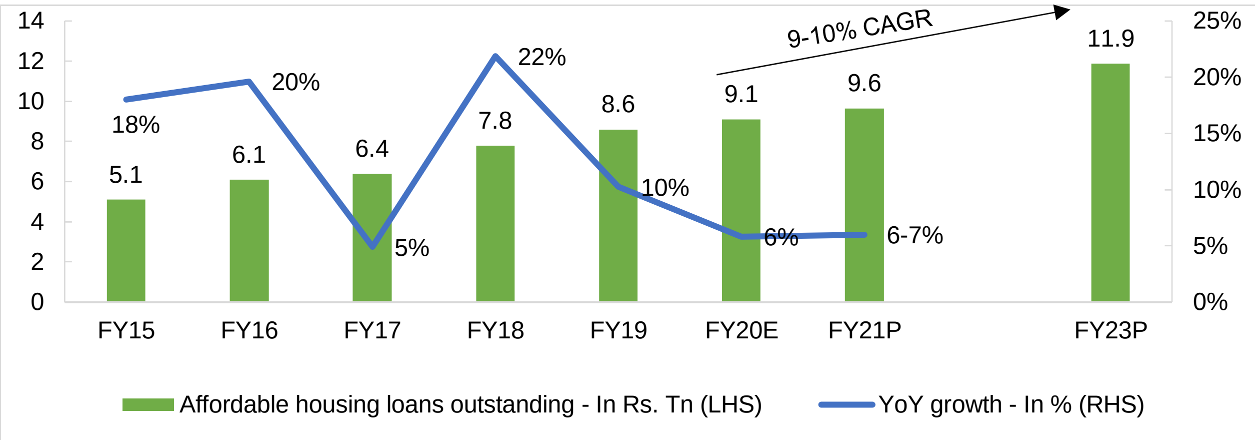
Affordable Housing Finance (Ticket Size of ₹ 2.5 Million and Below)

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 ₹ 2.5 million, and loans with ticket size of ₹ 2.5 million and below. The former can be defined as "normal mortgage loans", which is prominent in the metro and urban areas, and the latter, which generally includes outskirts of these areas and semi-urban and rural areas, can be defined as "affordable housing loans".

Affordable housing loans outstanding grew at a CAGR of approximately 12% over Fiscals 2015 to 2020, on account of the Government's increased focus on the affordable housing segment. However, in Fiscal 2019, its growth reduced to 10% (year-on-year) due to liquidity constraints in NBFCs and HFCs. The growth further reduced to approximately 6% (year-on-year) in Fiscal 2020 due to the economic slowdown. While there was a sharp decline in disbursements in April and May due to the lockdown, the demand for housing loans improved in the second quarter of Fiscal 2021. CRISIL Research expects demand to improve further in the affordable housing segment in the coming quarters of Fiscal 2021, primarily on account of low interest rates, return of pent-up demand for home purchases, reduced stamp duty charges in certain states and discounts offered by builders on property purchases.

CRISIL Research expects the overall affordable housing loans outstanding to grow at a CAGR of 6% to 7% (year-on-year) in Fiscal 2021 and at 9% to 10% over Fiscals 2020 to 2023, primarily on account of expected recovery in economic activity, increase in finance penetration and favourable government and regulatory support to promote the affordable housing finance industry.

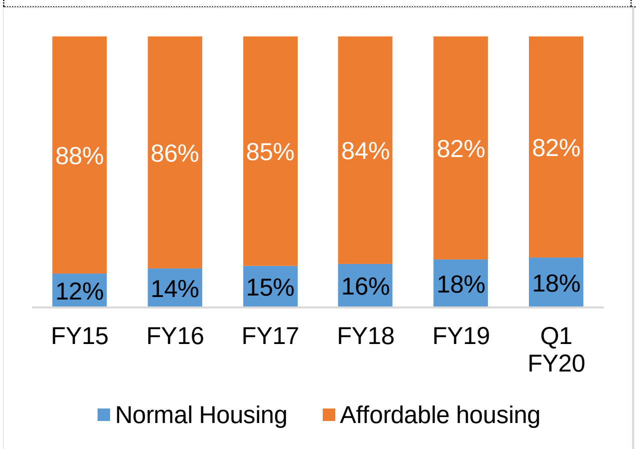
The following graph sets forth growth of the affordable housing loans outstanding:

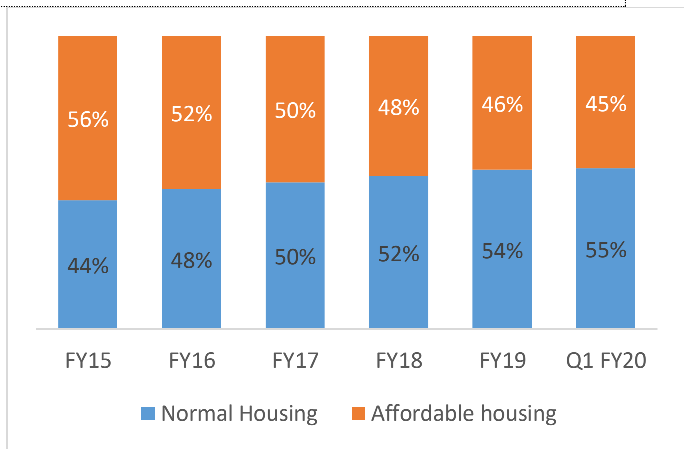


(Source: CRISIL Report)

The following graphs set forth share of affordable housing in outstanding housing loans (in volume terms) and credit outstanding:

Share of affordable housing in outstanding housing loans (in volume terms)	Share of affordable housing in credit outstanding

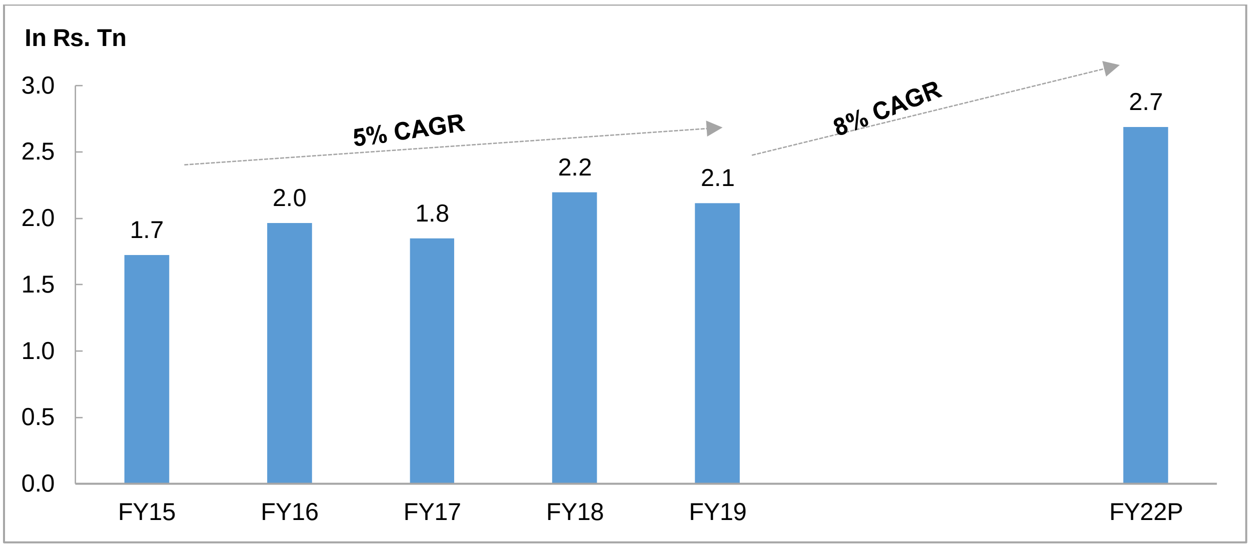




(Source: CRISIL Report)

Overall, disbursement of the affordable segment grew at 5% CAGR between Fiscals 2015 and 2019, to ₹ 2.1 trillion. Home loan disbursement saw slight volatility owing to demonetisation in Fiscal 2017 and the recent liquidity crisis post September 2018. During Fiscals 2015 to 2019, affordable housing outstanding credit grew at a healthy 14% CAGR to ₹ 8.6 trillion, mainly driven by increase in penetration of financiers majorly in rural and semi-urban areas (with some financiers in outskirts of urban areas as well), Government push to promote "Housing for All" by 2022, and improved affordability of borrowers. In terms of volume, the number of loans outstanding in the affordable housing segment grew from 7.3 million in Fiscal 2015 to 11.9 million in Fiscal 2019. By Fiscal 2023, CRISIL Research expects outstanding credit to increase at approximately 9 to 10% CAGR to ₹ 11.9 trillion. Growth would be driven by improved supply and demand of affordable houses, Government impetus to the segment through various incentives given to developers and first-time homebuyers, Government initiatives towards affordable housing such as PMAY, increased number of financiers with strong growth and deeper penetration across geographies and improving buyer affordability because of expected rise in income levels.

The following graph set outs growth of disbursement of affordable housing segment:



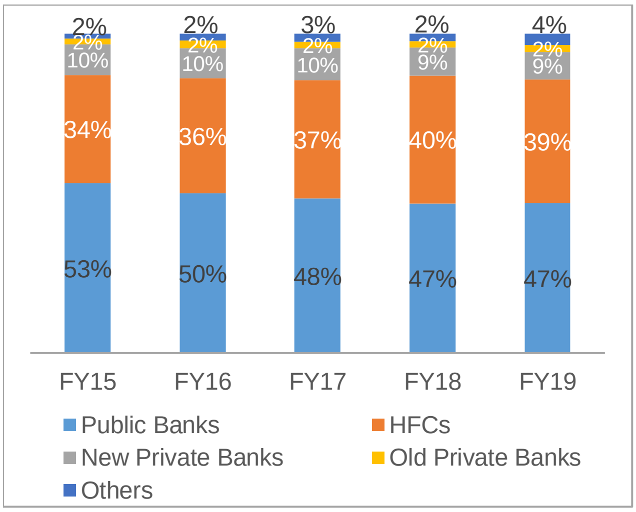
(Source: CRISIL Report)

Increasing Market Share of HFCs

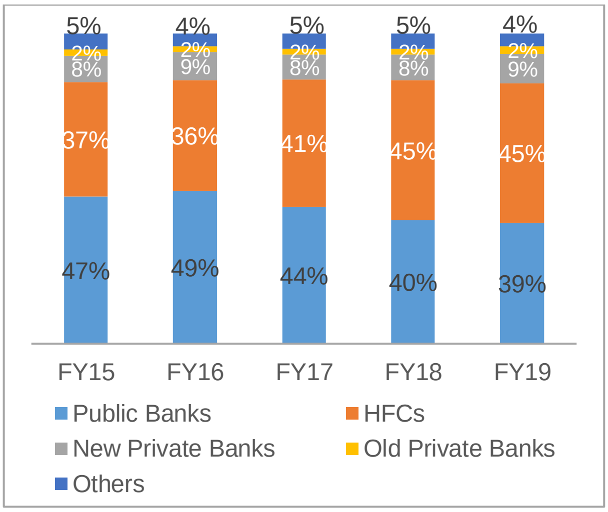
As a result of their faster growth, HFCs have been able to increase their share in the market from 34% in Fiscal 2015 to 39% in Fiscal 2019 in terms of outstanding affordable home loans. Moreover, in terms of disbursement, the share of HFCs have increased from 37% in Fiscal 2015 to 45% in Fiscal 2019.

The following graphs set out market share split based on outstanding affordable housing loans and disbursement in affordable housing industry:

Market share split based on outstanding in affordable housing industry



Market share split based on disbursement in affordable housing industry

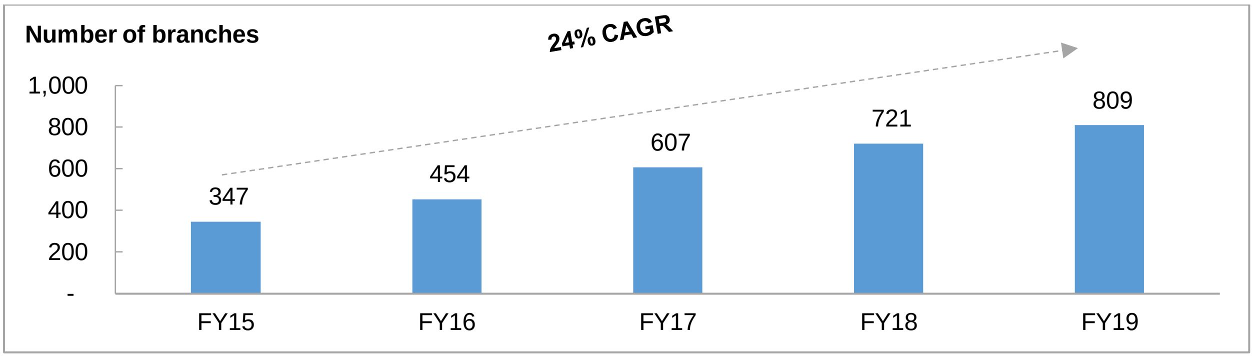


Note: The above classification of player groups is done as per the RBI.

(Source: CRISIL Report)

HFCs have been able to garner this share because of reasons including, strong origination skills and focused approach; creation of niche in catering to particular categories of customers; relatively superior customer service and diverse channels of business sourcing; strong focus on specific geographies; and rapid expansion in branch network and deepening market presence in smaller cities.

The following graph depicts rising distribution of affordable housing players over the last five years:



Note: Above graph includes aggregated data for Gruh Finance, Aavas Financiers, Aptus Value Housing Finance, Aspire Home Finance Corporation, Shriram Housing Finance, Home First Finance Company

(Source: CRISIL Report)

CRISIL Research expects that the above fundamental strengths will help HFCs maintain a strong market presence in the future as well.

Affordable vs Normal Housing Finance Players

The type of borrower's profile and higher risk-taking ability of affordable housing players lead these financiers to charge higher yields in comparison to that charged by normal housing players.

Difference in Operational Parameters for Affordable Housing Finance Players and Normal Housing Finance Players

CRISIL Research estimates the proportion of direct sales teams ("**DSTs**") in sourcing business for affordable housing at approximately 70% in comparison with approximately 60% for normal housing players. In terms of customer profile, affordable players have higher share of self-employed customers (45%) in comparison to normal housing players (40%), which makes their portfolio relatively riskier (due to uncertainty of cash inflows for self-employed customers). This also leads to lower approval rates and lower loan-to-value ratio.

Parameters	Affordable housing finance players	Normal housing finance players
Sourcing mix	DSTs: 70%, DSAs: 20%, Branch walk-ins and others: 10%	DSTs: 60%, DSAs: 30%, Branch walk-ins and others: 10%
Average turnaround time	8-10 Working days	9-11 Working days
Loan to value	Average: 68%	Average: 75%
Customer profile mix	Salaried: 55%, Self-employed: 45%	Salaried: 60%, Self-employed: 40%
Approval rates	Average: 73%	Average: 83%

Note: DSTs - Direct Sales Teams, DSAs – Direct Selling Agents

Critical Success Factors in Affordable Housing Finance

Understanding of Micro-Markets: Given the target borrower's profile, players need to have a clear and deeper understanding of the micro-markets and develop a strong local network. The strong network helps players to source business from niche customer category by having references from their existing customers. It is observed that successful players in the segment generally focus on a few geographies where they have a good understanding and scale up gradually to manage costs and asset quality better.

Customer Risk: Customers in the affordable housing finance segment are generally in formal sector jobs with low incomes, or are self-employed (carpenter, plumber, vegetable vendor, driver), or are people who may not have income proofs. Given the lack of income proofs, the underwriting process typically requires detailed personal discussion with the borrower as well as acquaintances and neighbours in order to assess the source of income and pattern of cash inflows and outflows as well as the stability and habits of the customer. Given the nature of the process, operating costs are typically very high; therefore, players who are, over a period of time, able to achieve a fair degree of standardisation in the process by building models revolving around specific customer profiles and/or geographies are likely to better manage operating costs.

Collateral Risk Assessment: Properties under the affordable housing segment sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas. With better availability of information and due diligence by the technical team, players can mitigate the risk. While lenders do take appropriate due diligence measures to safeguard against this risk while sanctioning the loan, there have been instances of borrowers mortgaging the same property with multiple lenders. As of now, registration of charge on underlying property is undertaken by lenders on selective basis (high-ticket loans or in case of corporate borrowers) only. The RBI directive to register the charge on the underlying property with a central registry instead of the currently followed process will help mitigate this risk to a large extent.

Collection Efficiency: Given that players in the segment typically cater to the lower income customer segment, many of whom may not be financially literate, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality. It is observed that events that impact the economy as a whole (such as demonetisation) and local factors (natural calamities or other events in the place of employment/work of the borrower) have a disproportionate impact on asset quality in the segment. Therefore, players are increasingly using analytical and monitoring tools enabled by technology to better predict default risk. In addition, there is an increasing focus on pushing customers to make EMI payment through ECS. *(Source: CRISIL Report)*

Technology Usage in Affordable Housing Finance Industry

Players in the affordable housing finance industry have increased their focus on adoption of technological in different segments of the lending value chain to increase operating efficiency. In order to assess the intensity of technology usage across the industry, CRISIL Research carried out an analysis based on eight unique parameters encompassing the entire customer journey starting from sourcing, loan application and approval, data capture, collections and engaging with customers digitally. As per CRISIL Research analysis, the Indian affordable housing finance industry is still at a fairly modest stage as far as technological evolution and adoption, is concerned. While players have made progress in areas such as existence of paperless lead to approval process, third party data integration, cashless and digital collections, tracking of customer loan status on real time basis and presence over social media, they still lag behind on empowering all relevant stakeholders with mobility solutions and intensity of data capture through digital medium. The proportion of leads generated through digital channels is still very low (less than 10%), and even amongst leads generated, conversion is below the 10% mark.

Furthermore, the usage of cloud for data capture and processing, concepts such as data lake (a central repository where data stored in its natural/raw format) and usage of machine learning algorithms (to predict early warnings and likelihood of customer default) is still at a very nascent stage in India as compared to players in developed markets such as the US and UK. While entities are leveraging their data and using analytics for branch and portfolio performance tracking, and customer-level behaviour tracking, they may still not be in a position to optimally apply data analytics on a real-time basis in the absence of a data lake.

The following table assesses the intensity of technology usage in affordable housing finance industry:

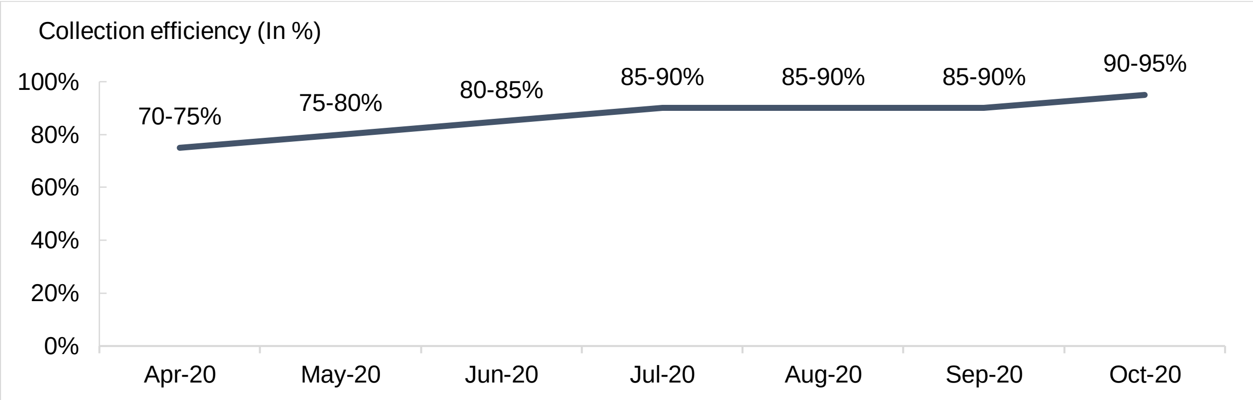
Parameters	Objective	Measures used	Intensity of technology usage
Digital loan approval process	To understand the magnitude of paperless process in the industry	• Existence of paperless leads to approval process • Availability of scanning facility for data and documents from field for credit evaluation • Facility to view the data centrally	Medium
Data capture	To understand the intensity of customer data capture through digital channels in the industry	• Number of data points captured for each customer for each loan transaction and is it digitally captured • Access to all the data captured on a real time basis	Low
Third party data integration	To understand intensity of API integration with third party aggregators and public databases in the industry	• Existence of API integration with third party aggregators • Number of third party, aggregators tie ups	Medium
Tech enabled processes	To understand how many processes are tech-enabled in the lifecycle of a loan	• Intensity of technology usage in different stages of loan processing such as credit approval, sanction, disbursal, fraud check, collections and query resolutions	Medium
E-payments and NACH	To understand mechanisms in place for cashless and digital payments	• ACH/ECS penetration in EMI repayment • Cash, Cheque and NEFT penetration in processing fee collection • Penetration of electronic mode in field collection	Medium

Parameters	Objective	Measures used	Intensity of technology usage
Mobility solutions	To evaluate if any mobility solutions exist for various stakeholders	• Existence of mobile application for customers, employees and channel partners • Intensity of customer application usage	Low
Customer 360° view	To understand if customer information is available to all the employees on real-time and need-to-know basis	• Complete access to customer information on an ongoing basis • Real time tracking of current loan stage of any customer • Real time tracking of loan status of all customers	Medium
Digital marketing	To identify existence of any digital presence and loan origination through digital channels	• Presence on social media websites • Intensity of presence on social media • Website ranking analysis through Google and Alexa • Proportion of total leads originated through digital channels • Proportion of total leads converted through digital channels	Medium

(Source: CRISIL Report)

Monthly Collection Efficiency in Housing Finance Segment

Collections in the housing finance segment, which had reduced to approximately 70% to 75% in April 2020 due to the COVID-19 pandemic, rebounded to 85% to 90% in July and August 2020 after the Government gradually relaxed the restrictions. In October 2020, collection efficiency further rose to 90% to 95%, as illustrated below.



(Source: CRISIL Report)

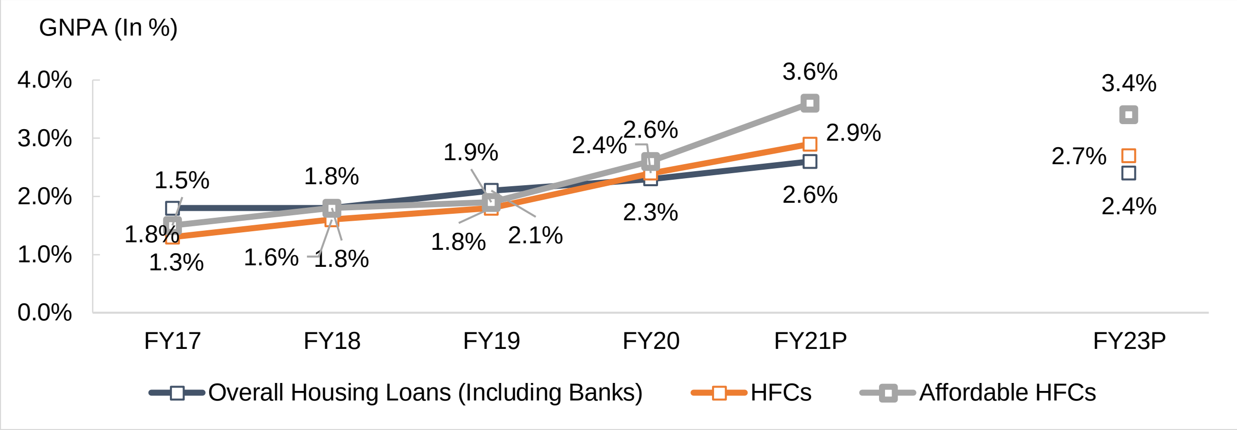
Asset Quality in Affordable Housing

Higher share of surrogate usage, difficulty in credit profile assessment and higher share of self-employed customers lead to a higher GNPA ratio of 2.6% as of March 2020 compared with 1.9% as of March 2019 in the affordable housing segment.

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 is more resilient despite pay cuts and job losses. Given high share of self-employed customers in the affordable housing segment, CRISIL Research expects the delinquencies for affordable HFCs to increase by approximately 90 bps to 100 bps in Fiscal 2021. CRISIL Research expects the GNPA levels for affordable HFCs to come down to approximately 3.4% in Fiscal 2023. On the other hand, for overall housing finance (including banks) where salaried customers make up over two thirds of the overall home loan portfolio, CRISIL

Research expects the GNPA to increase by approximately 25 bps to 30 bps in Fiscal 2021. In the long-term, CRISIL Research expects GNPA level for overall housing finance to come down to approximately 2.4% in Fiscal 2023.

The following graph sets out trend in asset quality:



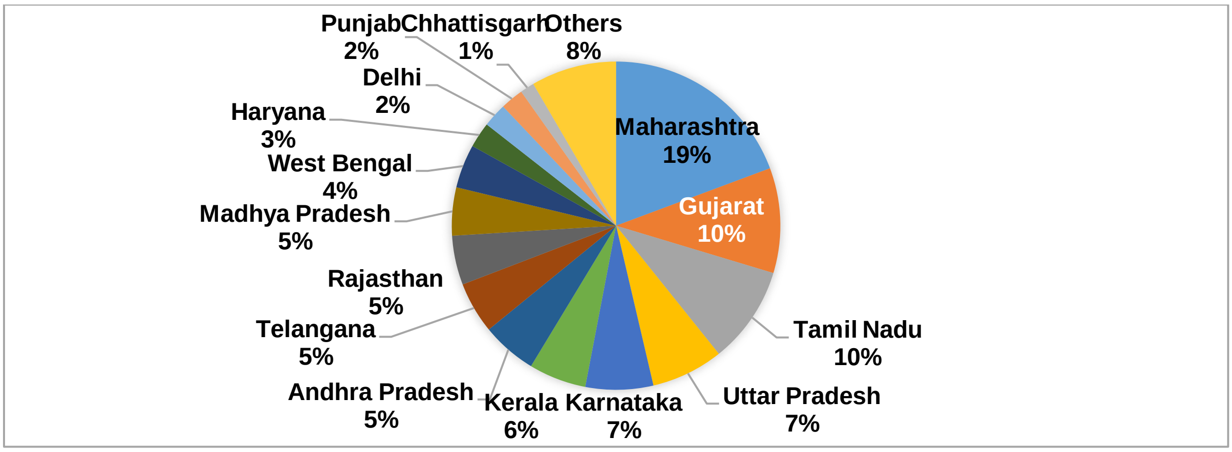
Note: 1) P- Projected, 2) Affordable HFCs include all housing loans disbursed up to ₹ 2.5 million by HFCs, 3) HFCs include large, medium and small HFCs.

(Source: CRISIL Report)

As demand for home loans largely comes from first-time buyers, who stay in property purchase, asset quality in this segment has remained healthy historically. However, due to the seasoning of portfolios of rapidly growing HFCs, many of which are focused on relatively riskier customers compared with the prime, salaried segment, delinquency rates have depicted an upward trend. Moreover, due to their presence in a few geographies, small and affordable HFCs are more susceptible to local events and developments that impact the repayment behaviour compared with their larger counterparts. CRISIL Research believes that the 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-housing finance segment. *(Source: CRISIL Report)*

State-Wise Analysis of Affordable Housing Segment

The affordable housing segment has been growing steadily with a four-year CAGR of 14%. However, there are wide variations across states and within various districts in the same state as well, which indicates latent opportunity for offering loans to unserved or underserved customers. Based on the home loans outstanding in the affordable housing segment, the top 15 states account for over 90% of the market size in this segment for Fiscal 2019. Maharashtra tops the list with the highest share of 19%, followed by Gujarat (10%), Tamil Nadu (10%), Uttar Pradesh (7%) and Karnataka (7%).



(Source: CRISIL Report)

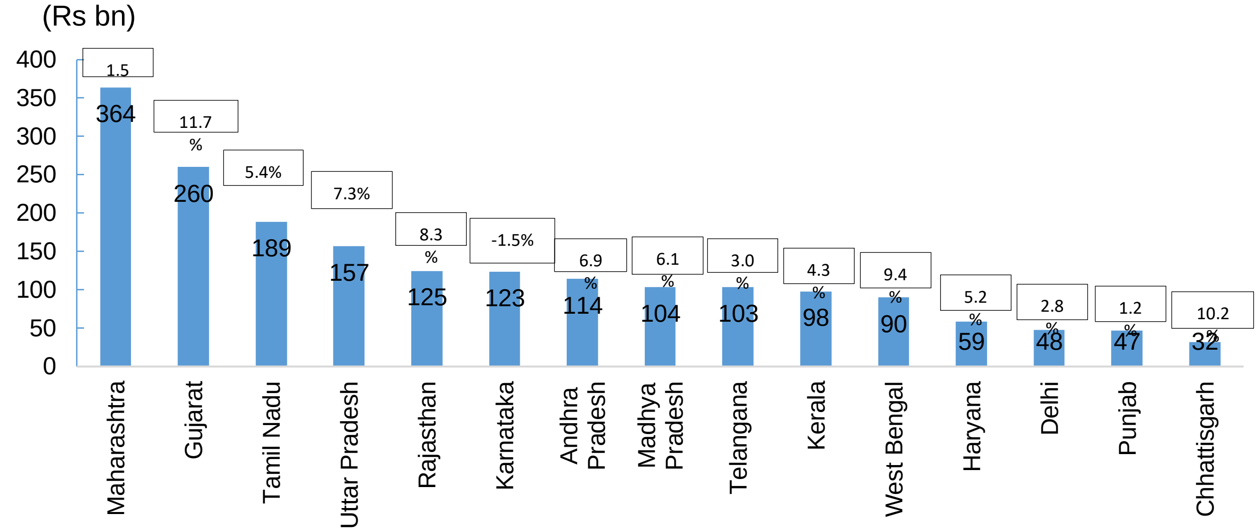
State-Wise Affordable Housing Credit Outstanding

State	No. of districts	Total affordable housing loans outstanding as of March 2019 (₹ tn)	Share of affordable housing loans outstanding in total housing loans as of March 2019	Growth in affordable housing outstanding loans (4-year CAGR: FY15-FY19)	Top 5 districts based on affordable housing loans outstanding	Share of top 5 districts in affordable housing loans outstanding in value terms (March 2019)	Share of top 5 districts in affordable housing loans outstanding in volume terms (March 2019)
Maharashtra	34	1.63	37%	12%	Thane, Pune, Mumbai, Nashik, Raigarh	72%	63%
Gujarat	26	0.87	59%	20%	Surat, Ahmedabad, Vadodara, Rajkot, Valsad	70%	66%
Tamil Nadu	32	0.81	46%	10%	Chennai, Kancheepuram, Madurai, Tiruvallur, Coimbatore	52%	48%
Uttar Pradesh	72	0.60	50%	16%	Ghaziabad, Lucknow, Gautam Buddha Nagar, Agra, Kanpur Nagar	51%	46%
Karnataka	31	0.56	30%	10%	Bengaluru, Mysuru, Dakshina Kannada, Udipi, Hubli	65%	59%
Andhra Pradesh	14	0.46	57%	16%	Visakhapatnam, Krishna, East Godavari, Guntur, West Godavari	60%	60%
Telangana	9	0.43	39%	11%	Hyderabad, KV Rangareddy, Medak, Warangal, Karim Nagar	83%	79%
Rajasthan	32	0.41	60%	17%	Jaipur, Jodhpur, Ajmer, Kota, Udaipur	56%	52%
Madhya Pradesh	50	0.40	68%	18%	Indore, Bhopal, Gwalior, Jabalpur, Ujjain	55%	33%
Haryana	19	0.21	30%	11%	Gurgaon, Faridabad, Panchkula, Karnal, Sonipat	59%	56%
Delhi	8	0.20	24%	8%	South West Delhi, North West Delhi, East Delhi, West Delhi, South Delhi	84%	83%
Chhattisgarh	18	0.12	62%	16%	Raipur, Durg, Bilaspur, Korba, Raigarh	81%	81%

(Source: CRISIL Report)

State-Wise Affordable Housing Disbursements

The following graph sets forth state-wise affordable housing disbursements along with four year CAGR:



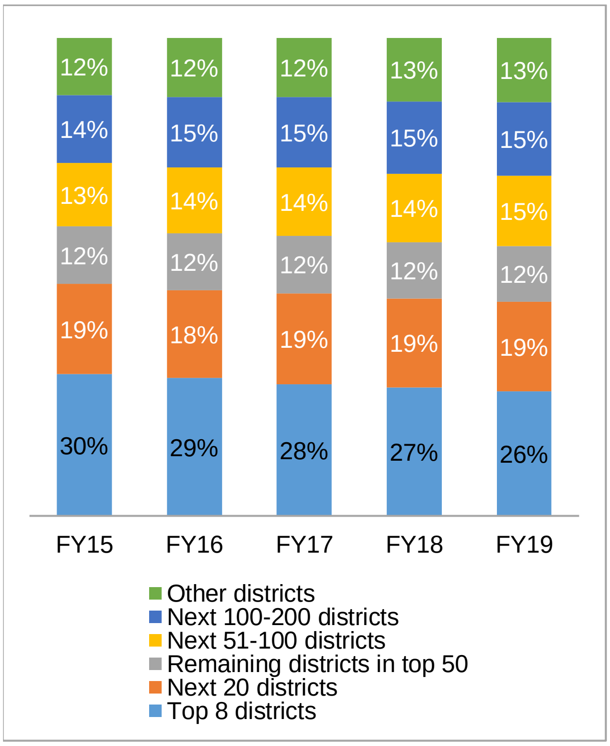
Note: The numbers mentioned above in the boxes represent 4-year CAGR (Fiscals 2015-2019) of disbursements in respective states. (Source: CRISIL Report)

District-Wise Affordable Housing Disbursements

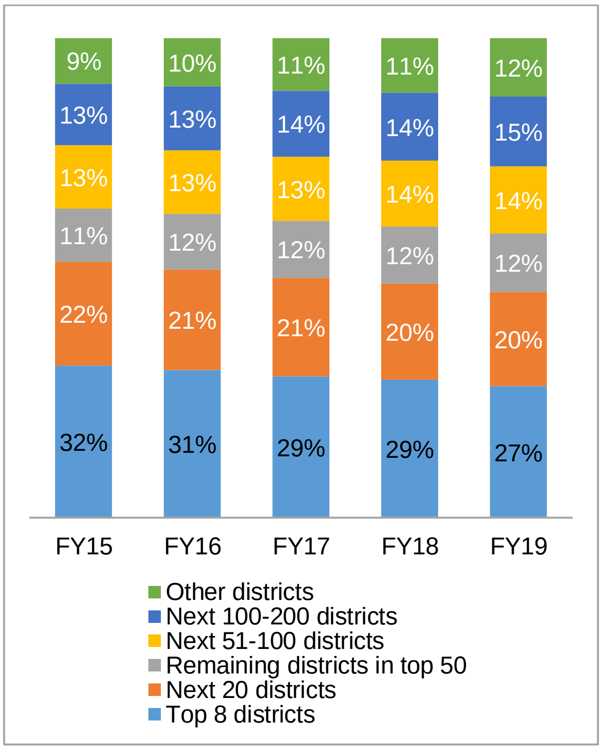
Based on the district-level analysis, the top 50 districts contributed to 57% of affordable housing loan disbursements in fiscal 2019 and 59% of credit outstanding in the affordable housing industry. The top 100 districts contributed to 70% of the disbursements and 73% of the credit outstanding. The share of top eight districts in the affordable housing segment decreased from 27% as of March 2015 to 22% as of March 2019, as the industry has penetrated deeper into smaller towns.

The following graphs set out district-wise disbursement mix and loan outstanding mix for affordable housing industry:

Disbursement mix for affordable housing industry



Loan outstanding mix for affordable housing industry



Note:

1) *The districts have been classified on the basis of home loan disbursements in Fiscal 2019 for disbursement mix and home loan credit outstanding as of March 2019 for outstanding mix.*

2) *MMR, NCR, Bengaluru and Kanpur have each been considered as one district.*

3) *MMR includes Thane and Mumbai, NCR includes Delhi, Gurugram, Gautam Buddha Nagar, Ghaziabad and Faridabad, Bengaluru includes Bengaluru Urban and Bengaluru Rural, Kanpur includes Kanpur Nagar and Kanpur Dehat.*

(Source: CRISIL Report)

State-Wise Asset Quality of Affordable Housing Segment

The overall GNPA ratio in the affordable housing segment was 2.4% as of March 2019. Among the top 15 states based on credit outstanding in affordable housing, Madhya Pradesh had the highest GNPA ratio of 4.6% as of Fiscal 2019, followed by Punjab (4.0%) and Uttar Pradesh (3.1%), and Rajasthan had the least GNPA ratio of 1.0%, followed by Gujarat (1.4%) and Chhattisgarh (1.4%). In Madhya Pradesh, the top five districts in terms of poorest asset quality have a cumulative GNPA ratio of 14% compared with 4.4% in rest of the state. However, these five districts contribute to only 2.2% of the total credit portfolio of the state. Whereas in Telangana, five districts with the poorest asset quality that account for approximately 87% of the state's GNPA have a cumulative GNPA of 1.6% compared with 1.0% in rest of the state.

In most of the states, the cumulative GNPA ratio for the top five districts based on outstanding credit is lower than the cumulative GNPA ratio in rest of the state. In Madhya Pradesh, the contribution of these five districts is significantly lower with a cumulative GNPA ratio of 2.8% compared with 6.9% in rest of the state. However, in the state of West Bengal, the top five districts that contribute to approximately 65% of the state's portfolio have a GNPA ratio of 3.5%, which is higher than 2.1% in rest of the state.

The following table sets out state wise variation in asset quality, based on credit outstanding:

State	GNPA ratio of the state (Mar 2019)	GNPA ratio of the state (Mar 2018)	GNPA ratio of the state (Mar 2017)
Maharashtra	2.5%	2.1%	1.8%
Gujarat	1.5%	1.1%	1.2%
Tamil Nadu	2.0%	2.1%	2.8%
Uttar Pradesh	3.1%	2.4%	2.4%
Karnataka	2.0%	2.3%	2.2%
Andhra Pradesh	1.6%	1.8%	2.1%
Telangana	1.5%	2.0%	2.1%
Rajasthan	1.3%	1.1%	1.1%
Madhya Pradesh	4.6%	2.5%	2.5%
Haryana	2.2%	1.9%	1.8%
Delhi	2.7%	2.4%	2.3%
Chhattisgarh	1.6%	1.4%	1.6%

(Source: CRISIL Report)

Analysis of Housing Finance Companies

HFCs Account for 39% of Retail Housing Loans Outstanding

The credit outstanding of HFCs accounted for 39% of the ₹ 18.7 trillion housing finance market, as of March 2019. This was a decline from 41%, as of March 2018, on account of the liquidity crisis that occurred after the IL&FS default in September 2018. However, over a longer timeframe of four years, HFCs have been able to increase their market share.

As per CRISIL Research analysis, 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 and small 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 ₹ 2.5 million in their portfolio. According to Experian data, the entities included in our analysis together account for 96% of the outstanding retail home loans given by HFCs.

Categorisation of HFCs used based on AUM Size:

The following table details the categorisation of HFCs used for the analysis based on AUM size:

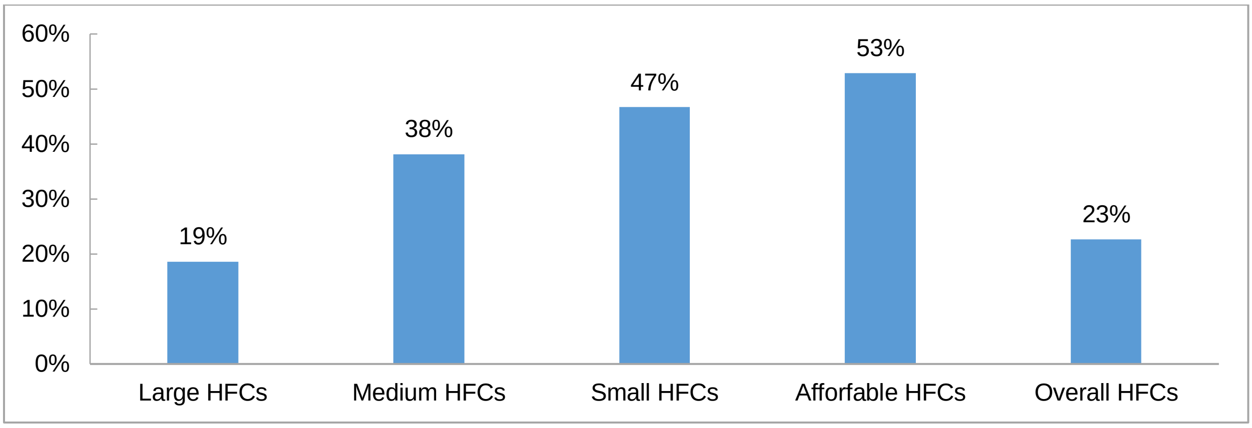
Category	HFCs Included
Large HFCs	Dewan Housing Finance Corporation Limited, Housing Development Finance Corporation Limited, Indiabulls Housing Finance Limited., LIC Housing Finance Limited, PNB Housing Finance Limited, Piramal Capital and Housing Finance Limited

Category	HFCs Included
(AUM more than ₹ 250 billion, as of March 2019)	
Medium HFCs (AUM between ₹ 100 billion and ₹ 250 billion, as of March 2019)	Can Fin Homes Limited, GIC Housing Finance Limited, ICICI Home Finance Company Limited, L&T Housing Finance Limited, India Infoline Housing Finance Limited, Reliance Home Finance Limited, REPCO Home Finance Limited, Tata Capital Housing Finance Limited, Bajaj Housing Finance Limited, Gruh Finance Limited
Small HFCs (AUM less than ₹ 100 billion, as of March 2019)	Edelweiss Housing Finance Limited, Magma Housing Finance, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Capital First Home Finance Private Limited, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, Fullerton India Home Finance Company Limited, IND Bank Housing Limited, India Home Loans Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing and Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Sahara Housingfina Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Limited, Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited, DMI Housing Finance Private Limited, Home First Finance Company India Private Limited, India Shelter Finance Corporation Limited, Khush Housing Finance Private Limited, Mentor Home Loans India Limited, Mentor Home Loans India Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Vastu Housing Finance Corporation Limited, Bee Secure Home Finance Private Limited
Affordable HFCs (Companies having high share of housing loans with ticket size (at the time of disbursement) less than ₹ 1.5 million in their portfolio)	Gruh Finance Limited, India Infoline Housing Finance Limited, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Capital First Home Finance Private Limited, Capri Global Housing Finance Limited, Fullerton India Home Finance Company Limited, IND Bank Housing Limited, India Home Loans Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing and Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Sahara Housingfina Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Limited, Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited, DMI Housing Finance Private Limited, Home First Finance Company India Private Limited, India Shelter Finance Corporation Limited, Khush Housing Finance Private Limited, Mentor Home Loans India Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Vastu Housing Finance Corporation Limited, Bee Secure Home Finance Private Limited

(Source: CRISIL Report)

HFC Category-Wise Retail Home Loan Growth Trend

The following graph sets forth four-year CAGR (Fiscals 2015-2019) of HFC groups in overall housing finance industry:

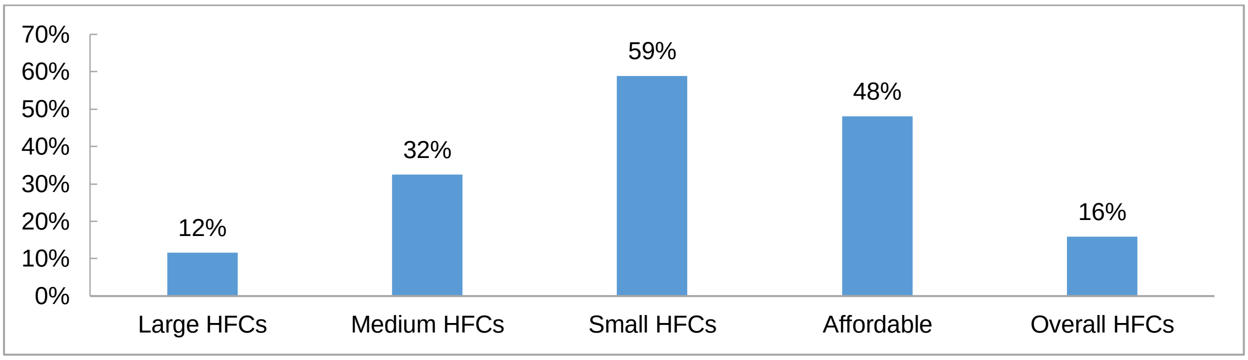


(Source: CRISIL Report)

HFC Category-Wise Market Share

On account of their faster growth, HFCs increased their market share from 36%, as of March 2015, to 39%, as of March 2019, in terms of credit outstanding. With respect to disbursements, the HFCs were able to garner market share of 41% in Fiscal 2019, up from 38% in Fiscal 2015.

The following graph sets forth four-year CAGR (Fiscals 2015-2019) of HFC groups in affordable housing finance industry:



(Source: CRISIL Report)

Smaller HFCs, most of whom have a larger focus on affordable home loans, have outperformed the other player groups, clocking 59% CAGR in loans in this category over the last four years ending Fiscal 2019. As against this, the overall market for HFCs in this segment clocked 16% CAGR from Fiscal 2015 to 2019. *(Source: CRISIL Report)*

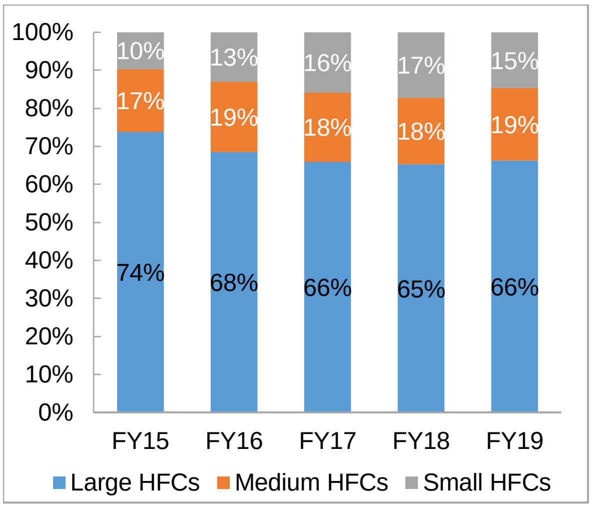
Competitive Landscape among HFCs in Affordable Housing Finance Space

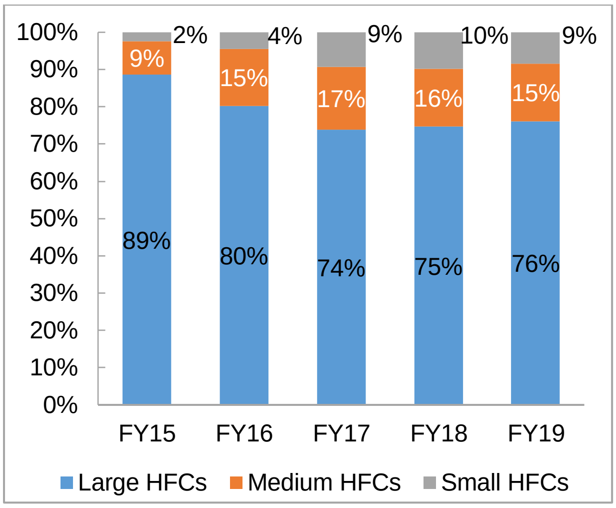
The market share of HFCs in affordable housing finance increased from 37% in Fiscal 2015 to 45% in Fiscal 2019 in terms of home loan disbursements. The credit outstanding of HFCs also increased over the last four years, leading their market share to increase from 34%, as of March 2015, to 39%, as of March 2019.

The following graphs set forth the market share of HFC groups based on disbursements and loan outstanding in the affordable housing segment:

Market share of HFC groups, based on disbursements of affordable home loans

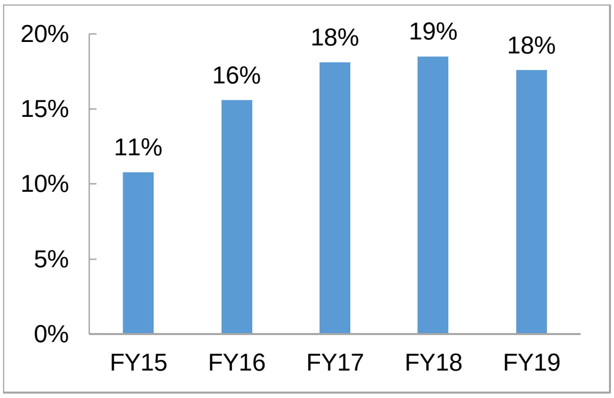
Market share of HFC groups, based on loan outstanding of affordable home loans



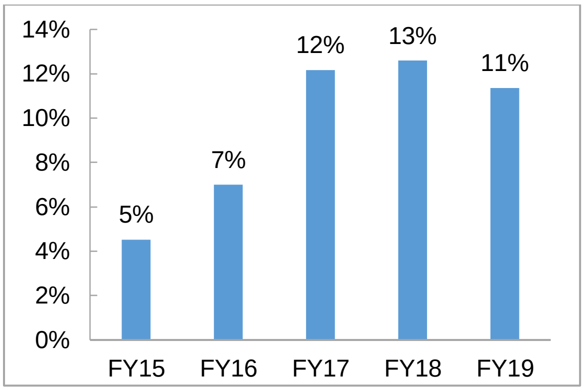


The following graphs set forth the market share of affordable HFC groups based on disbursements and loan outstanding in the affordable housing segment:

Market share of affordable HFCs, based on disbursements of affordable home loans



Market share of affordable HFCs, based on credit outstanding of affordable home loans



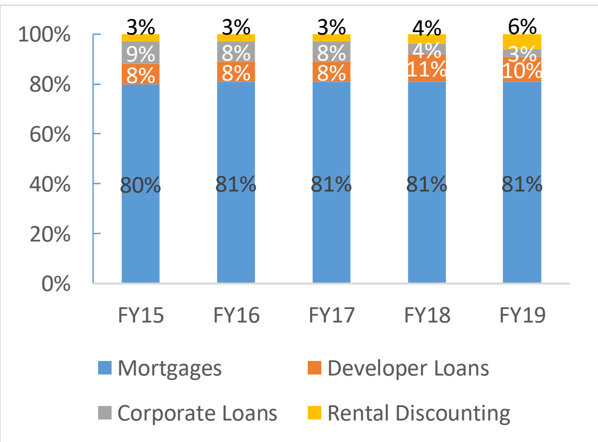
(Source: CRISIL Report)

Portfolio Mix of HFC Groups

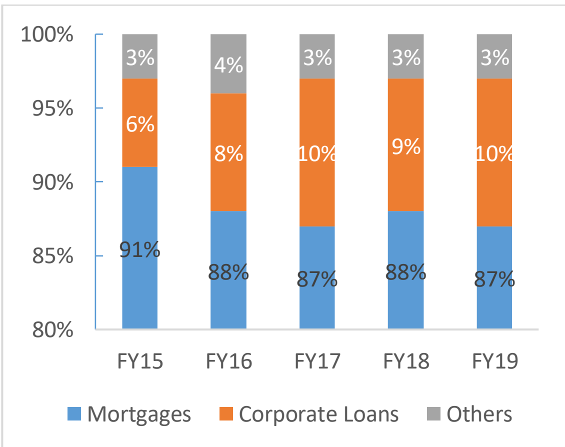
Among the HFC groups, the affordable HFC group has the highest share of mortgages in its portfolio contribution to 91% as of March 2019 indicating the focus of affordable HFCs on the home loan segment. Although this share has been decreasing over the years, this trend is common in other HFC groups as well.

The following graphs set forth the portfolio mix of HFC groups:

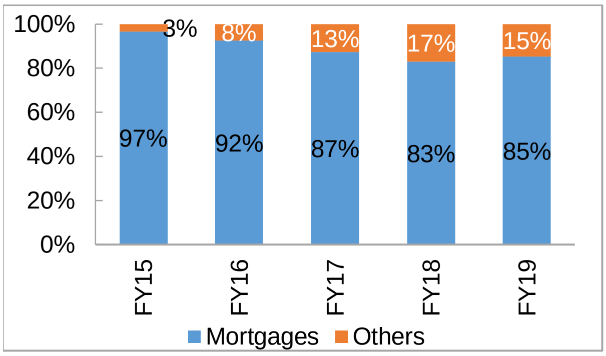
Portfolio mix of large HFCs



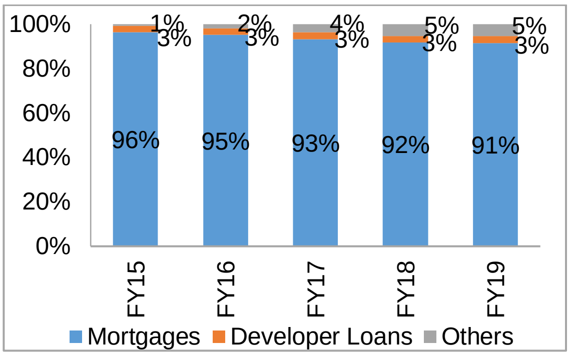
Portfolio mix of medium HFCs



Portfolio mix of small HFCs



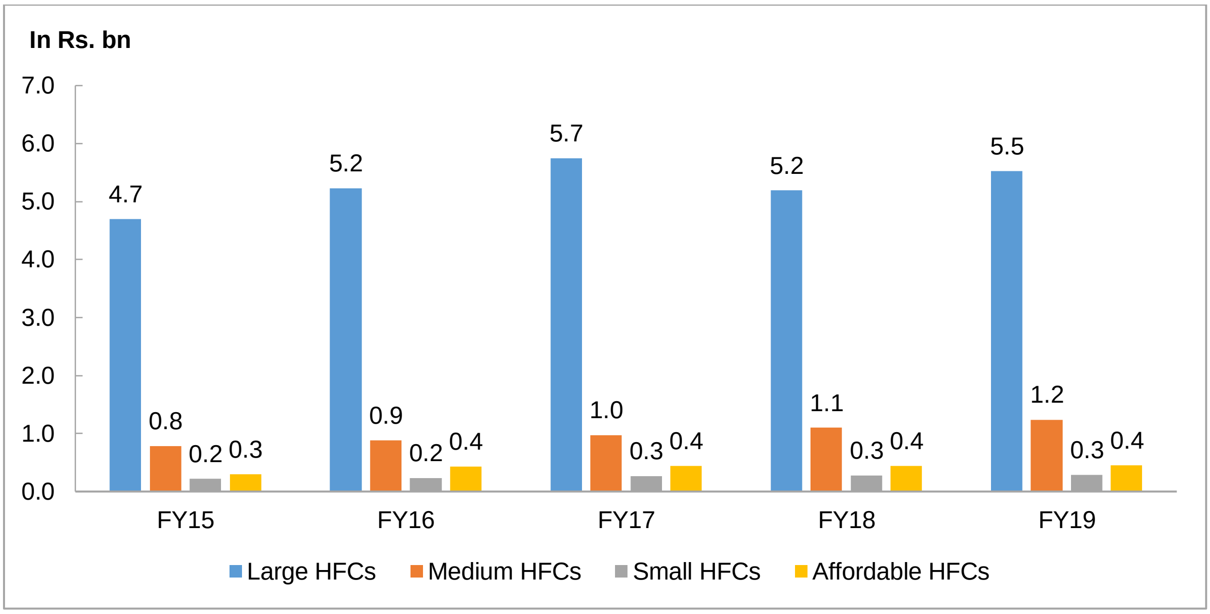
Portfolio mix of affordable HFCs



(Source: CRISIL Report)

Higher Loan Outstanding Per Average Branches for Large HFCs

The following graph sets forth the loan outstanding per branch for the HFC groups:



Note:

1) *Large HFCs include data for Housing Development Finance Corporation Limited, Indiabulls Housing Finance Limited, LIC Housing Finance Limited and PNB Housing Finance Limited.*

2) *Medium HFCs include data for Can Fin Homes Limited, ICICI Home Finance Limited, L&T Housing Finance Limited, TATA Capital Housing Finance Limited and Gruh Finance Limited.*

3) *Small HFCs include data for Magma Housing Finance, Aptus Value Housing Finance India Limited, MAS Rural Housing and Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Sundaram BNP Paribas Home Finance Limited, Aavas Financiers, Home First Finance Company, Aspire Housing Finance Corporation and Aditya Birla Housing Finance Limited.*

4) *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing finance, MAS Rural Housing and Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited, Gruh Finance Limited and Home First Finance Company.*

(Source: CRISIL Report)

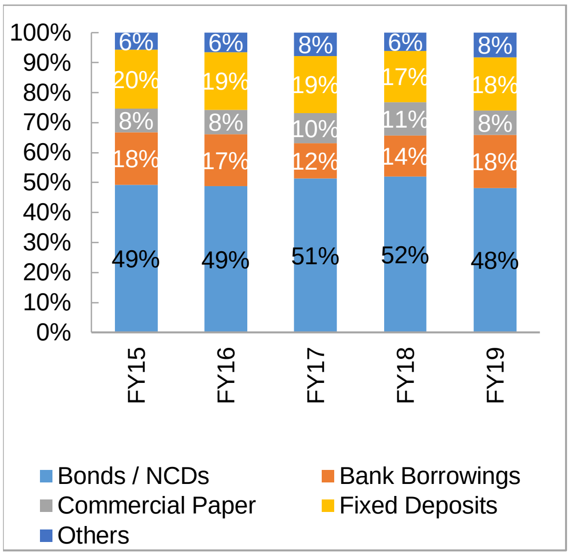
Borrowing Mix of HFC Groups

HFCs have a well-diversified and stable resource base, comprising fixed deposits, bank borrowings, debentures, bonds and foreign currency borrowings. This lends flexibility to their borrowings, allowing them to manage costs.

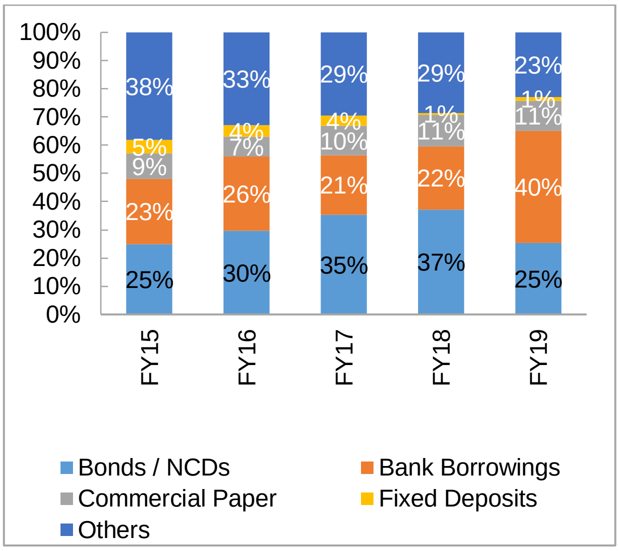
Over the past few years, the Government's focus on affordable housing and rural housing has raised the budgetary support for NHB. CRISIL Research believes that this will continue boosting the prospects of HFCs focused on affordable housing.

The following graphs set forth the borrowing mix of HFC groups:

Borrowing mix of large HFCs



Borrowing mix of medium-sized HFCs

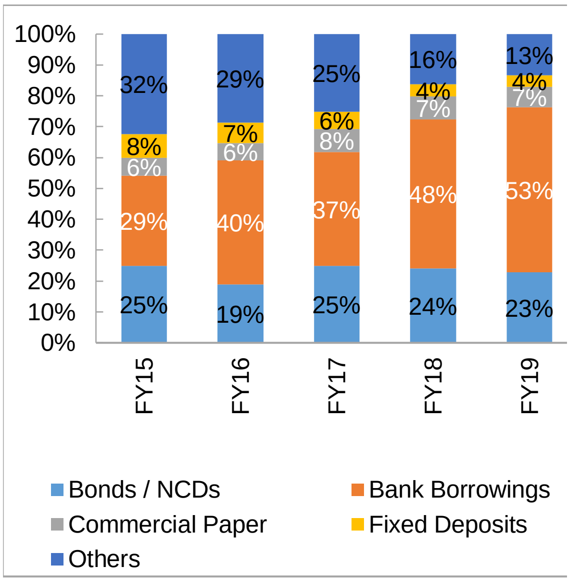


Note:

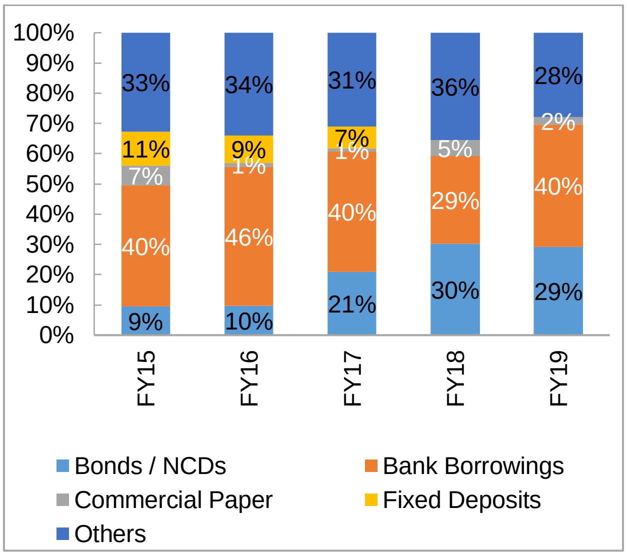
1) *Large HFCs include data for Housing Development Finance Corporation Limited, Indiabulls Housing Finance Limited, LIC Housing Finance Limited and PNB Housing Finance Limited.*

2) *Medium HFCs include data for Can Fin Homes Limited, ICICI Home Finance Limited, L&T Housing Finance Limited, TATA Capital Housing Finance Limited and Gruh Finance Limited.*

Borrowing mix of smaller HFCs



Borrowing mix of affordable HFCs



Note:

1) *Small HFCs include data for Magma Housing Finance, Aptus Value Housing Finance India Limited, MAS Rural Housing and Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Sundaram BNP Paribas Home Finance Limited, Aavas Financiers, Home First Finance Company, Aspire Housing Finance Corporation and Aditya Birla Housing Finance Limited.*

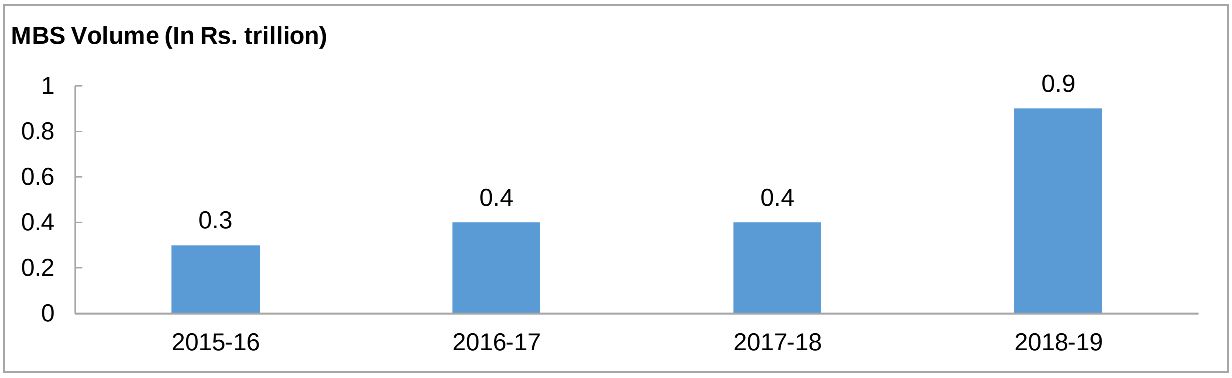
2) *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing finance, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited, Gruh Finance Limited and Home First Finance Company.*

(Source: CRISIL Report)

HFCs Resort to Securitisation Post-Liquidity Crisis

The non-banks are expected to reduce their dependence on short-term funding sources post the recent liquidity crunch that occurred majorly because of improper asset-liability maturity management. Because of limited access to funds, the HFCs and NBFCs shifted towards securitisation as a mechanism to raise funds to meet their liquidity requirements. In fact, the securitisation and direct assignment of mortgages more than doubled on-year in Fiscal 2019.

The following graph sets out the volume of mortgage backed securities ("**MBS**") for HFCs:



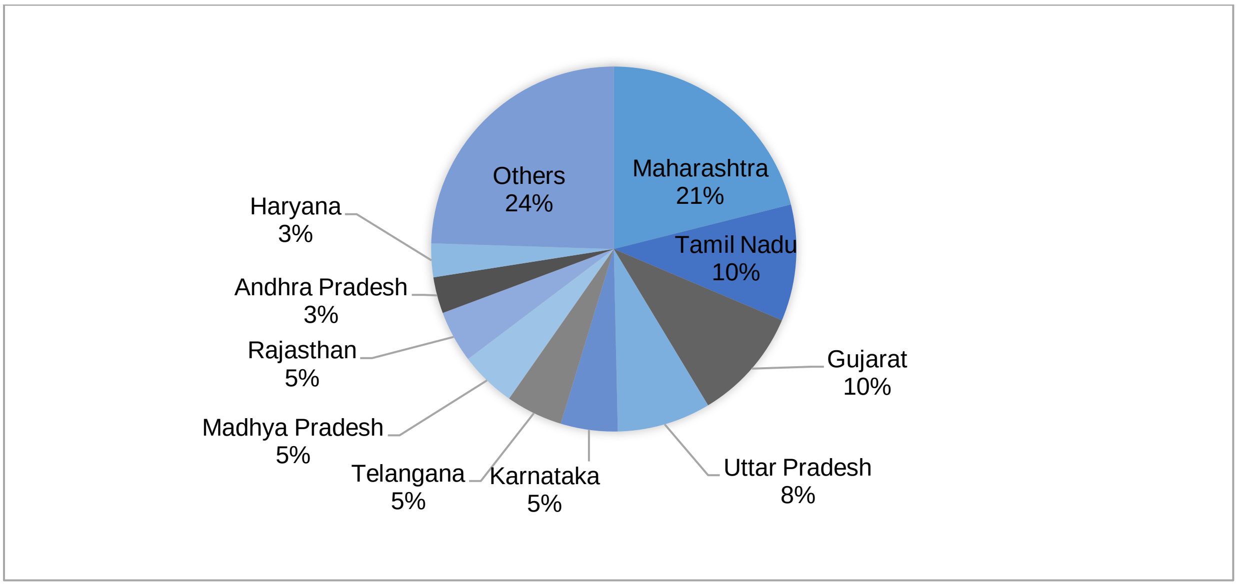
(Source: CRISIL Report)

Analysis of HFC Groups in Affordable Housing Segment

State-Wise Analysis of HFC Groups in Affordable Housing Finance Industry

In the affordable-housing segment, HFCs have seen a steady growth in the past four years with a CAGR of 16%. But there are wide variations across states and districts within the state that indicate the intensity of the presence of the HFCs and their impact. In the overall housing finance industry, credit extended by HFCs is approximately ₹ 3.3 trillion as of March 2019. Top 15 states have a market share of 87% in terms of credit outstanding of HFCs in the industry for Fiscal 2019. Maharashtra is at the top with a market share of 21% followed by Tamil Nadu (10%), Gujarat (10%), Uttar Pradesh (8%) and Karnataka (5%).

The following chart sets forth % share of overall; credit outstanding of HFCs in top 10 states, as of March 2019:



(Source: CRISIL Report)

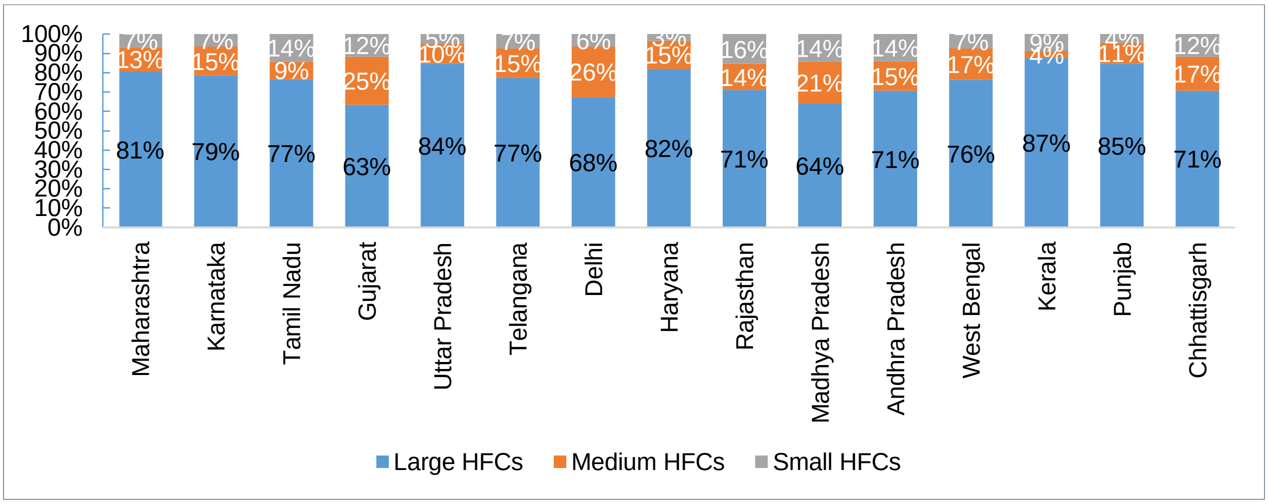
The following table sets out state and district-wise assessment of affordable-housing loans, as of March 2019:

State	No. of districts	Affordable housing outstanding of HFCs in the state (in ₹ billion)	HFC Groups	% of credit outstanding for HFC Groups	Growth in Credit outstanding of HFC Groups (four-year CAGR – FY15-FY19)	Top 5 districts	Concentration of credit outstanding in the top 5 districts
Maharashtra	34	698	Large	72%	9%	Thane, Pune, Mumbai, Nashik, Raigarh	78%
			Medium	17%	20%		72%
			Small	11%	151%		55%
			Affordable	18%	46%		54%
Tamil Nadu	32	341	Large	81%	5%	Chennai, Kancheepuram, madurai, Tiruvallur, Coimbatore	57%
			Medium	8%	49%		59%
			Small	11%	18%		46%
			Affordable	6%	87%		49%
Gujarat	26	331	Large	65%	22%	Surat, Ahmedabad, Vadodra, Rajkot, Valsad	73%
			Medium	24%	24%		69%
			Small	11%	174%		76%
			Affordable	24%	29%		61%
Uttar Pradesh	72	275	Large	88%	17%	Ghaziabad, Lucknow, Gautam Buddha Nagar, Agra, Kanpur Nagar	53%
			Medium	9%	66%		83%
			Small	3%	116%		70%
			Affordable	4%	210%		70%
Karnataka	31	167	Large	73%	8%	Bangalore, Mysore, Dakshin Kannada, Udipi, Hubli	74%
			Medium	19%	48%		86%
			Small	8%	39%		70%
			Affordable	9%	45%		76%
Telangana	9	167	Large	77%	11%	Hyderabad, K.V. Rangareddy, Medak, Warangal, Karim Nagar	69%
			Medium	16%	6%		20%
			Small	7%	70%		37%
			Affordable	4%	136%		89%
Madhya Pradesh	50	165	Large	63%	17%	Indore, Bhopal, Gwalior, Jabalpur, Ujjain	74%
			Medium	25%	34%		47%
			Small	12%	191%		51%
			Affordable	30%	46%		42%
Rajasthan	32	152	Large	76%	13%	Jaipur, Jodhpur, Ajmer, Kota, Udaipur	62%
			Medium	12%	45%		69%
			Small	12%	150%		61%
			Affordable	16%	72%		53%
Andhra Pradesh	14	106	Large	72%	13%	Visakhapatnam, Krishna, East Godavari, Guntur, West Godavari	59%
			Medium	16%	89%		73%
			Small	12%	28%		68%
			Affordable	8%	167%		59%
Haryana	19	99	Large	86%	10%	Gurgaon, Faridabad, Panchkula, Karnal, Sonipat	63%
			Medium	12%	71%		84%
			Small	2%	66%		64%
			Affordable	3%	155%		79%
Delhi	8	89	Large	73%	6%	South West Delhi, North West Delhi, East Delhi, West Delhi, South Delhi	83%
			Medium	22%	86%		83%
			Small	5%	77%		79%
			Affordable	12%	189%		81%
Chhattisgarh	18	36	Large	73%	14%		89%
			Medium	19%	33%		75%

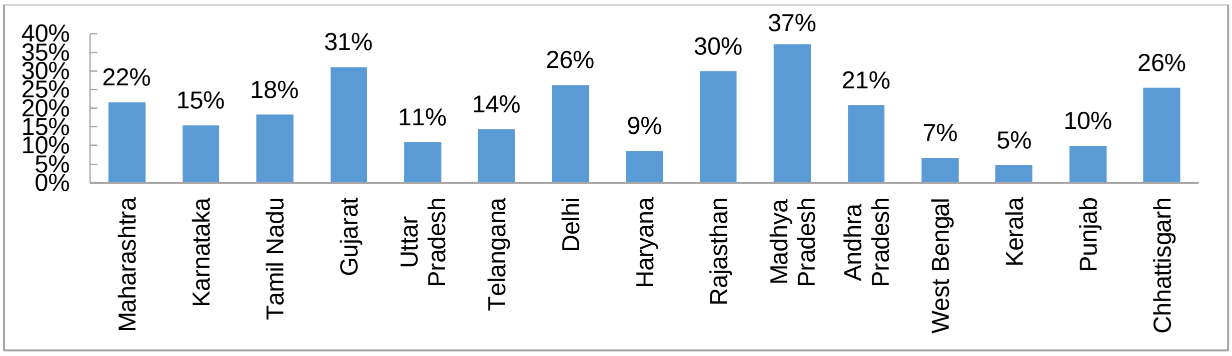
State	No. of districts	Affordable housing outstanding of HFCs in the state (in ₹ billion)	HFC Groups	% of credit outstanding for HFC Groups	Growth in Credit outstanding of HFC Groups (four-year CAGR – FY15-FY19)	Top 5 districts	Concentration of credit outstanding in the top 5 districts
			Small	8%	118%	Raipur, Durg, Bilaspur, Korba, Raigarh	86%
			Affordable	19%	38%		74%

(Source: CRISIL Report)

The following graph sets forth the market share of HFC groups in top 15 states in terms of disbursement by HFCs in affordable-housing finance industry in Fiscal 2019:



The following graph sets forth the market share of affordable HFC groups in top 15 states in terms of disbursement by affordable HFCs in affordable-housing finance industry in Fiscal 2019:

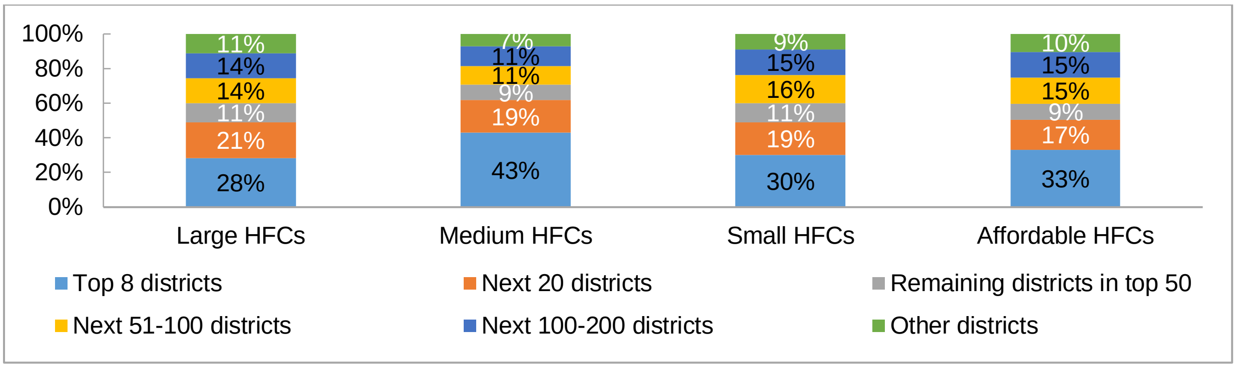


(Source: CRISIL Report)

District Wise Disbursements by HFC Groups in the Affordable Housing Industry

In terms of district wise disbursements by HFC groups in the affordable housing industry, the penetration of HFCs in districts other than top 50 districts is higher due to the ticket size of the segment, which is less than ₹ 2.5 million.

The following graph sets forth district-wise disbursement mix in affordable housing finance industry for Fiscal 2019:



Note:

1) *The districts have been classified on the basis of home loan disbursements in affordable industry in Fiscal 2019.*

2) *MMR, NCR, Bangalore and Kanpur have been considered as one district.*

3) *MMR includes Thane and Mumbai, NCR includes Delhi, Gurugram, Gautam Buddha Nagar, Ghaziabad and Faridabad, Bangalore includes Bangalore Urban and Bangalore Rural, Kanpur includes Kanpur Nagar and Kanpur Dehat.*

(Source: CRISIL Report)

Profitability Analysis

Higher Returns and Lesser Competition Compared with Traditional Home Loan Market makes the Affordable Housing Segment Attractive for HFCs

Housing loans are considered to be a safer asset class compared with other asset classes such as vehicle loans, construction equipment loans and personal loans, as borrowing is usually for a self-occupied residential property of the borrower, where the propensity to default is relatively lower. Among the peer group set (large, medium, small and affordable), affordable HFCs have highest profitability ("**RoA**"). The higher RoA of affordable HFCs, 2.7% in Fiscal 2020, can be attributed to their relatively higher net interest margins ("**NIMs**"), despite higher cost of funds, given the higher interest rates charged.

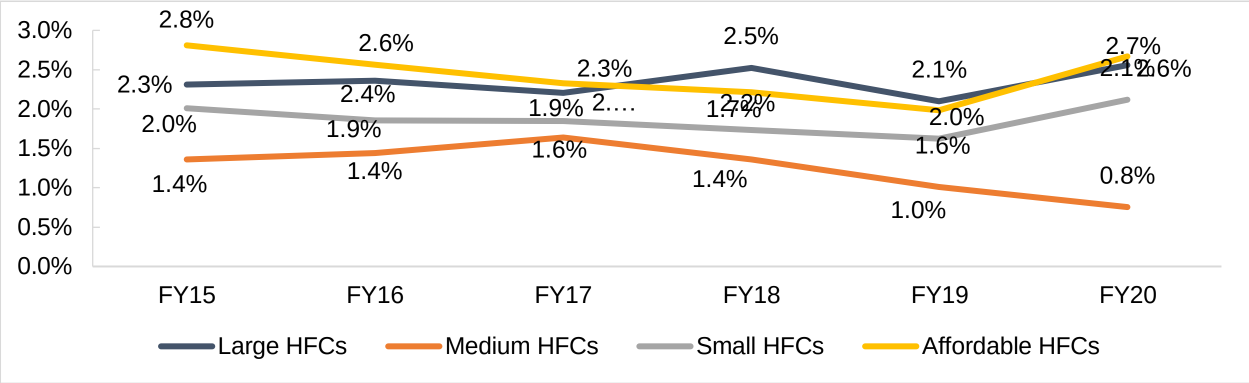
All the player groups reported a decline in RoA in Fiscal 2019, compared with the previous year, because of an increase in interest expenses following the default by IL&FS. The cost of borrowing remained high in Fiscal 2020 as well, especially for medium and smaller players. Large, small and affordable HFCs witnessed an improvement in RoA during the Fiscal 2020. For large HFCs, improvement in profitability was primarily due to reduction in tax rates, while for small and affordable HFCs, the improvement was on account of significantly lower credit costs compared with Fiscal 2019. For medium HFCs, significantly higher credit costs compared with Fiscal 2019 led to lower profitability.

In Fiscal 2021, the asset quality is expected to deteriorate due to the COVID-19 pandemic which will lead to increase in credit costs for HFCs. Profitability of small, medium and affordable HFCs is expected to deteriorate primarily due to an increase in credit costs as they cater to self-employed and informal salaried segments, which are more vulnerable to economic slowdown.

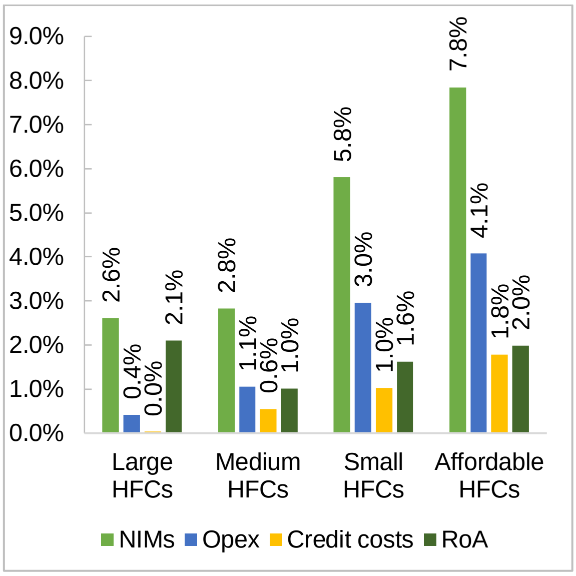
In the current scenario, as the market rates are declining, yield on advances for HFCs is also expected to decline. HFCs have already revised the interest rates downwards due to intensifying competition from the banks. Among the segments, the pressure on yields of larger HFCs is expected to be the highest as they directly compete with the banks, which will impact their margins and profitability. HFCs will have to effectively manage their cost of funds to maintain their NIMs.

Over the longer term, CRISIL Research expects the industry's profitability to improve gradually. Cost of funds, which has shot up since the second half of Fiscal 2019, is expected to gradually normalise, once capital availability for better performing HFCs improves. As the economy revives, delinquencies are also expected to normalise, leading to decrease in credit costs for HFCs. Additionally, for players in the affordable housing category, the operating expenses would moderate as business volumes increase and the level of standardisation in credit assessment increases.

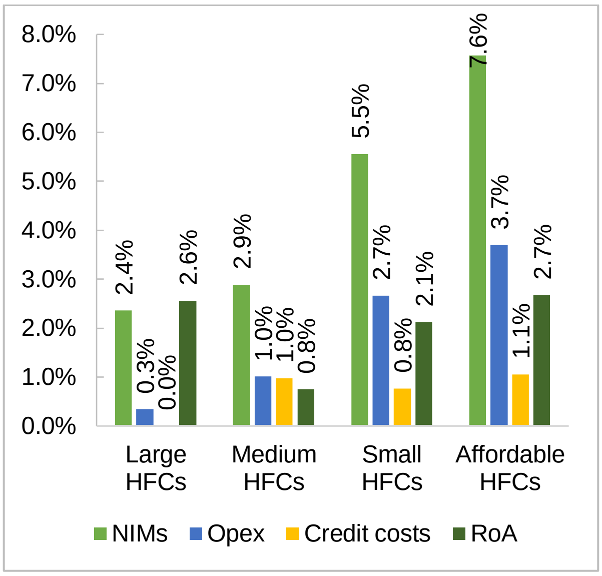
The following graphs set forth RoA across different segments of HFCs:



Profitability Parameters – Fiscal 2019



Profitability Parameters – Fiscal 2020



Note:

1. *Large HFCs include data for Housing Development Finance Corporation Limited, Indiabulls Housing Finance Limited, LIC Housing Finance Limited and PNB Housing Finance Limited.*

2. *Medium HFCs include data for Can Fin Homes Limited, ICICI Home Finance Limited, L&T Housing Finance Limited and TATA Capital Housing Finance Limited.*

3. *Small HFCs include data for Magma Housing Finance, Aptus Value Housing Finance India Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited, Aavas Financiers, Home First Finance Company, Aspire Housing Finance Corporation and Aditya Birla Housing Finance Limited.*

4. *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing Finance, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Home First Finance Company.*

5. *NIMs has been calculated as net interest margin/average assets, opex has been calculated as operating expenses/average assets, credit costs has been calculated as provisions average assets and RoA has been calculated as PAT/average assets.*

(Source: CRISIL Report)

Large HFCs' profitability improved due to tax reduction. According to CRISIL Research, the profitability of large HFCs declined in Fiscal 2019, due to contraction in NIMs. In Fiscal 2020, reduction in taxes, operating expenses and credit cost led to improvement in the profitability of large HFCs. Large HFCs' yields have also declined over the past years, as they directly compete with banks, which have lower borrowing cost as well as higher customer information. The ability of large HFCs to penetrate deeper into newer geographies, to manage cost of funds and provide differentiated service to customers will be critical to manage their profitability, given the increasing risk aversion towards developer loans.

Medium HFCs' profitability declined due to an increase in credit cost. According to CRISIL Research, the profitability of medium HFCs has declined over the past four years, due to contraction in NIMs and an increase in credit cost. In Fiscal 2020, the profitability of medium HFCs declined due to an increase in the credit cost. Medium HFCs earn higher NIMs compared with large HFCs, since they cater to relatively riskier customer profiles and charge a premium on yields. However, the RoA of medium HFCs is lower as compared with large HFCs due to their higher operating expenses.

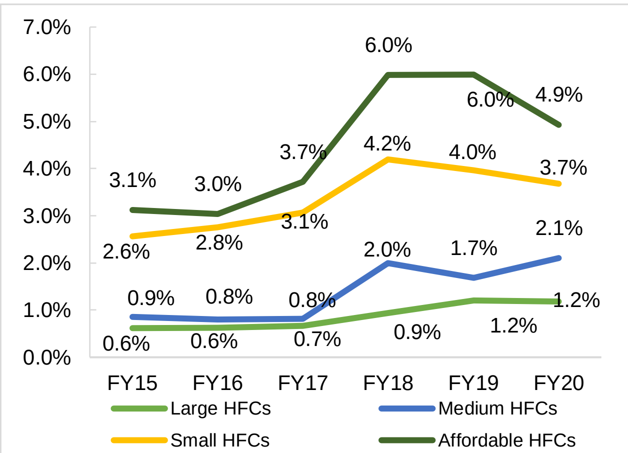
Small HFCs' profitability improved due to lower credit cost and tax expenses. According to CRISIL Research, the profitability of small HFCs improved in Fiscal 2020, because of lower credit cost and significant reduction in taxes despite NIMs contraction. While small HFCs earn higher NIMs compared with medium HFCs, rapid opening of new branches and hiring of more employees have led to higher operating expenses for small HFCs. The credit cost of small HFCs are relatively higher compared with large HFCs, because of their dependence on customers with relatively weaker credit profile i.e. self-employed and the informal salaried customers.

Affordable HFCs have higher profitability than other segments. According to CRISIL Research, RoA of affordable HFCs has declined over the past years till Fiscal 2019, due to increasing operating expenses and credit cost. However, in Fiscal 2020, significant decline in credit cost, on account of decline in GNPA of few HFCs such as Aspire Housing Finance Corporation, Aavas Financers and Shriram Housing Finance Limited, resulted in higher profitability for affordable HFCs. For affordable HFCs, the operating expenses are high since they are still in the process of expanding their branch network and adding employees. However, over the next few years, as the business scales up, the pace of branch expansion slows down and the credit appraisal process becomes more standardised, which leads to a progressive fall in the operating expenses. Further, the vulnerability of the borrower segment to any change in income streams make affordable HFCs susceptible to relatively higher credit cost compared with other segments. To mitigate this risk, HFCs have started to use technology and data analytics to improve their efficiency of decision making.

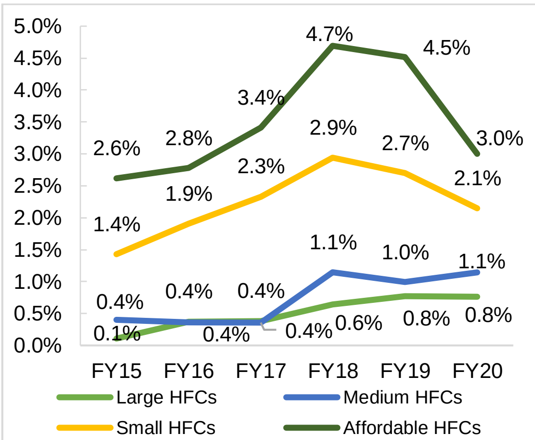
Affordable HFCs' Asset Quality to Improve with Increase in Information Availability and Technology Usage for Credit Assessment

As demand for housing loans primarily comes from first-time buyers, who stay in the property purchased, asset quality in this segment has historically remained healthy. 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, small and affordable HFCs are more susceptible to local events and developments that impact the repayment behaviour compared with large HFCs. According to CRISIL Research, the ability to manage credit costs by appropriately leveraging information availability as well as technology and data analytics will be a key differentiator among players in the affordable HFC segment.

Higher GNPA Ratio for Small and Affordable HFCs



Higher NNPA Ratio for Small and Affordable HFCs



Note:

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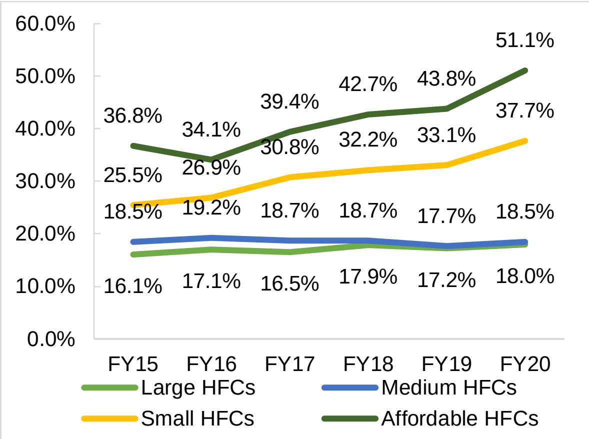
4) *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing Finance, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Home First Finance Company.*

(Source: CRISIL Report)

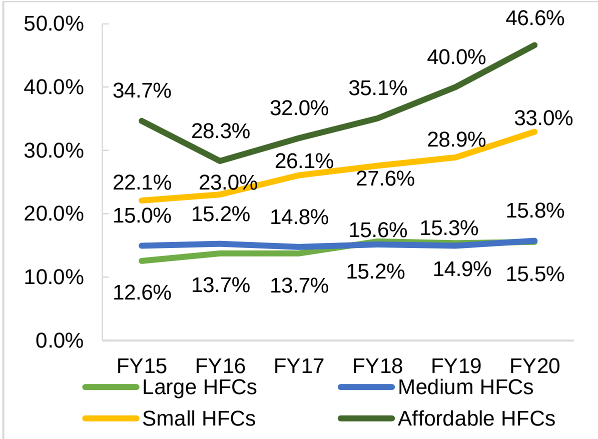
Higher Capital Adequacy Ratio for Affordable HFCs among other Peer Groups

According to the peer group set analysed, affordable HFCs had a higher capital adequacy ratio of 51.1%, followed by small HFCs (37.7%), medium HFCs (18.5%) and large HFCs (18%), in Fiscal 2020. In terms of tier-1 capital, affordable housing has the highest tier-1 capital with 46.6%, followed by small HFCs (33%), medium HFCs (15.8%) and large HFCs (15.5%).

Capital Adequacy Ratio



Tier-1 Capital



Note:

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2) *Medium HFCs include data for Can Fin Homes Limited, ICICI Home Finance Limited, L&T Housing Finance Limited and TATA Capital Housing Finance Limited.*

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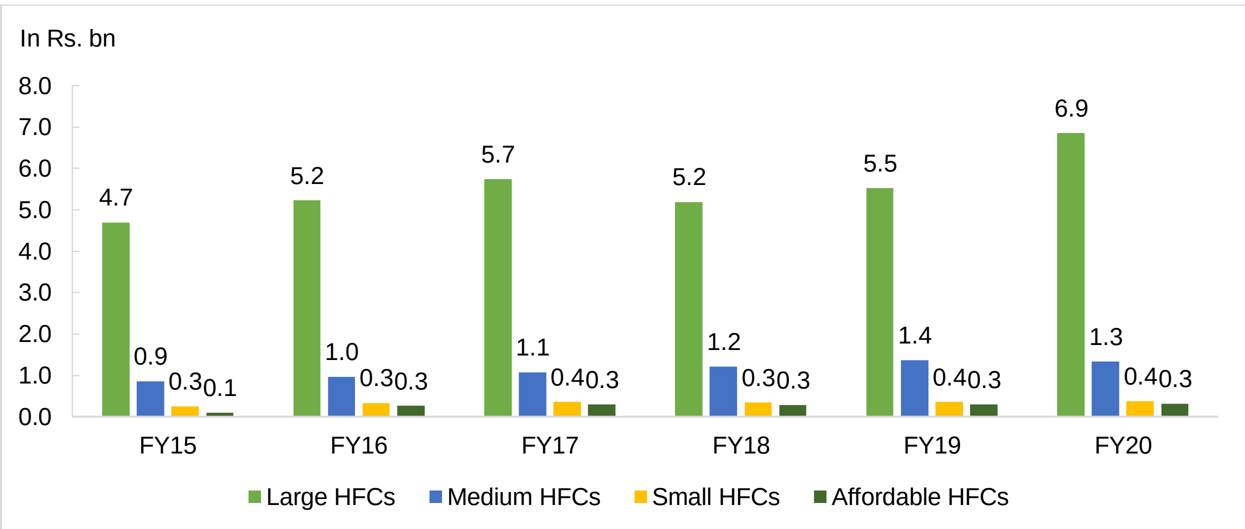
4) *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing Finance, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Home First Finance Company.*

(Source: CRISIL Report)

Higher Loan Outstanding Per Average Branch for Large HFCs

According to the peer group set analysed, large HFCs have the highest loan outstanding per average branch (average number of branches for the current and previous year) of ₹ 6.9 billion, followed by medium HFCs (₹ 1.3 billion), small HFCs (₹ 0.4 billion) and affordable HFCs (₹ 0.3 billion).



Note:

1) *Large HFCs include data for Housing Development Finance Corporation Limited, Indiabulls Housing Finance Limited, LIC Housing Finance Limited and PNB Housing Finance Limited.*

2) *Medium HFCs include data for Can Fin Homes Limited, ICICI Home Finance Limited, Repco Home Finance Limited and TATA Capital Housing Finance Limited.*

3) *Small HFCs include data for Magma Housing Finance, Aptus Value Housing Finance India Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited, Aavas Financiers, Home First Finance Company, Aspire Housing Finance Corporation and Aditya Birla Housing Finance Limited.*

4) *Affordable HFCs include data for Aavas Financiers, Aptus Value Housing Finance India Limited, Aspire Housing Finance Corporation, Mahindra Rural Housing Finance, Micro Housing Finance Corporation Limited, Shriram Housing Finance Limited and Home First Finance Company.*

(Source: CRISIL Report)

Peer Benchmarking

Consideration of Peer Set: Gruh Finance *(merged with Bandhan Bank)*, Aspire Home Finance, Aadhar Housing Finance, Aavas Financiers, Aptus Value Housing Finance and Home First Finance Company ("**Home First**"). These companies have been selected on the basis of average ticket size of housing loans in the range of ₹ 0.7 million and ₹ 1.2 million.

Based on peer comparisons of the above mentioned companies, Home First has registered the highest AUM growth over Fiscals 2015 to 2020 as well as the second highest disbursement growth over the same period. In terms of profitability, Aptus Value Housing Finance has the highest RoA compared to others during Fiscal 2020. In terms of operational parameters, Home First leads with highest disbursement per branch and disbursement per employee during Fiscal 2020. Aadhar Housing Finance has the strongest distribution network among the peers. In terms of the customers' profile the companies cater to, Home First has the least risky profile with highest proportion of salaried customers.

The overall book of Home First grew at 61% CAGR over Fiscals 2015 to 2020, which is the highest among peers. Other peers such as Aadhar Housing Finance and Aspire Home Finance Company registered healthy growth as well. With a strong focus on the affordable segment and keen focus on the salaried segment, Home First registered the second-highest CAGR in disbursement (50% CAGR over Fiscals 2015 to 2020) after Aptus Value Housing Finance (51% CAGR).

The following table sets forth the business scale of the companies for Fiscal 2020:

FY20	AUM (₹ billion) FY20	AUM growth (CAGR – FY15-20)	AUM growth (CAGR – FY18-20)	Loans outstanding (₹ billion) FY20	Advances growth (YoY)	Disbursements (₹ billion) FY20	Disbursement growth (CAGR – FY15-20)	Total income (₹ billion) FY20	Profit after tax (₹ billion) FY20	Total Net Worth (₹ billion) FY20
Gruh Finance	181^	15%^	8%^	181	4%	NA	NA	NA	NA	NA
Aadhar Housing Finance	114	59%*	20%	89	11%	32	33%*	14	1.89	23
Aavas Financiers	78	56%	38%	62	31%	29	40%	9	2.49	21
Aspire Home Finance	37	59%	-13%	37	-16%	2	-12%	6	0.39	9
Home First Finance Company	36	61%	63%	30	41%	16	50%	4	0.80	9
Aptus Value Housing Finance	32	54%	50%	27	32%	13	51%	5	1.81	17

Note:

1. *(^) Loan assets include only on-book AUM.*

2. *(*) Four-year CAGR is calculated based on numbers of erstwhile Aadhaar Housing Finance (before merger with DHFL) for FY16.*

3. *NA: Not available.*

4. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

(Source: CRISIL Report)

The following table sets forth the business scale of the companies for Fiscal 2019:

FY 2019	AUM (₹ billion) FY19	AUM growth (CAGR – FY15-19)	AUM growth (CAGR – FY17-19)	Loans outstanding (₹ billion) FY19	Advances growth (YoY)	Disbursements (₹ billion) FY19	Disbursement growth (CAGR – FY15-19)	Total income (₹ billion) FY19	Profit after tax (₹ billion) FY19	Total Net Worth (₹ billion) FY19
Gruh Finance	174*	18%*	15%*	174	12%	49	10%	20	4.47	19
*Aadhar Housing Finance***	100	79%	77%	80	10%	32	57%	12	1.62	9
Aavas Financiers	59	63%	49%	47	42%	27	49%	7	1.76	18
Aspire Home Finance	44	87%	3%	42	-11%	3	105%	7	-1.37	8
Home First	24	67%	76%	21	63%	16	65%	3	0.46	5
Aptus Value Housing Finance	22	58%	63%	20	48%	11	61%	3	1.03	7

Note:

1. *(*) Loan assets include only on-book AUM.*

2. *(**) CAGR is calculated based on numbers of erstwhile Aadhaar Housing Finance (before merger with DHFL) for FY15.*

3. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

(Source: CRISIL Report)

As per CRISIL peer set analysis, Aptus Value Housing Finance had the highest RoA of 6.3% in Fiscal 2020, followed by Aavas Financiers (3.8%) and Home First (2.7%). In terms of net interest margins ("**NIMs**"), Aptus Value Housing Finance had the highest NIMs (8.2%), followed by Aavas Financiers (6.4%) and Home First (5.4%). The significantly high RoA and NIMs of Aptus Value Housing Finance and Aavas Financiers can be attributed to the low leverage levels of these companies.

The following tables set forth financial ratios for the Fiscals 2020, 2019 and 2018:

Fiscal 2020	RoA	RoE	NIM	Yield on advances	Cost of borrowings	Operating expenses	Leverage (times)
Gruh Finance	NA	NA	NA	NA	NA	NA	NA
Aspire Home Finance	0.9%	4.6%	5.2%	14.0%	10.1%	2.3%	3.9
Aadhar Housing Finance	1.7%	11.8%	3.9%	13.5%	8.6%	2.2%	5.6
Aavas Financiers	3.8%	12.7%	6.4%	13.5%	8.4%*	3.4%	2.3
Aptus Value Housing Finance	6.3%	15.4%	8.2%	15.7%	10.0%	2.6%	1.4
Home First	2.7%	10.9%	5.4%	13.2%	8.7%	3.4%	3.0

Note:

1. *For calculating financial ratios of Fiscal 2020, we have considered the financial statements of Fiscals 2020 and 2019 as per Ind AS.*

2. *Operating expense includes employee benefit expense, depreciation exepnse and other expenses*

3. *NA: Not available*

4. *(*) 8.4% is as per the company's disclosure; however, as per CRISIL computation it is 7.6%.*

5. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

Fiscal 2019	RoA	RoE	NIM	Yield on advances	Cost of borrowings	Operating expenses	Leverage (times)
Gruh Finance	2.6%	25.9%	3.9%	11.3%	8.5%	0.8%	8.9
Aspire Home Finance	-2.9%	-17.2%	5.0%	14.0%	10.4%	2.2%	4.8
Aadhar Housing Finance	1.9%	20.6%	4.5%	14.0%	9.1%	2.6%	9.9
Aavas Financiers	3.6%	11.6%	7.3%	13.9%	8.7%*	3.6%	2.0
Aptus Value Housing Finance	5.5%	16.1%	9.2%	16.6%	9.2%	3.4%	1.9
Home First	2.4%	10.8%	5.5%	13.2%	8.5%	3.8%	3.5

Note:

1. *For calculating financial ratios of Fiscal 2019, we have considered the financial statements of Fiscals 2019 and 2018 as per Ind AS.*

2. *Operating expense includes employee benefit expense, depreciation expenses and other expenses.*

4. *(*) 8.7% is as per the company's disclosure; however, as per CRISIL computation it is 7.9%.*

5. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

Fiscal 2018	RoA	RoE	NIM	Yield on advances	Cost of borrowings	Operating expenses	Leverage (times)
*Gruh Finance**	2.8%	28.8%	4.5%	11.3%	7.6%	0.7%	9.3
*Aspire Home Finance**	0.4%	2.8%	4.7%	14.4%	10.6%	3.6%	5.7
*Aadhar Housing Finance**	2.5%	26.6%	3.7%	11.8%	8.6%	2.4%	8.8
*Aavas Financiers**	2.8%	10.3%	6.0%	14.1%	8.6%#	4.9%	2.6
*Aptus Value Housing Finance**	5.8%	12.1%	11.6%	17.0%	9.3%	4.2%	1.0
Home First	2.1%	7.9%	5.1%	12.1%	7.9%	3.3%	2.6

Note:

1. *(*) For calculating financial ratios of Fiscal 2018, we have considered the financial statements of Fiscals 2018 and 2017 as per Ind AS.*

2. *Operating expense includes employee benefit expense, depreciation expenses and other expenses.*

3. *(#) 8.6% is as per the company's disclosure; however, as per CRISIL computation it is 8.4%.*

4. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

(Source: CRISIL Report)

AUM and Credit Rating

Housing Finance Company	AUM (Fiscal 2020) (₹ *billion)*	Credit rating	Cost of borrowing
Home First	36	ICRA A+ (03 Jul 2020)	8.7%
HDFC Limited	5167	ICRA AAA (3 Aug 2020)/ CRISIL AAA (31 Jul 2020)	7.8%
PNB Housing	833	ICRA AA (3 Apr 2020)/ CRISIL AA (20 Apr 2020)	8.4%
*CanFin Homes Limited**	207	ICRA AA+ (22 Oct 2020)	7.5%
*Gruh Finance**	181	NA	NA
Aadhar Housing Finance	114	CARE AA-/CARE AA (07 Jul 2020)	8.6%
Aavas Financiers	78	ICRA AA- (30 Oct 2020)	8.4%#

Note:

1. *NA: Not available.*

2. *(*) Loan book.*

3. *(#) 8.4% is as per the company's disclosure; however, as per CRISIL computation it is 7.6%.*

(Source: CRISIL Report)

The following tables set forth the changes in the ICRA credit ratings of certain HFCs, for the periods indicated:

Housing Finance Company	Credit rating trend			
Aavas Financiers	ICRA A+ (Sep 8, 2017)	ICRA A+ (Jun 22, 2018)	ICRA A+ (Jul 25, 2019)	ICRA AA- (Oct 30, 2020)
Home First	ICRA A+ (Jul 28, 2017)	ICRA A+ (Jun 18, 2018)	ICRA A+ (Aug 28, 2019)	ICRA A+ (Jul 3, 2020)

(Source: CRISIL Report)

Healthy disbursement in Fiscal 2020, coupled with the lower number of branches, has resulted in Home First having the highest disbursement per branch among peers. As per CRISIL peer set analysis, Home First has the highest average AUM per employee and the highest disbursement per employee in Fiscal 2020.

The following table sets forth operational ratios for the Fiscal 2020:

Fiscal 2020	Average employees per branch	Average employee cost per employee (₹ million)	Average AUM per branch (₹ million)	Average AUM per employee (₹ million)	Disbursements per branch (₹ million)	Disbursements per employee (₹ million)
Gruh Finance	NA	NA	NA	NA	NA	NA
Aspire Home Finance	10.6	0.52	329	30	17	2
*Aadhar Housing Finance**	6.9	0.71	378	53	105	15
Aavas Financiers	19.9	0.43	339	20	127	8
Aptus Value Housing Finance	10.7	0.38	200	21	81	9
Home First	10.9	0.89	565	53	253	24

Note: (*) Only on-roll employees are considered; NA: Not available; In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth operational ratios for the Fiscal 2019:

Fiscal 2019	Average employees per branch	Average employee cost per employee (₹ million)	Average AUM per branch (₹ million)	Average AUM per employee (₹ million)	Disbursements per branch (₹ million)	Disbursements per employee (₹ million)
Gruh Finance ^	3.5	0.95	895	254	254	72
Aspire Home Finance	10.7	0.52	374	36	25	2
*Aadhar Housing Finance**	7.6	0.77	345	51	110	18
Aavas Financiers	17.0	0.46	317	24	143	11
Aptus Value Housing Finance	10.3	0.39	174	19	85	9
Home First	13.2	0.77	479	46	308	30

Note: (*) Only on-roll employees are considered; (^) Loan asset in place of AUM is used for calculation; In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth number of branches and employees for the Fiscal 2020:

Fiscal 2020	Number of branches	Number of employees
*Gruh Finance**	195	677^
Aspire Home Finance	110	1,184
Aadhar Housing Finance	294	2,097
Aavas Financiers	250	4,581
Aptus Value Housing Finance	175	1,702
Home First Finance Company	68	696

Note: (*) As of Fiscal 2019; (^) Excluding HDFC Sales employee numbers.

In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth capitalisation and asset quality for Fiscal 2020:

Fiscal 2020	Capital adequacy ratio	Tier-1 capital	GNPA Reported	GNPA^	Net NPA^	Credit cost
Gruh Finance	NA	NA	NA	NA	NA	NA
Aspire Home Finance	47.6%	46.4%	1.8%	1.8%	1.4%	1.8%
*Aadhar Housing Finance**	51.4%	49.1%	1.3%	1.4%	0.9%	1.0%
Aavas Financiers	56.0%	53.9%	0.5%	0.5%	0.3%	0.2%
Aptus Value Housing Finance	82.5%	82.3%	0.7%	1.8%	1.6%	0.1%
Home First	48.9%	47.7%	0.9%	1.0%	0.8%	0.6%

Note:

1. *NA: Not available.*
2. *(^) GNPA is calculated as stage 3 loans/ total loans outstanding, NNPA is calculated as (stage 3 loans-ECL allowance for stage 3 loans)/ (total loans outstanding-ECL allowance on all loans).*
3. *(*) Calculation of GNPA and NNPA includes expected credit loss provision on loan commitment as well.*
4. *Credit costs have been calculated as impairment on financial instruments/ average total assets.*
5. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

(Source: CRISIL Report)

The following table sets forth capitalisation and asset quality for Fiscal 2019:

Fiscal 2019	Capital adequacy ratio	Tier-1 capital	GNPA Reported	GNPA^	Net NPA^	Credit cost
Gruh Finance	20.3%	19.3%	0.7%	0.7%	0.6%	-0.1%
Aspire Home Finance	29.2%	27.5%	9.3%	9.0%	7.1%	7.4%
*Aadhar Housing Finance**	18.3%	15.6%	1.2%	1.4%	0.9%	0.4%
Aavas Financiers	67.8%	64.3%	0.5%	0.5%	0.4%	0.2%
Aptus Value Housing Finance	43.6%	43.2%	0.4%	0.5%	0.4%	0.1%
Home First	38.48%	37.71%	0.7%	0.8%	0.6%	0.4%

Note:

1. *NA: Not available.*
2. *(^) GNPA is calculated as stage 3 loans/ total loans outstanding, NNPA is calculated as (stage 3 loans-ECL allowance for stage 3 loans)/ (total loans outstanding-ECL allowance on all loans).*
3. *(*) Calculation of GNPA and NNPA includes expected credit loss provision on loan commitment as well.*
4. *Credit costs have been calculated as impairment on financial instruments/ average total assets.*
5. *In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.*

(Source: CRISIL Report)

The table below sets forth customer profile and average ticket size for Fiscal 2020:

Fiscal 2020	Customer profile		Average ticket size (₹ million)
	Salaried	Non-salaried	
*Gruh Finance**	59%	41%	NA
Aspire Home Finance	55%	45%	0.88

Fiscal 2020	Customer profile		Average ticket size (₹ million)
	Salaried	**Non-salaried**	
*Aadhar Housing Finance**	65%	35%	0.84
Aavas Financiers	35%	65%	0.84
*Aptus Value Housing Finance**	22%	78%	0.70
Home First	73%	27%	1.01

Note: (*) As of Fiscal 2019; NA: Not available; In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth the mix of advances during Fiscal 2019:

Fiscal 2019	Home loans	LAP	Developer loans	Non-housing loans**	Others***
Gruh Finance*	83%	10%	5%	-	2%
Aspire Home Finance	90%	-	-	-	10%
Aadhar Housing Finance	85%	14.6%	0.4%	-	-
Aavas Financiers	74%	-	-	27%	
Aptus Value Housing	60%	40%	-	-	-
Home First Finance Company	92%	5%	2%	1%	-

Note: (*) As of Fiscal 2019; (**) Non-housing loans include LAP and other non-housing loans; (***) Others include composite loans, individual NRP loans and project plan loans and resale; In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth resources mix for the Fiscal 2020:

Fiscal 2020	Bonds/NCDs	Loans from banks and FIs	Deposits	Commercial paper	ECBs	Refinance from NHB	Others
Gruh Finance*	29%	25%	-	1%	-	25%	20%
Aspire Home Finance	51%	49%	-	-	-	-	0%
Aadhar Housing Finance	18%	72%	1%	-	-	8%	1%
Aavas Financiers	24%	55%	-	-	-	18%	3%
Aptus Value Housing Finance	33%	48%	-	-	-	15%	3%
Home First	-	71%	-	-	-	26%	2%

Note: (*) As of Fiscal 2019; In September 2019, the merger of Gruh Finance Limited with Bandhan Bank Limited was approved by National Company Law Tribunal, Ahmedabad and National Company Law Tribunal, Kolkata. Pursuant to the said orders, Gruh Finance Limited was merged with Bandhan Bank Limited and ceased to exist effective October 17, 2019.

(Source: CRISIL Report)

The following table sets forth the formulas used in this section:

Parameters	Formula
Return on assets	Return on Assets is calculated as profit after tax (excluding other comprehensive income) for the relevant year or period as a percentage of average total assets as of such year or period.
Return on equity	Return on Equity is calculated as profit after tax (excluding other comprehensive income) for the relevant year or period as a percentage of average total net worth as of such year or period.
Net interest margin	Net Interest Margin represents net interest income (total interest income minus total interest expended) for the relevant year or period divided by average total assets as of the last day of such year or period.
Yield on advances	Yield on advances is calculated as interest income on loans and advances as a percentage of average loan outstanding as of such year or period.
Cost of borrowings	Cost of borrowings is calculated as overall interest paid on borrowings as a percentage of average borrowings of such year or period.

Parameters	Formula
Leverage	Leverage is defined as the average of borrowings (long plus short term) as a percentage of average total net worth of such year or period.

OUR BUSINESS

We have included various operational and financial performance indicators in this Prospectus, including certain non-Ind AS (and non-generally accepted accounting principles) financial measures, some of which may not be derived from our Restated Financial Information or otherwise subjected to an audit or review by our auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies.

The industry-related information contained in this section is derived from the CRISIL Report and ICRA 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 Lead Managers, have independently verified the information in such reports or other publicly available information cited in this Prospectus.

Overview

We are a technology driven affordable housing finance company that targets first time home buyers in low and middle-income groups. We primarily offer customers housing loans for the purchase or construction of homes, which comprised 92.1% of our Gross Loan Assets, as of September 30, 2020. Our Gross Loan Assets have grown at a CAGR of 63.4% between the financial year 2018 and the financial year 2020 and increased from ₹ 13,559.32 million as of March 31, 2018 to ₹ 37,300.12 million, as of September 30, 2020.

We serve salaried and self-employed customers. Salaried customers account for 73.1% of our Gross Loan Assets and self-employed customers account for 25.0% of Gross Loan Assets, as of September 30, 2020. We serviced 44,796 active loan accounts, as of September 30, 2020. We also offer other types of loans comprising loans against property, developer finance loans and loans for purchase of commercial property, which comprised 5.1%, 1.9% and 0.9% of our Gross Loan Assets, as of September 30, 2020, respectively. As of the same date, 32.8% of our Gross Loan Assets were from customers who were new to credit. The average ticket size of our housing loans was ₹ 1.01 million, with an average loan-to-value on Gross Loan Assets of 48.8%, as of September 30, 2020. As of September 30, 2020 and March 31, 2020, our Stage 3 Loan Assets expressed as a percentage of our Gross Loan Assets were 0.74% and 0.87%, respectively.

As of September 30, 2020, we had a network of 70 branches covering over 60 districts in 11 states and a union territory in India, with a significant presence in urbanized regions in the states of Gujarat, Maharashtra, Karnataka and Tamil Nadu. We have increased the scale of our operations and grown our branches by adopting a strategy of contiguous expansion across regions and have strategically expanded to geographies where there is substantial demand for housing finance. According to the CRISIL Report, the 11 states and union territory in which we are present accounted for approximately 79% of the affordable housing finance market in India during the financial year 2019. We utilize a diverse range of lead sourcing channels such as connectors, architects, contractors, affordable housing developers, in addition to conducting loan camps and micro marketing activities, and utilizing employee and customer referrals and branch walk-in customers.

We have leveraged technology in various facets of our business such as processing loan applications, managing customer experience and risk management. We have developed a paperless process to onboard customers efficiently and our well-trained front-end teams appraise customers by conducting home and workplace visits and ensure minimal disruption to a customer's daily routine. We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions. We have an integrated customer relationship management and loan management system set up on a leading cloud based customer relationship platform providing us with a holistic view of all our customers. We utilize proprietary machine learning customer scoring models to assist us with our centralized credit underwriting process, which has led to consistent and accurate credit evaluation with quick turn around times. During the six months ended September 30, 2020 and the last three financial years, we invested ₹ 201.19 million in our information technology systems (comprising software license fees, technology fees and other intangible assets).

As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million. We typically obtain long-term funding from a variety of sources including private and public sector banks, the NHB and through assignment transactions. According to the CRISIL Report, we had the highest share of NHB refinance (26%) among our peers in our borrowing mix as of March 31, 2020. We have improved our credit ratings from 'CARE A-' as of March 31, 2017 to 'CARE A+' as of September 30, 2020 and also currently have an A+ (stable) rating from ICRA Limited.

Our Company was founded by Jaithirth Rao, P. S. Jayakumar and Manoj Viswanathan and we commenced our operations in August 2010. We are a company managed by professionals and our Promoters are True North Fund V LLP and Aether (Mauritius) Limited. Further, Bessemer and Orange Clove Investments B.V. (an affiliate of Warburg Pincus, a global private equity investor), has acquired a stake in our Company. We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders. In addition to assisting us with capital raising, our shareholders have assisted us in implementing strong corporate governance, which we believe have been critical to the growth of our operations.

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

Metric	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
Gross Loan Assets[1] (*₹ million)*	37,300.12	31,133.76	36,183.60	24,435.74	13,559.32
Growth rate of Gross Loan Assets[2] (%)	19.8%	63.1%	48.1%	80.2%	60.0%
Disbursements *(₹ million)*	2,959.48	8,857.53	16,182.88	15,728.21	7,455.29
Growth rate of Disbursements[3] (%)	-66.6%	23.6%	2.9%	111.0%	75.7%
Total Income *(₹ million)*	2,431.93	1,937.73	4,196.57	2,709.21	1,342.37
Profit after Tax *(₹ million)*	529.53	367.41	792.49	452.04	159.96
Net Worth[4] *(₹ million)*	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Stage 3 Loan Assets[5] / Gross Loan Assets (%)	0.74	0.86	0.87	0.70	0.60
Stage 3 Loan Assets (Net)[6] / Net Loan Assets[7] (%)	0.51	0.68	0.65	0.53	0.48
Average Yield on Loans - Principal Outstanding[8] (%)	6.5	6.5	13.2	13.2	12.1
Average Cost of Borrowing (excluding assignments)[9] (%)	4.3	4.3	8.7	8.5	7.7
Net Interest Margin[10] (%) (Net Interest Income / Average total Assets[11])	2.4	2.2	5.1	5.4	5.3
Operating Expenses[12] / Average Total Assets (%)	1.3	1.7	3.5	3.8	3.6
Cost to Income Ratio[13] (Operating Expenses / Net Total Income)	34.9	47.5	45.8	50.3	61.0
CRAR (%) (in accordance with restated Ind AS financial information)	51.7	47.6	49.0	38.5	43.0
Number of Branches	70	65	68	60	42
Active Loan Accounts	44,796	37,086	43,094	29,372	15,723

Figures disclosed in the table above, except Total Income and Profit after Tax are not measures of financial position, operating performance or liquidity defined by Ind AS or generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

1 *Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our 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 *Growth Rate of Gross Loan Assets represents percentage growth in Gross Loan Assets as of the last day of the relevant year or period over Gross Loan Assets as of the last day of corresponding immediately prior period.*

3 *Growth Rate of Disbursements represents the percentage growth in disbursements for the relevant year or period over disbursements of the corresponding immediately prior period.*

4 *Net Worth is the aggregate of the paid-up share capital, reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

5 *Stage 3 Loan Assets represents closing balance of loan assets overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines*

6 *Stage 3 Loan Assets (Net) represents Stage 3 loan assets less Impairment loss allowance on Stage 3 loan assets as at the end of the relevant year or period as per our restated financial statements as per ECL methodology under IndAS guidelines.*

7 *Net Loan Assets represents Gross Loan Assets less impairment loss allowance excluding impairment loss allowance on undisbursed commitments as of the last day of the relevant year or period.*

8 *Average Yield on Loans - Principal outstanding represents (Interest on term loans/ Average loans – principal outstanding) for the relevant year or period as per restated financial statements. Average loans – principal outstanding represents the simple average of loans – principal outstanding as of the last day of the relevant year or period and loans – principal outstanding as of the last day of the immediately prior year.*

[9] *Average Cost of Borrowing excluding assignments represents (Interest on borrowings and Interest on debt securities)/ Average borrowings (including debt securities) for the relevant year or period as per our restated financial statements. Average (borrowings including debt securities) represents the simple average borrowings including debt securities as of the last day of the relevant year or period and borrowings including debt securities as of the last day of the immediately prior year.*

[10] *Net Interest Margin represents the Net Interest Income for the relevant year or period divided by Average Total Assets as of the last day of such year or period. Net Interest Income represents interest income on term loans minus Interest on borrowings and Interest on debt securities for the relevant year or period as per our restated financial statements. Interest Income represents Interest Income on loans.*

[11] *Average Total Assets represents the 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 immediately prior year or corresponding immediately prior period as shown in our restated financial statements.*

[12] *Operating Expenses is the sum of employee benefits expenses, depreciation and amortisation, interest on lease liability, bank charges and others and other expenses for the relevant year or period as per our restated financial statements.*

[13] *Cost to Income ratio represents Operating Expenses as a percentage of net Total Income (i.e., Total Income less interest on borrowings and interest on debt securities).*

Our Competitive Strengths

Our principal competitive strengths are as follows:

Technology Driven Company with Scalable Operating Model

We are a technology driven affordable housing finance company and have built a scalable operating model, which enables us to expand our operations and drive growth in revenue with lower incremental costs. We have established a differentiated technology framework with customized systems and tools, enhancing convenience for our customers as well as increasing operational efficiency. During the six months ended September 30, 2020 and the last three financial years, we invested ₹ 201.19 million in our information technology systems.

We are able to digitally capture over 100 data points of a customer in addition to credit bureau data, observations of our front end teams and feedback from our underwriting and management teams. We capture and store all our data on a cloud services platform. We have entered into arrangements with third party service providers through whom we obtain additional information such as fraud related data, banking, investment and taxation related data, and vehicle ownership of customers, which enables us with underwriting, and to identify areas of concern and take quick and accurate decisions. Our integrated customer relationship management and loan management system provides us with a holistic view of our customers and ensures connectivity and uniformity across our branches. We have also deployed proprietary machine learning customer-scoring models to assist us with effective credit underwriting. The seamless integration and availability of data across platforms and users enables us to process loans in a paperless manner and with quick turn around times.

We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions, as well as for our sales channels to facilitate easy capture of leads and access to real time status of loans.

We use a data lake, to store the data from all our different applications. This expedites data consolidation, visualization, machine learning model development, and model implementation. The data lake also facilitates detailed analytics leading to better operational decisions.

Our information technology systems allow us to leverage economies of scale to increase productivity and reduce turn around times and transaction costs. Our systems are designed to facilitate a sanction within an average turn-around-time of 48 hours, which we calculate from the time we collate all customer information in our database to the sanctioning of the loan. In addition, our digital service delivery mechanisms and operating model brings uniformity in our operations, increases customer satisfaction and positions us well to expand our business in geographies that offer growth opportunities.

Customer Centric Organizational Commitment

We are a customer centric organization and have developed strong relationships with our customers by addressing their key concerns in availing housing finance. We target first time home buyers who find it difficult to disrupt their work routines to apply for a loan and comprehend the terms of a loan transaction. In order to address such concerns, we have set up an easy and customer friendly process right from the loan application stage to disbursement of the loan. Our front-end teams, which comprise our relationship managers, customer service managers and branch managers are well educated, trained and able to effectively assess all sources of a customer's income and guide them on aspects of obtaining financing. We also review documents relating to assets of the customer such as property deeds, life insurance policies, vehicle ownership and business ownership for the purpose of credit evaluation. We have set up a paperless process to onboard customers efficiently and our managers' conduct home and workplace visits to ensure minimal disruption to a customer's daily routine. We believe that these initiatives have assisted us in establishing a strong reputation as a customer friendly organization and growing our business and Gross Loan Assets at a rapid pace.

We maintain high levels of transparency in our interactions with customers and this has helped us increase customer satisfaction and loyalty as reflected in our net promoter scores. We conduct mandatory counselling sessions at our branches to educate customers on the key terms of their loan agreements and to familiarize them with the entire loan disbursement and repayment process. We have a dedicated mobile application for customers where they can carry out a number of functions, including accessing their loan statements, prepaying loans without any prepayment charges and raising service requests. As of September 30, 2020, our customer mobile application, 'Home First Customer Portal' had approximately 26,098 active registrations comprising approximately 58.7% of our customer base and currently has a rating of 4.2 on the Google Play Store. We also have an application 'HomeFirst Connect' for our channel partners and 'HomeFirst RM Pro' for our relationship managers.

We aim to maintain high levels of customer service and we have mapped each customer to a dedicated service manager and a relationship manager. We send regular updates to customers on the status of their loan applications and remind them of their payment schedules through automated calls and text messages. We have a centralized repository of all the queries posted by our existing and potential customers and these are mapped to their respective loan accounts. We endeavor to address a significant majority of customer queries within 24 hours. Our customer centric approach has been a key driver of our growth and helped us differentiate ourselves from competition and achieve superior net promoter scores.

Deep Penetration in the Largest Housing Finance Markets, with Diversified Sourcing Channels

We commenced our operations in August 2010 and as of September 30, 2020, we had a network of 70 branches covering over 60 districts in 11 states and a union territory in India. We have successfully adopted a strategy of contiguous expansion across regions over the years and have strategically expanded to relevant geographies by evaluating areas with high economic growth and substantial demand for affordable housing finance, along with industry portfolio-at-risk levels and socio economic risk profile. Before setting up a new branch in a district, we conduct an in-depth study of the micro markets around the branch to assess potential demand for housing finance and target regions with increasing urbanization and housing projects. We also engage with property valuers and legal advisors to obtain a better understanding of local markets and the quality of the underlying collateral. We believe that our management team's understanding of the local characteristics of these micro geographies has allowed us to address the needs of our customers and penetrate deeper into such markets. According to the CRISIL Report, the 60 districts in the 11 states and union territory in which we are present accounted for approximately 48% of the affordable housing finance market in India during the financial year 2019 and have a high per capita income with rising levels of urbanization. Our widespread network of full service branches allows us to service our existing customers, attract new customers and apply best practices developed in one region to other regions.

We have demonstrated our ability to successfully identify new regions to set up branches and grow our market share in such regions. For example, during the last three financial years, we identified Jaipur, Ahmedabad, Surat, Indore, Nagpur, Raipur, Hyderabad, Bengaluru and Chennai to set up our branches and as of September 30, 2020, 63.1% of our Gross Loan Assets were from such branches. The following table reflects the improvement in our market share, in terms of origination of home loans in the bucket size of ₹ 500,000 to ₹ 2,500,000, for the periods indicated:

Branch Location	Our market share during Q1 FY18	Our market share during Q4 FY20
Jaipur	0.1%	2.3%
Ahmedabad	1.7%	2.7%
Surat	1.7%	2.5%
Indore	0.2%	2.3%
Nagpur	0.9%	2.2%
Raipur	0.3%	0.8%
Hyderabad	0.2%	1.1%
Bengaluru	0.2%	1.9%
Chennai	1.0%	2.0%

For details of the market size of home loans in the cities above, see "Industry Overview – Indian Housing Finance Market – Healthy Housing Finance Market Growth" beginning on page 113. Our market share represents the percentage of the origination of our home loans over the market size in such cities, as provided in the CRISIL Report.

We utilize a diverse range of lead sourcing channels such as connectors, architects, contractors, affordable housing developers, in addition to conducting loan camps and micro marketing activities, and utilizing employee and customer referrals and branch walk-in customers. Connectors are third-parties who provide us with customer leads on a commission basis paid only when a loan is disbursed and they do not assist in the loan application process. Our connectors are generally individuals such as insurance agents, tax practitioners and local shopkeepers. Our network of connectors has increased from over 470 active connectors as of March 31, 2018 to over 800 active connectors as of September 30, 2020, and we manage their leads effectively through our connector application. For the six months ended September 30, 2020 and the financial year 2020, we sanctioned 2,591 and 15,591 loans on account of leads generated through 887 and 2,553 connectors, respectively. We have also entered into arrangements with certain digital lead aggregators and other digital players within the housing and real estate ecosystem, which helps us source leads with embedded customer data.

Our presence in relevant housing finance markets in India, diversified lead sourcing channels and our ability to build up our market share has resulted in an increase in the Gross Loan Assets and disbursements over the last three financial years.

Centralized, Data Science Backed Underwriting Process

We serve salaried customers in low and middle-income groups which account for 73.1% of our Gross Loan Assets, and self-employed customers account for 25.0% of our Gross Loan Assets, as of September 30, 2020. We believe that having a large customer base of salaried customers has led to low Stage 3 Loan Assets as a result of predictability of their cash flows. Our salaried customers are typically employed by small firms or work in junior positions in larger companies, while our self-employed customers are generally small business owners. We spend considerable time to understand the formal and informal income sources of such customers as well as that of their family members, stability of their employment, savings capacity and repayment track record with their formal and informal borrowings to take an informed decision to approve or decline a housing loan after collating all customer information in our database. We have employed well-trained and educated front-end teams to visit a customer's residence and workplace and gather detailed information to enable us to make right decision on several parameters, including the size of the loan. We believe that having a centralized team of underwriters ensures consistency in implementing our underwriting principles. Hence, we have set up a centralized data science backed underwriting process.

Our customer relationship management system is integrated with our loan management system, which is set up on a leading cloud based customer relationship platform. An integrated system enables us to have a holistic view of our customers through the entire lifecycle of the loan. This system acts as a single portal for all internal and external customer related interactions and data. Our technology platforms enable us to digitally capture over 100 data points of a customer such as photographs, videos, scanned collateral documents, taxation documents and vehicle ownership details from the inception of the lead. We have also entered into arrangements with third party database service providers through which we obtain additional information of customers. The integration of such data helps us derive a holistic view of our customers, carry out fraud checks and effectively assess the credit worthiness of customers. Further, we utilize proprietary machine learning and customer scoring models to assist us with our credit assessment process.

All our financed properties are geo-tagged and we use a machine learning backed property price predictor, which has helped us reduce our turnaround time for approving loans, as well as achieve a higher accuracy in determining the loan-to-value ratio. Our systems are designed to facilitate a sanction within an average turnaround time of 48 hours, which we calculate from the time we collate all customer information in our database to sanctioning the loan. A majority of the housing finance loans that we disburse are for affordable houses that fall within the purview of the Pradhan Mantri Awas Yojana where buyers are entitled to certain government subsidies, which further reduces our loan-to-value ratio once the PMAY subsidy gets disbursed. Our housing loans, loans against property, developer finance loans and loans for purchase of commercial property had an average loan-to-value at the time of the sanctioning of the loan of 61.9%, 27.8%, 31.8% and 55.3%, as of September 30, 2020, respectively. As part of our credit policy, we limit our exposure to properties that are under construction, which we believe helps in maintaining our asset quality. As of September 30, 2020, completed homes comprised 89.0% of our Gross Loan Assets, while properties under construction accounted for 11.0% of our Gross Loan Assets. Our robust underwriting and loan approval process have helped us reduce bounce rates from 14.1% for the first quarter of the financial year 2018 to 10.5% for the fourth quarter of the financial year 2020.

Technology Driven Collections System

We have set up a robust collections management system wherein approximately 93% of our collections for the financial year 2020 were non-cash based, which eases stress on monitoring financial transactions and reduces our cash management risk. All our borrowers register for an automated debit facility and we track the status of installments collected on a real time basis through a collection module in our system. We employ a structured collection process wherein we remind our customers of their payment schedules and to maintain adequate balance in their account on the due date, through automated calls and text messages. We perform predictive analytics to predict the probability of default, which helps us in obtaining early signals of potential defaults and initiate appropriate action to mitigate risks. Our collections process is completely managed by our branch teams and a significant portion of our front end team incentives are also dependent on collections.

We initiate recovery action immediately after a customer defaults in their monthly payment and the severity of our action increases as the number of days past due increase. At one day past due, our front end teams call customers and visit them to understand reasons for the default and for recovery of the dues. At 30 days past due, while our employees continue to engage with the customer, we send them a default notice. At 60 days past due, we send a loan recall letter and our employees reiterate the repercussions of loan default to the customer. Thereafter, we seek to resolve cases by initiating legal action through SARFAESI at 90 days past due. As of September 30, 2020, our 30 days past due was at 1.1% of our Gross Loan Assets and 90 days past due was at 0.7% of our Gross Loan Assets.

Our effective credit risk management is reflected in our portfolio quality indicators such as high repayment rates, and low rates of Stage 3 Loan Assets and Stage 3 Loan Assets (Net) across economic cycles and events such as demonetization and the implementation of RERA. As of September 30, 2020 and March 31, 2020, 2019 and 2018 , our Stage 3 Loan Assets expressed as a percentage of our Gross Loan Assets were 0.74%, 0.87%, 0.70% and 0.60%, while our Stage 3 Loan Assets (Net) expressed as a percentage of our Net Loan Assets were 0.51%, 0.65%, 0.53% and 0.48%, respectively.

Well-Diversified and Cost-Effective Financing Profile

We believe that we are able to access borrowings at a competitive cost due to our stable credit history, superior credit ratings, conservative risk management policies and strong brand equity. The following table sets forth certain details of our borrowing profile for the periods indicated:

	As of and for the six months ended September 30,		**As of and for the financial year ended March 31,**		
	2020	**2019**	**2020**	**2019**	**2018**
Number of banks borrowed from and issued debt securities to	17	14	15	14	10
Private sector banks	8	7	8	7	4
Public sector banks	9	7	7	7	6
Amount borrowed (Borrowings + Debt securities) *(₹ million)*	26,365.78	22,956.31	24,938.05	19,256.41	10,198.76
Private sector banks (₹ million)	7,518.78	8,205.90	7,536.20	4,447.04	2,144.93
Public sector banks (₹ million)	9,003.24	8,916.93	10,256.77	8,941.74	5,598.82
Other parties	514.65	364.67	601.42	-	-
NHB loans *(₹ million)*	6,934.53	5,468.81	6,543.66	5,867.63	2,455.01
Debt securities *(₹ million)*	2,394.58	-	-	-	-
Average Cost of Borrowings (excluding assignments)	4.3%	4.3%	8.7%	8.5%	7.7%
Total Equity	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Debt to Equity ratio*	2.67	2.58	2.67	3.68	3.14
CRAR (in accordance with restated Ind AS financial information)	51.7%	47.6%	49.0%	38.5%	43.0%

* *Debt represents Borrowings (including debt securities) as of the last day of the relevant year or period as per our restated financial statements. Equity means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account as per our restated financial statements.*

We have improved our credit ratings from 'CARE A-' as of March 31, 2017 to 'CARE A+' as of September 30, 2020 and also currently have an A+ (stable) rating from ICRA Limited. As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million. During the six months ended September 30, 2020, we had proceeds of borrowings from banks and financial institutions of ₹ 1,811.00 million. We carefully monitor the contractual maturity periods of our assets and liabilities and categorize them on the basis of the number of years in which they mature. As of September 30, 2020, the effective tenure of our Gross Loan Assets was 97.00 months, while the closing tenure of our outstanding borrowings and assignment was 96.45 months.

Experienced Management Team with Qualified Operational Personnel and Marquee Investors

We have a professional and experienced management team, led by our CEO and founder, Manoj Viswanathan, who has over 24 years of experience in the consumer lending industry. In addition, Ajay Khetan, Gaurav Mohta and Vilasini Subramaniam joined our founding team over five years ago. Our management team has extensive experience in the financial services sector and is supported by qualified operational personnel who have an in-depth understanding of the geographic regions in which we operate, our loan products and types of collateral. We have a distinguished Board comprising industry professionals with significant experience in the financial services industry.

We primarily employ people who have obtained their engineering or management degrees and we hire them directly from campuses instead of hiring them from other organizations. We have an elaborate year-long training and development program for all our new hires, which comprises of classroom-training sessions, on the job training and a buddy program. We also have a distance-learning program in association with a leading business school for our employees who have obtained their bachelor of technology degree. As of September 30, 2020, approximately 68.3% of our employees had obtained a post-graduation in business administration or management and approximately 43.3% had a bachelor in technology degree or a bachelor in engineering degree. We are a young and diverse organization with a median age of 25 years, and approximately 32.9% of our employees are women, as of September 30, 2020. Our hiring and training procedures have helped us achieve superior employee productivity with an average disbursement of ₹ 23.61 million per employee for the financial year 2020 and resulted in a consistent improvement in disbursement per employee, while maintaining asset quality.

Our Promoters are True North Fund V LLP and Aether (Mauritius) Limited. Further, Bessemer has invested in our Company since January 2011 and Orange Clove Investments B.V. (an affiliate of Warburg Pincus, a global private equity investor) has acquired a stake in our Company in October 2020. We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders. In addition to assisting us with capital raising and strategic business advice, our shareholders have assisted us in implementing strong corporate governance, which we believe have been critical to the growth of our business.

Our Strategies

We intend to continue to scale up our business and improve our operational efficiency and profitability through the following key strategies:

Leverage Technology to Grow Business and Drive Operational Efficiency

We seek to leverage technology to enhance our lead sourcing and customer fulfilment process. We intend to launch a customer self-onboarding application through which a customer can make a loan application and upload relevant documents. We have also entered into arrangements with certain digital lead aggregators and other digital companies in the housing and real estate ecosystem such as Homelane, Paisa Bazaar, Quikr India, Credit Mantri and Aapka Painter, which helps us source leads embedded with customer data.

We intend to further strengthen and invest in technology to accelerate our growth, improve customer experience and continue to achieve industry-leading turnaround times in our operations. We are focused on creating an end-to-end digital process for housing loans encompassing digital marketing, exhaustive customer data capture through API integrations with third-party databases such as Hunter and Perfios, automated underwriting via machine learning algorithms and instant approvals through mobility solutions. We will continue to invest in systems to capture and collate data and development of analytics tools.

We aim to upgrade and automate our existing loan application processing and credit assessment systems by developing advanced underwriting algorithms. We will further enhance our mobility solutions to improve customer experience and sales productivity. As a result of our technology platforms and initiatives, we believe that we will be able to increase the scale and effectiveness of our operations without a proportionate increase in our operational expenses.

Expand Our Branch Network in Large Affordable Housing Markets

We intend to expand our business in a contiguous manner into regions with increasing urbanization, growing commercial activity and rising household incomes. Before setting up new branches, we will continue to conduct in-depth studies and market research to assess potential demand for our products and engage with local property valuers and legal advisors. We currently operate 70 branches covering 11 states and a union territory in India, of which we had set up 28 branches between April 1, 2018 and September 30, 2020 and we expect our future growth to be from such branches as we continue to gain market share. We also intend to increase the number of our branches to 90 by the end of the financial year 2022, in order to achieve deeper penetration in our existing 11 states and union territory. Our new branches will be set up to increase presence in existing districts as well as cover 20 new districts that have high growth potential. We believe that this high-density model would allow us to grow our business with lower costs and increase our profitability.

Grow the Productivity of Our Existing Branches

We focus on increasing the productivity of our existing branches to drive our growth. We categorize our branches into large branches, mid-sized branches and small branches, on the basis of the Gross Loan Assets of each branch, and we track key performance indicators such as growth in Gross Loan Assets and disbursements per branch to determine branch productivity. While some of our branches currently operate at optimum levels, we intend to focus on improving productivity at our newer branches. As of September 30, 2020, we had 21 large branches operating with average Gross Loan Assets of ₹ 1,049.40 million, 21 mid-sized branches operating with average Gross Loan Assets of ₹ 507.73 million, and 28 small branches operating with average Gross Loan Assets of ₹ 164.30 million. We believe that we have set up a scalable operating model, which will assist us in expanding our operations with lower incremental costs to drive efficiency and profitability.

Diversify Sources of Borrowings to Optimize Borrowing Costs

We have historically secured funding from private and public sector banks, the NHB and through assignment transactions. As we continue to increase the scale of our operations, we intend to diversify the sources of our funding to reduce dependence on term loans and optimize our capital costs. To diversify sources of capital, we seek to obtain funding through the issuance of non-convertible debentures and external commercial borrowings. We also intend to continue to further increase our lender base, which has grown from 10 as of March 31, 2017 to 17 as of September 30, 2020. We have been able to reduce our average cost of borrowings (excluding assignments) from 9.8% as of March 31, 2017 to 8.7% as of March 31, 2020, due to factors including an improvement in our credit ratings and our financial performance.

We are focused on improving our asset and liability management to ensure that we continue to have a positive asset-liability position. We believe that this will help us improve our credit ratings further and reduce the average cost of our borrowings.

Focus on Enhancing Our Risk Management Framework

As we increase the scale of our operations and expand into new geographies, we intend to focus on enhancing our risk management framework to maintain the credit quality of our loan portfolio. Our risk management initiatives will include obtaining a better understanding of the geographies in which we are present and the ones where we intend to expand to, improving the credit scoring models and algorithms that we have currently deployed, improving our collection techniques and our property underwriting procedures.

Credit assessment is crucial to our operations since several of our customers are new to credit or belong to low and middle-income groups. Our strength in credit assessment is derived from our well-educated and trained front-end teams who spend time with our prospective customers and provide a detailed assessment of their income sources, employment stability, savings and repayment capacity. We will continue to invest in hiring and training people to ensure that we maintain our proficiency in credit assessment.

We also intend to continue serving salaried customers in the 11 states and a union territory in which we are currently present. As of September 30, 2020, 73.1% of our Gross Loan Assets came from salaried customers. We believe that salaried customers are more resilient from a credit quality perspective and this will help us build a robust loan portfolio.

Responding to challenges posed by the COVID-19 Pandemic

The outbreak of COVID-19 was declared a global pandemic on March 11, 2020 by the World Health Organization. It continues to spread across the globe and has since affected the world economy including India, leading to significant volatility and a decline in financial markets and general economic activity. This resulted in slowing down of disbursements by our Company from ₹ 8,857.53 million for the six months ended September 30, 2019 to ₹ 2,959.48 million for the six months ended September 30, 2020. We also witnessed an increase in bounce rate from 10.5% during the last quarter of the financial year 2020 to 28.3% during the second quarter of the financial year 2021. We imposed more stringent credit guidelines further strengthening the underwriting process keeping in mind the COVID-19 environment for new customers as well as existing customers for already approved loans. We have taken a number of steps to address the challenges posed by COVID-19, including the following:

Maintaining business continuity: In order to protect the health and safety of our employees with minimal disruption in our operations, all our employees at our Registered and Corporate Office as well as our branches, were moved to a work-from-home model. Since our CRM, loan management and accounting systems were maintained on the cloud, we were able to easily migrate to a work-from-home model. We resumed operations at our branches in a staggered manner in compliance with the lockdown restrictions and government guidelines. As of September 30, 2020, we had resumed physical operations in all of our 70 branches, including two new branches which were set up after March 31, 2020. In order to ensure adequate safety of employees, we introduced a Dailycheck mobile application, which helped us track the health status of our employees and provide assistance, including funding medical expenses and reimbursements for COVID-19 tests, mediclaim for hospitalization, helpline for medical advice and paid leave. Customers were provided continued access to our employees and services through our phygital (physical+digital) channel of communication such as customer care number and our digital channels such as messaging application, chat bot, emails and social media. Multilingual live sessions on various topics were conducted over social media platforms to educate customers.

Collections: During the COVID-19 period, there has been an additional focus on collection activity. Our average number of EMIs (other than through NACH) collected per employee was six during the month of March 2020, as compared to 10 during the month of June 2020 and 15 during the month of September 2020. As of October 31, 2020, our 30 days past due was at 3.1% of our Gross Loan Assets and 90 days past due was at 0.7% of our Gross Loan Assets.

The table below summarizes the collection efficiency of our loans for the periods presented:

Collection Efficiency parameters	**April 2020**	**May 2020**	**June 2020**	**Q1FY21**	**July 2020**	**August 2020**	**September 2020**	**Q2FY21**	**October 2020**	**November 2020**	**December 2020**	**Q3FY21**
Collection Efficiency[1]	72.5%	64.4%	78.4%	**71.8%**	84.6%	94.3%	99.8%	**93.0%**	96.3%	96.6%	97.6%	**96.8%**
Unique Customers[2]	72.9%	63.7%	74.7%	**70.5%**	79.8%	83.5%	93.8%	**85.8%**	95.3%	95.5%	96.1%	**95.6%**

[1]*Collection Efficiency: Total number of EMIs received in the month (including arrears of previous months)/ Total number of loan accounts whose EMIs are due for the month.*
[2] *Unique customers: number of customers who made at least one payment in the month/ Total number of customers whose EMIs are due in the month.*

Moratorium: To alleviate the impact of COVID-19, the RBI has issued guidelines relating to COVID-19 regulatory package dated March 27, 2020 in accordance therewith, providing moratorium of three months on the payment of all principal amounts and interest falling due between March 1, 2020 and May 31, 2020. Further, by way of its circular dated May 23, 2020, the RBI extended the moratorium on loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, we granted the moratorium option to certain of our customers for the period between March 1, 2020 and August 31, 2020.

Moratorium was granted by us to 12,525 customers valued at ₹ 415.49 million, as of September 30, 2020, to be repaid by the borrowers over a 12-month, 24-month or 36-month period. Separate moratorium accounts were created for each customer who availed a moratorium to keep track of repayment of the moratorium amount. This also enables customers to fully clear the moratorium payments if they prefer, instead of carrying the amount through the balance tenure of their original loan.

Maintaining our liquidity position and reducing our cost of borrowings: During the COVID-19 pandemic, we took additional measures to improve our liquidity position to ensure adequate funding to meet financial and other commitments. We engaged with banks and participated in the Targeted Long Term Repo Operation (TLTRO 2.0) and Partial Credit Guarantee (PCG) schemes, and raised ₹ 2,400 million through this process. We raised ₹ 8,604.70 million during the six months ended September 30, 2020 through term loans, NHB refinance, issuance of non-convertible debentures and through direct assignments. Our average cost of incremental borrowings for the six months ended September 30, 2020 was 8.0%, as compared to 8.8% for the financial year 2020. We have maintained an ALM position in terms of the NHB Regulations and as of September 30, 2020, we had cumulative positive flows across all the buckets.

Equity capital investment for a stake by Warburg Pincus, leading global private equity investor: On October 1, 2020, our Company and certain existing shareholders entered into definitive agreements with Orange Clove Investments B.V (an affiliate of Warburg Pincus) ("**Orange Clove**") for an investment by Orange Clove through a combination of a primary fund raise of approximately ₹ 750 million through a subscription of 2,240,639 Equity Shares by Orange Clove, aggregating to 2.60% of the paid up share capital of the Company (on a fully diluted basis), and a secondary sale by the existing shareholders of 18,810,719 Equity Shares to Orange Clove, aggregating to 21.82% of the paid-up capital of the Company (on a fully diluted basis). Pursuant to this transaction, Narendra Ostawal, managing director at Warburg Pincus India Private Limited, is appointed as a Nominee Director to represent Orange Clove on the Board of our Company. Further, pursuant to the approval of the RBI received by letter dated January 4, 2021, Orange Clove has purchased 3,931,952 Equity Shares from TN V LLP, Aether and Bessemer and 208,492 Equity Shares from Mr. P.S. Jayakumar respectively on January 12, 2021 and January 13, 2021. This results in the shareholding of TN V LLP to stand at 30.22%, Aether at 20.09% and Bessemer at 10.57% of the paid-up capital of our Company (on a fully diluted basis).

Leveraging technology to compliment credit appraisal: Subsequent to the onset of the COVID-19 pandemic in India, we re-assessed the market and customers, and adopted stricter interim credit guidelines for new business and disbursals of loans and launched new processes following an even more digital approach, as follows:

a. Branches started conducting office and home digital verifications through video calls for certain categories of customers, with records of such calls uploaded in our internal systems.

b. Consents from customers to opt for the moratorium were taken online.

c. We have developed systems for Aadhar based E-signature of loan documents, which is being piloted at a few of our branches. We believe that over time this will result in savings on printing, storage and transaction costs, if implemented across all branches.

d. We have set up systems for E-KYC of customers, including KYC verification, geo tagging of the customer and facial matches.

e. Digital methods of reaching out to customers and channel partners have received a boost during COVID-19 pandemic. As of September 30, 2020, 58.7% of our customers were registered on our customer mobile application 'Home First Customer Portal' as compared to 50.8% as of March 31, 2020. As of September 30, 2020, we had 93.8% of our active connectors registered on the connector application as compared to 81.6% as of March 31, 2020.

Increasing strategic tie-ups: We have established a tie-up with one of the leading payment banks in the country, Airtel Payments Bank, for providing housing loans in affordable category to their customers. We entered into arrangements with a range of new fintech partners including No Broker Technologies Solutions Private Limited, Lendingkart Technologies Private Limited and One97 Communications Limited (Paytm) for advertising and promotional activity of our Company's affordable housing loans. We also initiated our campaign on Paytm using the banner advertisement channel. We commenced offering affordable housing customers an opportunity to utilise virtual reality-based design and turnkey construction services from Buildnext Construction Solutions Private Limited, an IT enabled construction company. VNC Group, a manufacturer and distributor of building materials used in construction was on-boarded as an alliance partner in south India to jointly address the needs of an individual house builder.

Stories from the field: The following case studies showcase some of the customers who have been impacted by the pandemic.

Case Study 1:

Borrower: Our customer is a 27-year migrant from Odisha who was living in Surat since the last 20 years. At the time of sanctioning the loan, he was working as a physical training teacher at a school in Surat. His monthly income was ₹ 17,500 and he was sanctioned a loan amount of ₹ 1.0 million with an EMI of ₹ 11,645. We assisted the borrower with applying for a PMAY subsidy of ₹ 267,280 which reduced his EMIs to ₹ 8,839 per month.

His story: Due to the pandemic and subsequent lockdown, he lost his job. He now works as a loom machine operator and earns ₹ 15,000 per month. He has availed the moratorium from us during the applicable period. He has cleared his EMI of ₹ 8,839 for September 2020 and October 2020 (post-moratorium).

Case Study 2:

Borrower: Our customer is a 30-year-old living in Hyderabad. At the time of sanctioning of the loan, he was running a canteen in an IT company campus. His monthly income was ₹ 55,000. He was sanctioned a loan amount of ₹ 1.6 million towards self-construction.

His story: During the lockdown, the canteen had to be shut down. In order to restore his income, he started his own street food stall. He has paid three EMIs during the period between March 2020 and August 2020. He has availed the moratorium for the balance three EMIs. Post the moratorium period, he has paid his EMI of ₹ 19,764 for September 2020 and partially, a sum of ₹ 10,000 for October 2020.

Case Study 3:

Borrower: Our customer is a 30-year-old self-employed person with his own garment company in Chennai and running manufacturing units of garments. He was sanctioned a loan amount of ₹ 1.5 million with an EMI of ₹ 19,200 for buying a residential property.

His story: Due to the pandemic and subsequent lockdown, business was completely stalled. The customer was also in debt on account of his capital investment for his second unit. He has availed the moratorium from us for the period between March 2020 and August 2020. However, he found it difficult to pay any EMI. He has decided to sell his property and relocate to his native place.

Description of Our Business

We primarily offer customers housing loans for the purchase or construction of homes, which comprised 92.1% of our Gross Loan Assets, as of September 30, 2020. We also offer other loans comprising loans against property, developer finance loans and loans for purchase of commercial property, which comprised 5.1%, 1.9% and 0.9% of our Gross Loan Assets, as of September 30, 2020, respectively.

The following table sets forth details of our Gross Loan Assets, disbursements and average ticket size for our housing loans and other loans, for the periods indicated:

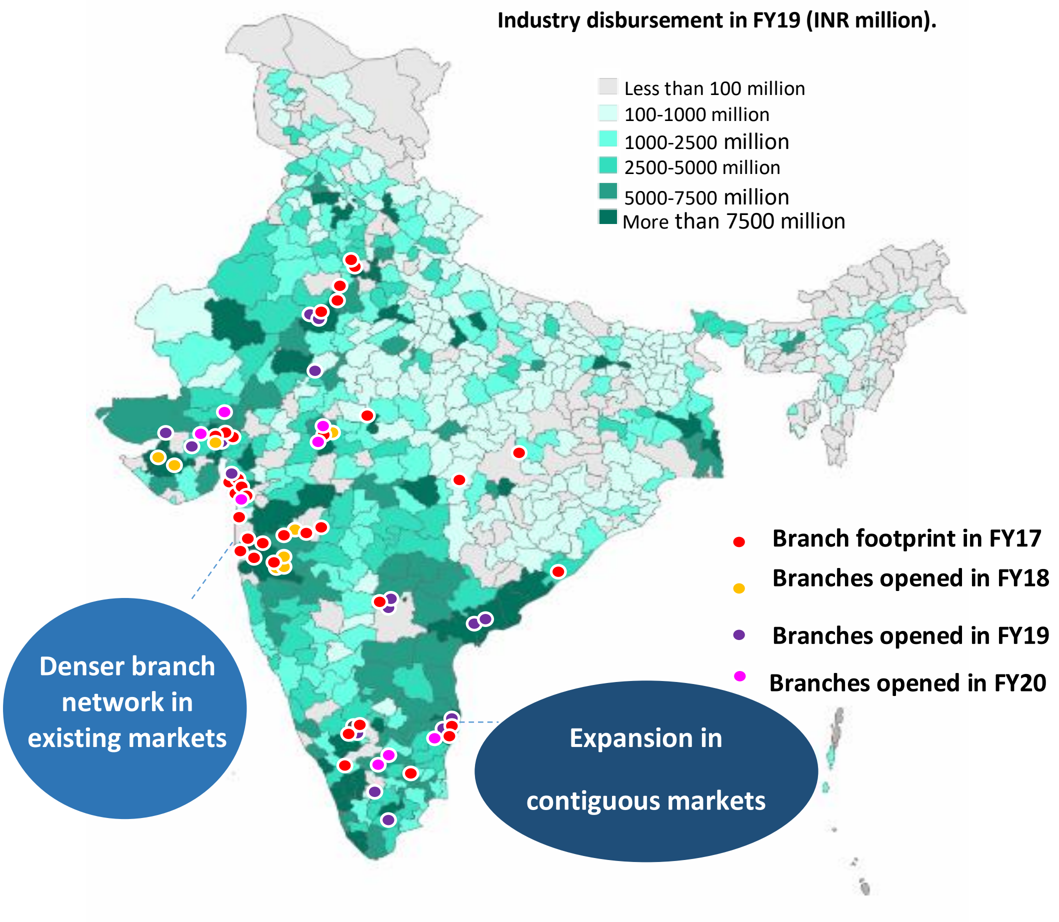
(₹ in million, except CAGR)

Metric	As of and for the six months ended September 30,		As of and for the financial year ended March 31,			CAGR 2018- 2020
	2020	2019	2020	2019	2018	
Gross Loan Assets:						
Housing Loans	34,348.94	28,475.49	33,230.64	22,486.95	13,022.14	59.7%
Other Loans						
Loans against property	1,897.96	1,463.94	1,843.31	858.27	287.40	153.3%
Developer finance loans	702.72	866.08	762.20	840.66	175.92	108.2%
Loans for purchase of commercial property	350.50	328.25	347.45	249.86	73.86	116.9%
Disbursements:						
Housing Loans	2,787.77	7,871.80	14,550.79	13,858.78	7,115.37	43.0%
Other Loans						
Loans against property	116.67	646.17	1,119.92	645.32	109.05	220.5%
Developer finance loans	34.33	246.46	368.76	1,032.31	178.00	43.9%
Loans for purchase of commercial property	20.71	93.10	143.41	191.80	52.87	64.7%
Average Ticket Size on Gross Loan Assets (on the basis of the sanctioned amounts):						
Housing Loans	1.02	1.02	1.01	1.02	1.02	
Other Loans						
Loans against property	0.89	0.90	0.88	0.88	0.82	

Metric	As of and for the six months ended September 30,		As of and for the financial year ended March 31,			CAGR 2018- 2020
	2020	2019	2020	2019	2018	
Developer finance loans	66.76	68.18	68.12	61.44	36.14	
Loans for purchase of commercial property	0.90	0.87	0.88	0.84	0.81	

Branch Network

As of September 30, 2020, we had a network of 70 branches covering over 60 districts in 11 states and a union territory in India. According to the CRISIL Report, the 11 states and union territory in which we are present accounted for approximately 79% of the affordable housing finance market in India during the financial year 2019. The following map sets forth our branch network in India:

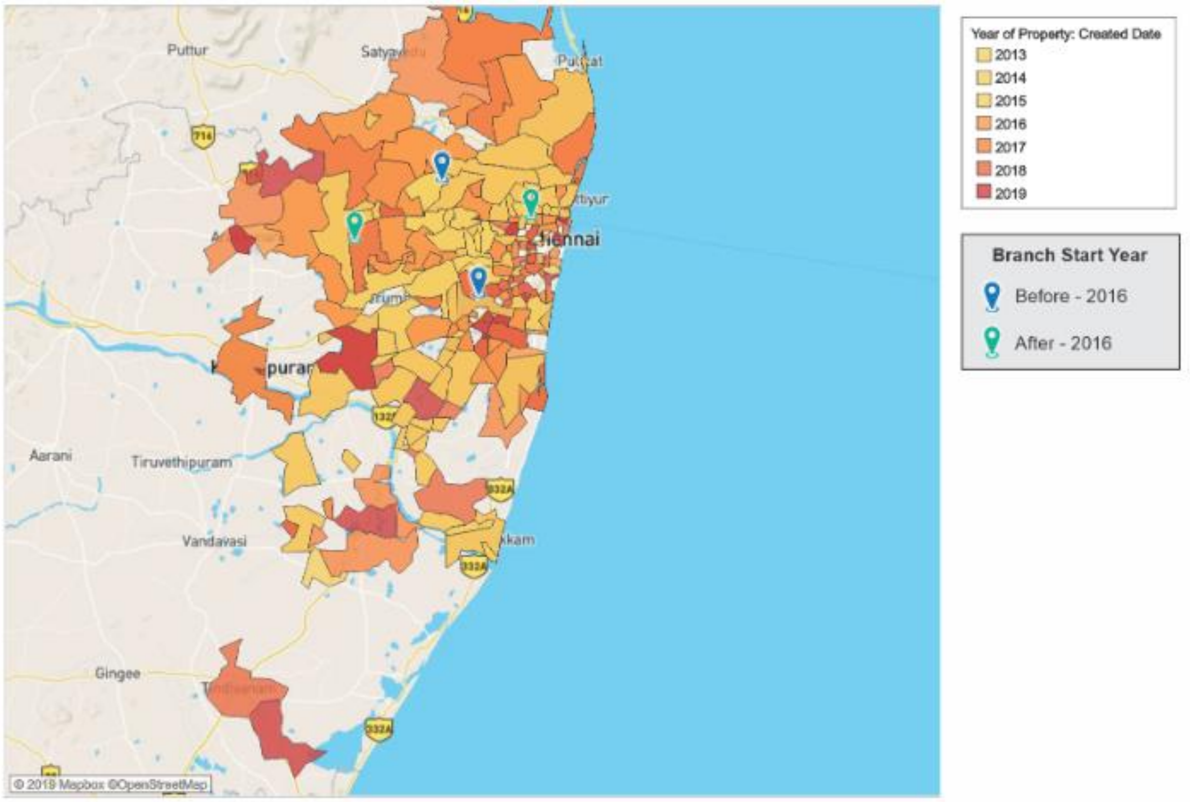


Note: Based on Experian data for affordable housing

The following table sets forth details of our branch network as of September 30, 2020:

State	Number of Branches	Number of Districts	Percentage of Gross Loan Assets
Gujarat	20	11	39.0%
Maharashtra	15	13	21.0%
Tamil Nadu	11	8	10.5%
Karnataka	4	1	9.3%
Rajasthan	6	3	5.1%
Telangana	3	2	5.0%
Madhya Pradesh	5	3	4.1%
Uttar Pradesh	1	3	2.6%
Haryana and National Capital Region	1	10	1.0%
Chhattisgarh	1	3	1.0%
Andhra Pradesh	3	3	1.4%
Total	**70**	**60**	**100.0%**

Before setting up a new branch in a district, we conduct an in-depth study of the micro markets around the branch to assess potential demand for housing finance and target regions with increasing urbanization and housing demand. We have increased the scale of our operations and grown our branches by adopting a strategy of contiguous expansion across regions and we set up branches strategically to be accessible to customers. For example, in Chennai, we commenced our operations in 2012 in the Tambaram area where our first branch is located. Thereafter, we set up our second branch at Avadi in 2016 and added two more branches at Perambur and Tiruvallur to be closer to customers and we currently have four branches catering to the Chennai market. The following map illustrates the growth of our branch network in Chennai over the years:



Map not to scale.

We categorize our branches into large branches, mid-sized branches and small branches, on the basis of the Gross Loan Assets of each branch, and track key performance indicators such as growth of Gross Loan Assets and disbursements per branch to determine branch productivity. As of September 30, 2020, we had 21 large branches operating with average Gross Loan Assets of ₹ 1,049.40 million, 21 mid-sized branches operating with average Gross Loan Assets of ₹ 507.73 million, and 28 small branches operating with average Gross Loan Assets of ₹ 164.30 million.

The following table sets forth the vintage wise details of our branches:

	As of September 30, 2020			
	Average Vintage (in months)	**Number of Branches**	**Gross Loan Assets (₹ in million)**	**Gross Loan Assets per branch (₹ in million)**
Top 30% Branches (Large branches)	61.99	21	22,037.42	1,049.40
Next 30% Branches (Mid-sized branches)	51.20	21	10,662.39	507.73
Bottom 40% Branches (Small branches)	32.52	28	4,600.31	164.30

Our branches typically comprise three to four relationship managers, two customer service managers and one branch manager. Our relationship managers are responsible for business development and enrolling diverse origination channels, sales, capture customer information and collections. They visit a customer's home and place of work to verify and record customer related information and are responsible for collections from their branch portfolio. Our customer service managers are responsible for counselling customers, disbursals, cross selling and customer service functions. They educate a customer on the loan process and documentation required. They also manage relationships with builders and customers during the disbursal process. They act as the initial point of contact for any customer complaints or queries. Our branch managers are responsible for the overall functioning of the branch and act as the CEO of the branch. They oversee functions such as business development, sales, our processes, collections and handle escalations in builder and customer service functions.

Origination Channels

We utilize a diverse range of lead sourcing channels such as connectors, architects, contractors, affordable housing developers, in addition to conducting loan camps, micro marketing activities, employee and customer referrals and branch walk-in customers. Our network of connectors has increased from over 470 connectors as of March 31, 2018 to over 800 connectors as of September 30, 2020, and we manage their leads effectively through our connector mobile application. For the six months ended September 30, 2020 and the financial year 2020, we sanctioned 2,591 and 15,591 loans on account of leads generated through 887 and 2,553 connectors, respectively.

Customer Base and Customer Service

We serviced 44,796 active loan accounts as of September 30, 2020. We serve salaried customers who accounted for 73.1% of our Gross Loan Assets as of September 30, 2020, while self-employed customers accounted for 25.0% of our Gross Loan Assets. Customers from the low and middle-income groups accounted for 71.7% of our Gross Loan Assets, while 32.8% of our Gross Loan Assets were from customers were new to credit, as of September 30, 2020.

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

	September 30, 2020	**September 30, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Number of total loan accounts	44,796	37,086	43,094	29,372	15,723
Salaried loan accounts (%)	74.6%	74.4%	74.4%	74.5%	72.7%
Self-employed loan accounts (%)	25.4%	25.6%	25.5%	25.5%	27.3%
New to Credit loan accounts* (%)	40.4%	44.1%	41.8%	45.8%	48.1%

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

Our salaried customers are typically employed by small firms or work in junior positions in larger companies, while our self-employed customers are small business owners. Our customers find it difficult to disrupt their work routines to apply for a loan and comprehend the terms of a loan transaction. Our customers typically face difficulties in disrupting their work routines in order to apply for a loan and comprehending the terms of a loan agreement. To address such concerns, we have set up a customer friendly process right from the loan application stage to disbursement of the loan. Our front-end teams, which comprise our relationship managers, customer service managers and branch managers are well educated, trained and able to holistically assess their sources of income and effectively guide customers on all aspects of a housing loan. We have set up a paperless process to onboard customers efficiently and our managers conduct home and workplace visits to ensure minimal disruption to a customer's daily routine. We conduct a detailed evaluation of all formal and informal sources of our customer's income to determine the right size of the loan. We also review documents relating to assets of the customer such as life insurance policies, property deeds, vehicle ownership and ownership of the business, for the purpose of credit evaluation.

We have an integrated customer relationship management and loan management system, which serves as a single portal for all internal and external customer related interactions. Our systems are designed to facilitate a sanction within an average turn-around-time of 48 hours, which we calculate from the time we collate all customer information in our database to sanctioning the loan.

We maintain high levels of transparency in our interactions with customers and conduct mandatory counselling sessions to educate our customers on the key terms of their loan agreements. We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions. As of September 30, 2020, our customer mobile application 'Home First Customer Portal' had approximately 26,098 active registrations comprising approximately 58.7% of our customer base and currently has a rating of 4.2 on the Google Play Store. Through our mobile application, customers can also prepay loans without any prepayment charges.

All our customers are mapped to a dedicated relationship manager, backed by a customer service manager and all customer queries are recorded on our system and linked to respective customer loan accounts to provide an omni-channel view on the customer. We endeavor to address a significant majority of customer queries within 24 hours.

As a result of our expertise, experience, business model and a customer centric approach, we are able to effectively serve customers and achieve superior net promoter scores. We had commissioned Ormax Consultants Private Limited ("**Ormax**") to determine our net promoter score with effect from January 2018. Ormax determined our net promoter scores on a periodic basis through telephonically administered questionnaires by selecting recent customers from our database on a random basis. With effect from January 2020, we commissioned Litmus World Marketing Technologies Private Limited ("**Litmus World**") to determine our net promoter score. Litmus World determines our net promoter scores through its gauging tool known as 'Litmus World Suite' in which feedback URL links are generated and sent to those customers whose loans have been sanctioned by us, through channels such as SMS and email.

Case Studies

<u>*Case Study Type: Formal Salaried*</u>

Borrower: At the time of sanctioning the loan, our customer was a 44-year old school teacher in Bengaluru who had several years of teaching experience. She also offered private home tuitions for several students at her residence. Private tuitions were a steady way of earning additional income to support her family, which included her husband and two children who were pursuing higher education. Her monthly income was ₹ 19,348. She also received additional income from conducting private tuitions. Her husband worked as a maintenance officer in an aerospace laboratory and earned approximately ₹ 13,000 per month.

Her story: This customer had received a plot from her parents through a gift deed and started the construction of the home. By the time the construction of the first floor was completed, she was short of funds and needed a loan to continue the work.

How did we assist her: The valuation report specified the property value to be approximately ₹ 4 million and she required a loan of ₹ 1.5 million for construction. She was introduced to our Company by one of our connectors, who passed on the lead to a relationship manager. The relationship manager counselled the couple over the phone on their loan eligibility, made them aware of the easy monthly prepayment facilities and made an appointment to visit their home. The relationship manager verified her employment at the school and made a visit to her residence to verify the home tuition classes. On obtaining relevant verification, he scanned all the original KYC and other important documents available and logged in the case for the final approval.

Unlike traditional institutions that rely only on the salary income, we were able to assess her creditworthiness based on her total income sources (salary, private tuition, and husband's income). The total assessed income was ₹ 49,000 per month and we were able to sanction a loan of ₹ 1.5 million for a tenure of 20 years at a rate of interest of 13%, which resulted in an EMI of ₹ 17,574. The LTV in this case was 37.6%. We believe the couple were satisfied with our prompt service and continue to use our mobile application for matters related to their loan.

<u>*Case Study Type: Informal Salaried*</u>

Borrower: At the time of sanctioning the loan, our customer was a 32-year old diamond polisher in Surat with over a decade of work experience. He received a salary of ₹ 20,000 per month, which we had verified with his employer. His wife also worked as a diamond polisher and received a salary of ₹ 9,000 per month. Both salaries were paid in cash.

His story: This customer wanted to purchase his own house worth ₹ 1 million and was introduced to our Company by one of our connectors.

How did we assist them: We obtained a third party valuation report, which determined the value of the property to be approximately ₹ 1 million and the couple required a loan of ₹ 0.8 million to purchase the property. Our relationship manager spoke to the couple to counsel them on the process of obtaining a loan from our Company and informed them of the easy monthly prepayment facilities as well as the Pradhan Mantri Awas Yogna - Credit Linked Subsidy Scheme. Our relationship manager conducted a workplace visit for the couple. He also visited their place of residence, scanned original KYC and other documents available and logged in the opportunity in our cloud based CRM for final approval.

Unlike traditional institutions that rely only on the documented income, we were able to assess the couple's creditworthiness holistically. Their total assessed income was ₹ 29,000 per month and we sanctioned a loan of ₹ 0.8 million for a tenure of 20 years at a rate of interest of 13.5%, which resulted in an EMI of ₹ 9,659. We also assisted them in applying for the PMAY subsidy of ₹ 267,280, which would reduce their EMIs by ₹ 3,500 per month.

<u>*Case Study Type: Self Employed*</u>

Borrower: At the time of sanctioning the loan, our customer was a 36-year old iron fabricator and ran his own fabrication unit in Chennai having developed his welding business over several years. He fabricated items such as iron gates, rolling shutters and window grills and had employed other people in his workshop. He also worked on orders from corporate customers. His business had a turnover of approximately ₹ 1.50 million per month, which we verified through purchase orders, bulk order invoices and bank statements. After deducting his business expenses, he had a documented income of ₹ 40,000 per month.

His story: This customer was living with his family in a rented house with a monthly rental of ₹ 8,000. The customer's wife was a homemaker and the couple had two children who were studying in school. Although the borrower had only completed his education until the tenth grade, he had a keen business sense. He was looking for a ready possession property in the range of ₹ 1 million to ₹ 1.2 million. He was introduced to our Company by someone from the builder's office.

How did we assist him: We obtained a third party valuation report, which determined the value of the property to be approximately ₹ 1.2 million. The borrower required the maximum loan that was possible to purchase the property. Our relationship manager visited the borrower's workshop to understand the scale of his business and verified the stock at the workshop. The borrower appeared to be technology savvy and was using online directory services to generate more leads for his business. Our relationship manager also visited his residence and then logged in the opportunity in our cloud based CRM for final approval, along with the KYC documents, shop ownership license and other investment documents. We were able to sanction the borrower a loan of ₹ 0.93 million within four hours from the receipt of all necessary documentation and submission of the case for approval. The loan was for a tenure of 20 years at a rate of interest of 14.5%, which resulted in an EMI of ₹ 11,904.

Case Study Type: Formal Salaried

Borrower: At the time of sanctioning the loan, our customer was a 33-year old quality analyst, who had completed his graduation and worked at a business process outsourcing company for nine years. He received a monthly salary of ₹ 30,000, which was evidenced by his salary slips and bank account statements. The borrower had a wife and a toddler and lived in a rented house in suburban Mumbai.

His story: The borrower lived in a small house with very basic amenities and shared toilets. He wanted to purchase a small house in the urban peripheries of Mumbai, which would at least have a clean toilet for his family to use. He had saved ₹ 224,000 to be used as a down payment and was looking for a ready possession property worth ₹ 1 million with the help of a home loan. While booking his property, the builder's sales representative referred him to our Company for a home loan.

How did we assist him: Upon receiving the lead, our relationship manager spoke to the borrower and counseled him on the process of obtaining a loan from our Company. The borrower was also informed of our easy monthly prepayment facilities and Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme. Our relationship manager checked all the borrower's documents and educated him on the dos and don'ts of a home loan since he was a first time borrower. Our relationship manager then scanned all the relevant documentation and logged in the opportunity in our cloud based CRM for final approval. We were able to sanction the borrower a loan of ₹ 0.89 million for a property, which was valued by a third party valuer at ₹ 1.16 million, within four hours from the receipt of all necessary documentation and submission of the case for approval. The loan was for a tenure of 20 years at a rate of interest of 11.9%, which resulted in an EMI of ₹ 9,760. We also assisted the borrower with applying for a PMAY subsidy of ₹ 214,756, which reduced his EMIs by ₹ 2,000 per month.

Loan-to-Value (LTV) Ratio, EMI and Tenure of Housing Loans

The NHB Directions prescribe the maximum permissible parameters of the loan amount 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 regulatory authorities. Our housing loans, loans against property, developer finance loans and loans for purchase of commercial property had an average loan-to-value on Gross Loan Assets of 50.0%, 26.2%, 17.6% and 48.9%, as of September 30, 2020, respectively.

The amount and LTV of the loan is subject to our credit assessment of the customer and factors including value of the collateral and regulatory limits. Loans are required to be repaid in equated monthly installments ("**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 housing loans, loans against property, developer finance loans and loans for purchase of commercial property can be for a period up to 25, 15, 3 and 15 years, respectively, and vary according to the purpose of the loan, the customer's age and the customer segment.

Interest Rates, Fees and Collateral for Housing Loans

We offer customers housing loans at variable interest rates. We determine our reference rate from time to time based on market conditions and price our loans at either a discount or a premium to our reference rate, adjusted for the risk of each customer's profile.

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 to cover the initial cost of underwriting the loan. These fees and charges are subject to periodic changes based on market conditions and regulatory requirements. We provide our housing loan customers the option to prepay their loans without any prepayment charges through our auto-prepay feature on our mobile application. Auto-prepay enables customers to prepay their loans from amounts starting as low as ₹ 500 on a monthly basis. This feature was introduced with the initiative to facilitate pre-payments in a manner that would benefit customers in the long-term by reducing their overall loan tenure and interest payable. Auto-prepay is an auto-debit service where customers can set their monthly pre-payment amount that would be deducted from their bank account. This amount would be in addition to their EMI. We also provide easy balance transfer options with no pre-payment charges for our housing loan customers.

The underlying collateral for a loan is the property towards which the loan is provided. The security for loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property.

Credit Approval and Disbursement

We have set up a robust credit approval process comprising the following stages:

Initial Screening and Pre-Sanction Check

Fresh customer leads are logged into our system by our relationship managers. All customer interaction and scanning and review of customer documents are done by our in-house team of well-educated and trained relationship managers. We do not employ intermediaries or third-parties for customer interaction or loan documentation. Each lead is checked against KYC, credit bureau and other third-party databases to establish customer credentials. We have set up an efficient paperless process to onboard and verify customers and determine eligibility. Our relationship managers conduct home and workplace visits to verify living conditions, employment and income of potential customers.

The completed digital loan application is submitted by our relationship managers along with their commentary on residence and workplace visits and personal discussion with the customer. This is cross checked by our underwriting and operations team for a number of factors including completeness of application form, KYC, eligibility, fraud check, credit bureau, income assessment, loan-to-value, value of collateral, bank statements, debt burden and third party databases for income and asset ownership.

Customer Credit Underwriting

We have a centralized underwriting team assisted by data science backed customer-scoring model to evaluate a customer's ability to repay the loan and maintain consistency in underwriting procedures across branches and regions. We have an integrated customer relationship management and loan management system, which serves as a single platform for all internal and external customer related interactions and allow sour underwriters to conduct the credit appraisal process in a quick and efficient manner. Our technology platform enables us to digitally capture over 100 data points of a customer from inception of the lead. We have also integrated our systems with third-party databases to obtain additional customer data points. This helps us gather data to assess credit worthiness of the customers and conduct a fraud check in case of any discrepancies. Further, we utilize proprietary machine learning credit scoring models to assist us with our credit assessment process. The model bifurcates customers into different categories based on the level of risk, which is then reviewed by our underwriters to make a final decision.

Property Underwriting and Disbursement Process

We assess the value of the collateral at the time of sanctioning the loan and conduct additional checks before disbursing the loan and giving final approval of the property. Our teams initiate a legal and technical assessment through third party vendors to verify the authenticity of the technical documents, legal title to the collateral property and its market value. We use an application for geo tagging of properties and a proprietary machine learning backed property price predictor to initially determine the value of the collateral property, which helps us to reduce our turnaround time for approving loans, as well as improve our accuracy in determining the loan to value ratio. We have also set up a new legal and technical portal to simplify the process of property evaluation.

Before disbursement, our teams obtain original documents, legal and technical reports and further information pertaining to disbursal from the property developer or the customer. We further verify the stage of construction, legal and technical reports and other documents including demand letter, no-objection certificate and possession letter from the developer. Thereafter, we seek consent from the customer to disburse the loan amount to the builder.

Loan Collection and Monitoring

We have set up a robust and tiered, collections management system with prescribed collection action at each stage of severity of default. All our borrowers register for an automated debit facility, which reduces our cash management risk, and we track the status of installments collected on a real time basis through a collections module. Approximately 93% of our collections for the financial year 2020 were non-cash based. We employ a structured collection process wherein we remind our customers of their payment schedules through text messages and automated calls to maintain adequate balance in their account on the due date. We also use our proprietary machine learning model to predict probability of bounce, which helps us in obtaining early signals of potential bounce and initiate action such as pre-emptive reminder calls made by branch teams. Our collection process is completely managed by our branch teams and a significant portion of our employee incentives are dependent on collections.

We initiate recovery action immediately after the customer defaults in their monthly payment and the severity of our action increases as the number of days past due increase. At one day past due, our front-end field teams call customers and initiative visits to understand reasons for default and recovery of the dues. At 30 days past due, while our employees continue to engage with the customer, we send a default notice or loan recall notice depending upon the severity of the case. At 60 days past due, we send a pre-SARFAESI notice and our employees increase the visit frequency and reiterate the repercussions of the loan default to the customer. Thereafter, at 90 days past due, we seek to resolve cases by initiating legal action through SARFAESI. As of September 30, 2020, our 30 days past due was at 1.1% of our Gross Loan Assets and 90 days past due was at 0.7% of our Gross Loan Assets.

Capital Adequacy Ratios

The NHB Directions 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, an HFC's Tier I and Tier II capital may not be less than 13% on or before March 31, 2020; 14% on or before March 31, 2021 and 15% on or before March 31, 2022 of the sum of the HFC's risk-weighted assets and the risk-adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10.0% on risk-weighted assets. Further, the NHB Directions require that the Tier II capital may not exceed the Tier I capital.

The following table sets forth certain details of our CRAR in accordance with NHB guidelines, as of the dates indicated:

	As of				
	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
CRAR (%)	51.8	47.5	48.8	38.0	42.6
CRAR - Tier I capital (%)	51.1	46.9	48.0	37.4	41.9
CRAR - Tier II capital (%)	0.6	0.6	0.8	0.6	0.7

The following table sets forth certain details of our CRAR in accordance with our restated Ind AS financial information, as of the dates indicated:

	As of				
	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
CRAR (%)	51.7	47.6	49.0	38.5	43.0
CRAR - Tier I capital (%)	50.4	46.8	47.7	37.7	42.3
CRAR - Tier II capital (%)	1.3	0.7	1.3	0.8	0.8

Credit Ratings

Our current credit ratings are set forth below:

Rating Agency	Instrument	Credit Ratings
CARE Ratings	₹ 2.83 billion Term Loans	A+ (stable)
ICRA Limited	₹ 35 billion Term Loans	A+ (stable)
	₹ 4 billion Non-Convertible Debenture Programme	A+ (stable)
	₹ 1 billion Commercial Paper Programme	A1+
India Ratings & Research	₹ 1 billion Commercial Paper Programme	A1+

Risk Management Framework

In order to address the risks that are inherent to our business, we have developed a risk governance structure that includes monitoring by our Board through committees including the Audit Committee, the Risk Management Committee, the Asset and Liability Management Committee, the Credit Committee, the IT Committee and the Grievance Redressal Committee.

Audit Committee. Our Audit Committee is authorized to review 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 evaluates internal financial controls and risk management systems and procedures periodically.

Risk Management Committee. The Risk Management Committee was formed to assess the Company's risk profile and key areas of risk, recommend to the Board the adoption of risk assessment and rating procedures with acceptable levels of risk, articulate the Company's policy for oversight and management of business risk, develop and implement a risk management framework and internal control system, conduct special investigations into areas of corporate risk and breakdowns in internal controls, review management's response to our auditor's recommendations and verify whether such recommendations were adopted.

Asset and Liability Management Committee: The Asset and Liability Management Committee was formed to monitor and manage our liquidity position by identifying short-term liquidity gaps and implementing immediate actions to correct such gaps, diversifying our sources of funding to facilitate flexibility in meeting our funding requirements, and maintaining strong capital adequacy.

Credit Committee: The Credit Committee was formed to ensure effective credit risk management and health of our portfolio through a process of monitoring adherence to the credit policy, comprehensive credit risk assessment, monitoring portfolio quality, credit limits and policy recommendations, collateral quality and credit exposure limits and imparting training on credit evaluation.

IT Committee: The IT Committee was formed to ensure that our management has an effective IT strategic planning process aligned with our business strategy, ensure that investments in IT represent a balance of risks and benefits for sustaining our growth and within the acceptable costs, monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources, to oversee implementation of processes and practices and ensuring that maximum value is delivered to business, to approve IT strategy and policy documents, define and ensure effective implementation of standards of IT governance, business continuity and data governance, ensure that there is an appropriate framework of information security risk assessment, ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions, ensure that a comprehensive risk assessment of our Company's IT systems is carried out on a yearly basis.

Grievance Redressal Committee: The Grievance Redressal Committee was formed to manage reputation risk, address customer complaints in a timely manner, to ensure that customers are aware of ways to escalate their grievances within our Company and their rights to alternate remedies, to ensure service quality by dealing with all complaints efficiently and fairly and adherence to company policies by our employees.

Risk Management

Risk management forms an integral part of our business. As a lending institution, we face financial and non-financial risks. We have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk related matters, as part of our risk management process.

Credit Risk

We manage credit risks by using a set of credit procedures and guidelines, laid down in our credit policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically and to ensure compliance with the guidelines of NHB as well as other regulatory bodies.

We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a relationship manager and customer service officer to ensure the quality of customers acquired.

Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels. Our staff also undergoes regular training on credit evaluation as part of our risk management process.

Portfolio Concentration Risk

We manage portfolio concentration risk by maintaining a diversified portfolio of loans across various states, cities, products, developers and projects. We have diversified our presence to 11 states and a union territory as of September 30, 2020, and offer customers loans for the purchase of homes, loans against property, developer finance loans and loans for purchase of commercial property. We have a process of defining and monitoring loan exposure to developers and projects. In addition, we utilize a diverse range of lead sourcing channels, which comprise home loan connectors, walk-in customers at our branches, builders, contractors, our marketing initiatives, and employee and customer referrals.

Market Risk

We manage market risk by only investing in liquid funds or fixed deposits of banks, in line with our investment policy. Our strategy for managing market risk involves implementing stringent controls and limits, regular reporting of positions, regular independent review of all controls and limits, and testing and auditing of all pricing, risk management and accounting systems.

Liquidity Risk

Liquidity risk arises primarily due to 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 on 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 and 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.

We have an Asset Liability Management Policy in place, to manage the liquidity risk, which provides for several risk management measures including short term liquidity forecasts which is done to identify any short-term liquidity gaps and implementing immediate actions to correct such gaps, diversifying our sources of funding to facilitate flexibility in meeting our funding requirements, and maintaining strong capital adequacy.

Operational Risk

We have an operational risk management policy in place, which sets out processes and controls that are required to be monitored at different points of time in relation to people, systems and processes. The policy is amended from time to time in order to be compliant with the guidelines of NHB as well as other regulatory bodies. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, conducting employee rotation, maintaining key back-up procedures, undertaking contingency planning and maintaining a comprehensive insurance cover. We have implemented a whistle blower policy to encourage our employees to report non-compliances of our processes and controls. We also have a recovery system and staff accountability formats for following up of defaulting loan accounts and recovery through SARFAESI.

In addition, we have appointed independent audit firms to conduct internal and process audits at a number of our offices to assess adequacy of and compliance with our internal controls, procedures and processes, as well as all applicable statutory and regulatory guidelines. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed in the Audit Committee meetings.

Compliance Risk

Non-compliance with regulatory and statutory requirements, including the NHB and RBI regulations could result in stringent actions and penalties from the regulatory and statutory authorities. We have a robust corporate governance process in place to ensure that we are compliant with all the applicable laws, rules, regulations and guidelines.

Reputation Risk

We manage reputation risk by training and instructing our employees to adhere to our Fair Practices Code. We also have a grievance redressal mechanism in place, to address any customer complaints, which is communicated to all our customers. In addition, we have established a central service team, who pro-actively reach out to customers, to ensure service quality as well as adherence to company policies by our branch employees.

Information Technology Risk

We have a well-established IT infrastructure that ensures performance stability and flexibility as well as IT security. We have an elaborate IT policy in place, which sets out processes and controls that are required to be maintained in relation to the IT systems. The policy is amended from time to time in order to be compliant with the guidelines of NHB as well as other regulatory bodies. In addition, we conduct an IT audit once every two years with effect from the financial year 2019, to determine issues and process level gaps, if any.

As part of our IT risk management process, we consider the information (in IT assets or IT systems) at risk, determine the consequence of compromise of such information, identify threat, recommend appropriate security controls and safeguards, and determine the reduced residual risk remaining after the controls and safeguards are implemented. We also train our new and existing staff in our IT policies, procedures and codes of conduct.

Information Technology

We have established a differentiated technology framework with customized systems and tools, enhancing convenience for our customers, increasing operational efficiency as well as reducing turnaround times and transaction costs. During the six months ended September 30, 2020 and the last three financial years, we invested ₹ 201.19 million in our information technology systems.

We capture and store all our data on a cloud services platform, which helps in usability and accessibility of such data, results in cost savings and improved underwriting practices. We have integrated our systems with third-party databases to obtain additional customer data.

Our integrated customer relationship management and loan management system provides us with a holistic view of all our customers and ensures connectivity and uniformity across our branches. We utilize proprietary machine learning and customer scoring models to assist us with our credit assessment process. The integration of such data across platforms enables us to process loans in a paperless manner and with low turnaround times.

We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions, as well as for connectors who generate leads for us. As of September 30, 2020, our customer mobile application had approximately 26,098 monthly active users comprising approximately 58.7% of our customer base. We use a data lake, which helps us with all stages of the data life cycle of loan consolidation, visualization, machine learning model development, and model implementation. We can perform real-time analytics to generate customized reports and make better operational decisions.

We also use an application for the geo tagging of properties and a machine learning backed property price predictor, which has helped us reduce our turnaround time for approving loans, as well as improve our accuracy in determining the loan-to-value ratio.

Intellectual Property

We own a combination of trademarks to establish and protect our brands, logos, marketing designs and internet domain names. As at September 30, 2020, we have registered six trademarks, each under class 36 granted by the Registrar of Trademarks under the Trademarks Act, 1999 including "Home First", "HFFC," "Auto prepay", "HFFC We'll take you home" and "No Anxiety On Loans" and "Homefirst We'll take you home".

Marketing

Our marketing initiatives include placing advertisements on hoardings, regional newspapers and distribution of leaflets and posters. We conduct customer referral programs and *loan melas* to spread awareness of our products. We also run lead generation campaigns on social media platforms.

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs small finance banks, as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, as well as for skilled employees, with our competitors. Our primary competitors include Aavas Financiers Limited, Aspire Home Finance Corporation Limited, Aadhar Housing Finance Limited and Aptus Value Housing Finance India Limited.

See "*Risk Factors – Internal Risk Factors – The Indian housing finance industry is highly competitive and our inability to compete effectively could adversely affect our business and results of operations.*" on page 33-34.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for burglary, engineering, portable equipment, electronic equipment, standard fire and special peril insurance, group personal accident insurance, group health insurance, public liability insurance, fidelity insurance, machine breakdown insurance, package insurance policy and directors' and officers' liability insurance. In addition, we have a money insurance policy pertaining to cash in safes and in transit.

See "*Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*" on page 39.

Employees

As of September 30, 2020, we had 675 permanent employees. We are a young and diverse organization with a median age of 25 years, and approximately 32.9% of our employees are women, as of September 30, 2020.

We primarily hire employees who have obtained their engineering or management degrees. We hire them directly from campuses instead of lateral hires. We have an elaborate one-year training and development program for all our new hires, which comprises classroom-training sessions, on the job training and a buddy program. We also have a distance-learning program in association with a leading business school for our employees who have obtained their bachelor of technology degree. In addition, we have entered into arrangements with Manipal Global Academy of BFSI, a division of Manipal Global Education Services Private Limited, to educate and provide training to 500 fresh candidates hired by us from time to time for functions including customer service, corporate governance, product mix, risk monitoring and management and business development. Candidates who complete their training will be awarded with a certificate from Manipal Global Education Services Private Limited. As of September 30, 2020, approximately 68.3% of our employees had obtained a post-graduation in business administration or management and approximately 43.3% had a bachelor in technology degree or a bachelor in engineering degree. Further, during the six months ended September 30, 2020, we conducted Virtual Instructor Led Training sessions across functions such as risk, legal, underwriting and collections. This was done to ensure that each function area is well understood by our employees. We conducted over 80 training sessions spanning 88 training hours across various functions.

We have also entered into arrangements with EdCast Asia Private Limited ("**EdCast**") pursuant to which EdCast offers services relating to unified discovery, knowledge management, contextual learning and related services to us. EdCast is an artificial intelligence powered knowledge cloud for knowledge management and personalised learning. Pursuant to such arrangements, we will be able to utilize MyGuide, which will enable us to provide in-app training to our employees and onboarding through interactive walkthroughs. MyGuide is integrated with a leading cloud based customer relationship platform to provide the user in-app guidance in the form of step-by-step instructions to finish a specific task.

We have established a well-defined career development path for our employees. Employees who have obtained their engineering degree join our Company as graduate management associates in the sales function and then proceed to become a relationship manager at their branch, while employees who have obtained their management degrees join directly as relationship managers. After a few years, our relationship managers are eligible to apply for the position of a branch manager designate and are then promoted to the position of a branch manager. Our branch managers may proceed to become regional managers or be assigned a senior head office role.

Our front-end teams comprise relationship managers, who are responsible for business development, sales and loan collections; customer service managers, who are responsible for customer counselling and service; and branch managers who are responsible for the functioning of the branch. Our front-end teams are well educated, trained and able to effectively guide customers on aspects of obtaining financing and assess their sources of income.

The following table sets forth the function wise split of our permanent employees, as of September 30, 2020:

Function	Number of employees
Branches	
Relationship Managers	325
Service	132
Area Sales Manager	3
Branch Managers	66
Cluster/Regional Managers	18
Head Office	
Corporate (Management team)	8
Finance	11
Human Resources	6
IT and Digital Business	30
Product	12
Credit	12
Collections	5
Administration, legal/secretarial/audit	6
Marketing	8
Central Service and Operations	27
Strategic Alliances	6
Grand Total	**675**

In addition to compensation that includes both salary and allowances (including performance linked bonuses), we provide our employees other benefits which include insurance coverage, medical reimbursements and employee stock options. As of September 30, 2020, 118 employees are covered under our ESOP program.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Central Government. Our CSR initiatives are part of our overall strategy of engaging with communities and our initiatives are aimed towards promoting preventive healthcare and sanitation facilities, providing employment through enhancing vocational skills, promoting gender equality, contribution to the funds set up by the Central Government for socio-economic development, promoting environmental sustainability and providing safe drinking water.

We have made contributions to the Prime Minister's National Relief Fund for promoting socio-economic development, and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.

Properties

Our registered and corporate office located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai, 400059, has been obtained on a leave and license basis and is valid till April 30, 2021. In addition, our Company has other administrative offices in Mumbai.

As of September 30, 2020, we had a network of 70 branches and the premises of all our branches have been taken on 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. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. For details see, "Government and other Approvals" on page 325.

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 is a HFC with a certificate of registration granted by the NHB pursuant to which our Company was allowed to commence and carry on the business of a housing finance institution without accepting public deposits. Our Company is primarily engaged in the business of providing loans and advances for housing activities.

The NHB was set up pursuant to the NHB Act, as a 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 are (i) to facilitate finance and other resources for development of housing and create a framework for institutions for enhancing the quality of credit and affordability; and (ii) to regulate and supervise the activities of HFCs. 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 its reserve fund to be maintained; 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 notification of the RBI dated November 19, 2019 and the amendments to the 'Master Directions - Exemptions from the RBI Act, 1934' issued by the RBI on November 11, 2019, the provisions of Chapter IIIB of the RBI Act are applicable to NBFCs which are housing finance institutions (other than the provisions of Section 45 –IA of the RBI Act). Chapter IIIB of the RBI Act, amongst others, confers on the RBI powers to determine policy and issue directions in relation to NBFCs and in terms of such chapter, NBFCs (including our Company) are bound to follow the policy so determined and the directions so issued.

On June 17, 2020, the RBI released proposed changes to be undertaken in relation to the transfer of regulation of HFCs to the RBI, 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, 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 Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("**NBFC-ND-SI Directions**") have been made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, risk management and 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 criteria 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 as finance provided towards housing and; (b) at least 50% of total 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 for 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% 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 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 though borrowing or by raising equity. The sourcing of funds by HFCs are subject to regulation primarily by the NHB and the RBI. The limits on borrowings by HFCs are primarily governed by the NHB Directions. The NHB Directions currently permit HFCs to borrow up to 14 times their NOF until March 31, 2020 and after which this limit shall be further reduced to 13 times of their NOF until March 31, 2021 and subsequently to 12 times of their NOF until March 31, 2022. Further, the NHB NCD Directions require HFCs to have in place a board approved policy for resource planning and accordingly, the resource raising activities of our Company are primarily governed by our internal resource planning policy which aims to ensure a strategic and smooth management of interest rate risk and liquidity risk.

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 taking into account (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory 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 100% of the housing loan sanctioned and disbursed by HFCs for acquisition or construction of new housing units and for upgradation or major 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.

However, in terms of the NHB Act, the NHB may require the HFCs to discharge in full their liabilities to the NHB in certain instances, such as if there is a reasonable apprehension that the HFC is unable to pay its debts or if the NHB thinks it is necessary to protect the interests of the NHB. Further, in terms of the NHB Act, in entering into such borrowing arrangements with HFCs, the NHB may impose such conditions as it may think necessary or expedient for protecting the interests of the NHB.

Other borrowings:

Further, in the future, we may also raise funds by way of issue of NCDs on a private placement basis. Such issue of NCDs is regulated by the NHB NCD Directions, which amongst others, includes eligibility requirements and conditions 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 (NHB) 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

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**") 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) client 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; and (iii) all HFCs must ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/ houses and upfront disbursal should not be made in cases of incomplete/ under-construction/ greenfield housing projects/ houses. 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, EMI structure and prepayment charges. Further, our internal Credit Policy lays down parameters, procedures and systems for providing finance to individuals and persons for construction, repair and development of a house for residential purposes and to builders in respect of their projects for constructing residential and commercial properties. 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 Master Direction - Priority Sector Lending - Targets and Classification dated July 7, 2016 issued by the RBI, priority sector advances and loans granted by scheduled commercial 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, are subject to an aggregate loan limit of ₹ 2 million per borrower.

Asset classification, Provisioning and Income Recognition

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 Indian Accounting Standard (Ind AS) 109. For further details, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on page 297.

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.

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.

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.

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 securitization or 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 securitization/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 the secured assets. 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. 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 attachment and sale of movable and immovable properties of defendants, 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.

On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. 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, a HFC, in order to exhaust its existing liabilities, could issue short term papers to a SPV set up under the scheme. For details see "*Our Business - Responding to challenges posed by the COVID-19 Pandemic*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – COVID-19 Pandemic*" and "*Industry Overview – Measures taken during the COVID-19 Pandemic*" on pages 153-155, 299-300 and 98-99 respectively.

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 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. 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 and the RBI), if any.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, 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 incorporated as 'Home First Finance Company India Private Limited' at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 2010 issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, our Company was converted to a public limited company and consequently the name of our Company was changed to 'Home First Finance Company India Limited' and a fresh certificate of incorporation dated March 14, 2018 was issued by the RoC.

As of the date of this Prospectus, our Company has 48 Shareholders (based on the number of folios). For details, see '*Capital Structure*' beginning on page 62.

Changes in our registered office

The details of changes in our registered office are set forth below.

Date of change	Details of the address of registered office	Reason
November 8, 2010	Change in registered office from 94 G, II Floor, Mittal Park View, 9th Cross, Rajmahal Vilas Extension, Sadashivnagar, Bengaluru, Karnataka 560 080 to Unit no. 6, Cears Plaza, 136, Residency Road, Bengaluru, Karnataka 560 025	Administrative convenience
December 17, 2012	Change in registered office from Unit no. 6, Cears Plaza, 136, Residency Road, Bangalore, Karnataka 560 025 to 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai 400 059	Administrative convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association are set forth below.

1. "*To carry on the business of providing long term finance to any person or persons, company or corporation, society or association and enabling such borrower to construct or purchase a house or flat for residential purposes, upon such security and such terms and conditions as the company may deem fit and the same shall be subject to the rules and regulations of the National Housing Bank and the Reserve Bank of India.*"

2. "*To provide long-term finance to persons engaged in the business of construction of houses or flats for residential purpose to be sold by them of hire purchase or on deferred payment or other similar basis upon such terms and conditions as the Company may think fit and proper and the same shall be subject to the rules and regulations of the National Housing Bank and the Reserve Bank of India.*"

The main objects as contained in our Memorandum of Association enable our Company to carry on business presently being carried out.

Amendments to our Memorandum of Association in the last ten years

The following table set forth details of the amendments to our Memorandum of Association, in the last ten years:

Date of Shareholders' Resolution	Nature of Amendment
January 18, 2011	Clause III(A) of our Memorandum of Association was amended to reflect addition of 'National Housing Bank' in the main objects clause. Clause III(C) of our Memorandum of Association was amended to reflect deletion of the clause in relation to real estate activities in the other objects clause.
August 11, 2011	Clause III(C) of our Memorandum of Association was amended to reflect the other objects clause as follows: *4. To act as corporate agents, representatives, surveyors, sub-insurance agents, franchisees, consultants, advisors, collaborators, group insurance holders for life and general insurance and engage in the activity of distribution/ sales of insurance products.*

Date of Shareholders' Resolution	Nature of Amendment
	5. To engage in the activity of distribution, origination, servicing and collection of financial products including housing loans in the capacity of a franchisee/distributor/agent etc.
March 14, 2012	Clause II of our Memorandum of Association was amended to reflect change in the registered office of our Company from Karnataka to Maharashtra.
June 3, 2013	Clause III(C) of our Memorandum of Association was amended to reflect the other objects clause as follows: *4. To act as corporate agents, representatives, surveyors, sub-insurance agents, franchisees, consultants, advisors, collaborators, group insurance holders for life and general insurance and engage in the activity of promotion, distribution, sales, advertising and marketing of insurance products.* *5. To engage in the activity of promotion, distribution, origination, advertising, marketing, servicing and collection of financial products including housing loans in the capacity of a franchisee/distributor/agent/representative/marketer/advertiser etc.*
August 20, 2013	The amendment in clause III(C) pursuant to resolution passed by the Shareholders on June 3, 2013 was revoked. Further, the existing clause III(C) of our Memorandum of Association was amended to reflect the other objects clause as follows: *4. To act as corporate agents, representatives, surveyors, sub-insurance agents, franchisees, consultants, advisors, collaborators, group insurance holders for life and general insurance and engage in the activity of promotion, distribution, sales, advertising and marketing of insurance products.* *5. To engage in the activity of promotion, distribution, originating, advertising, marketing, servicing and collection of financial products including housing loans in the capacity of a franchisee/distributor/agent/representative/marketer/advertiser.*
September 23, 2013	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from 2,000,000 series A preference shares of ₹10 each 8,000,000 equity shares of ₹10 each into ₹ 100,000,000 divided into 2,000,000 series A preference shares of ₹10 each, 2,000,000 series B preference shares of ₹10 each and 6,000,000 equity shares ₹10 each.
January 27, 2016	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from ₹ 100,000,000 divided into 2,000,000 series A preference shares of ₹10 each, 2,000,000 series B preference shares of ₹10 each and 6,000,000 equity shares ₹10 each into ₹ 100,000,000 divided into 1,700,000 series A preference shares of ₹10 each, 2,500,000 series B preference shares of ₹10 each and 5,800,000 equity shares ₹10 each.
March 3, 2017	Clause V of our Memorandum of Association was amended to reflect: (i) re-classification in the authorised share capital of our Company from ₹ 100,000,000 divided into 1,700,000 series A preference shares of ₹10 each, 2,500,000 series B preference shares of ₹10 each and 5,800,000 equity shares ₹10 each into ₹ 100,000,000 divided into 1,600,004 series A preference shares of ₹10 each, 2,408,811 series B preference shares of ₹10 each and 5,991,185 equity shares ₹10 each. (ii) increase in the authorised share capital of our Company from ₹ 100,000,000 divided into 1,600,004 series A preference shares of ₹10 each, 2,408,811 series B preference shares of ₹10 each and 5,991,185 equity shares ₹10 each into ₹ 150,000,000 divided into 1,600,004 series A preference shares of ₹10 each, 2,408,811 series B preference shares of ₹10 each and 10,991,185 equity shares ₹10 each.
February 28, 2018	Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from 'Home First Finance Company India Private Limited' to 'Home First Finance Company India Limited', consequent upon conversion from a private limited company to a public limited company.

Date of Shareholders' Resolution	Nature of Amendment
July 7, 2018	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from ₹ 150,000,000 divided into 1,600,004 series A preference shares of ₹10 each, 2,408,811 series B preference shares of ₹10 each and 10,991,185 equity shares ₹10 each into ₹ 150,000,000 divided into 15,000,000 equity shares of ₹10 each.
September 20, 2018	Clause III(B) of our Memorandum of Association was amended to reflect deletion of the following clause 24 in the clause of objects incidental or ancillary to the attainment of the main objects: *'24. To amalgamate, enter into partnership or into any arrangement for sharing profits or losses, union of interests, co-operation, joint venture or reciprocal concession, or for limiting competition with any person or company engaged in, or about to carry on or engage in, any business or transaction which the Company is authorized to carry on or engage in or which can be carried on in conjunction therewith and to accept by way of consideration for any of the acts or things aforesaid or property so acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.'*
June 12, 2019	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 150,000,000 divided into 15,000,000 equity shares of ₹ 10 each into ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each.
October 30, 2019	Clause V of our Memorandum of Association was amended to reflect the sub-division in the authorised share capital of our Company from ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each to ₹ 250,000,000 divided into 125,000,000 equity shares of ₹ 2 each.

Major events and milestones in relation to our Company

Some of the key events in the history of our Company are set forth below:

Calendar Year	Event
2010	• Incorporation of our Company • Obtained certificate of registration from NHB with Jaithirth Rao and P. S. Jayakumar as the promoters of our Company
2011	• Investment by Bessemer in our Company
2012	• Change of our registered office to Mumbai • Expanded operations in Gujarat and Tamil Nadu
2013	• Approved 1,000 loans, and Gross Loan Assets of our Company became ₹ 689.5 million • CARE Credit Rating for long term bank facilities was BBB- • Investment by Alpha TC Holdings Pte Limited in our Company
2014	• Company became profitable with Gross Loan Assets of ₹ 1,629.1 million • CARE Credit Rating for long term bank facilities improved to BBB+
2015	• Company had customer base of 5,000 with Gross Loan Assets of ₹ 3,368.3 million
2016	• Customer base crossed over 10,000 spread across over 25 cities and Gross Loan Assets of our Company touched ₹ 5,477.4 million • Further investment by Bessemer in our Company and Alpha TC Holdings Pte Limited • CARE Credit Rating for long term bank facilities improved to A-

Calendar Year	Event
2017	• Investment by TN V LLP and Aether in our Company • ICRA Credit Rating for long term bank facilities improved to A+ and CARE Credit Rating for long term bank facilities improved to A • Gross Loan Assets became ₹ 8,473.2 million • Exit of Alpha TC Holdings Pte Limited
2018	• Net worth of our Company crossed ₹ 5,000 million and Gross Loan Assets became ₹ 13,559.3 million • Declassification of Jaithirth Rao as the promoter of our Company
2019	• Customer base crossed over 30,000 with Gross Loan Assets touching ₹ 24,435.7 million • Approved over 55,000 housing loans • Declassification of P. S. Jayakumar as the promoter of our Company
2020	• Investment by Orange Clove in our Company • Our Company was certified as a "Great Place to Work" by Great Place to Work Institute, India for a period from November, 2020 to October, 2021

Our Holding Company

As of the date of this Prospectus, our Company does not have a holding company.

Our Subsidiary, Associate and Joint Venture

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

Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years

Our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations or revaluation of assets in the last ten years.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

Time and cost overruns

There have been no time and cost overruns pertaining to our business operations.

Significant financial and strategic partnerships

Our Company does not have any financial or strategic partners as of the date of this Prospectus.

Summary of Key Agreements

1. ***Share purchase and share subscription agreement dated March 20, 2017 between True North Fund V LLP ("TN V LLP"), Aether (Mauritius) Limited ("Aether"), our Company, Bessemer India Capital Holdings II Ltd. ("Bessemer" and collectively along with TN V LLP and Aether, the "Existing Investors"), Jaithirth Rao, Jaithirth Rao and Kotak Mahindra Trusteeship Services Limited (in their capacity as trustees of Jaithirth Rao 2012 Trust) and our Company, P. S. Jayakumar, Manoj Viswanathan and Bhaskar Chaudhry (the "2017 SPSSA")***

   Pursuant to the 2017 SPSSA, (i) TN V LLP and Aether subscribed to 1,535,285 equity shares of face value ₹ 10 each and 1,023,524 equity shares of face value ₹ 10 each, for an aggregate consideration of ₹ 899.99 million and ₹ 600 million, respectively; (ii) TN V LLP and Aether purchased 1,316,309 equity shares of face value ₹ 10 each and 87,359 equity shares of face value ₹ 10 each for an aggregate consideration of ₹ 1,008.12 million and ₹ 672.08 million, respectively, by a secondary transaction; and (iii) 1,167,835 Series B CCPS and 778,556 Series B CCPS transferred by Alpha TC Holdings Pte. Limited to TN V LLP and Aether, respectively, were converted to 1,167,835 equity shares of face value ₹ 10 each and 778,556 equity shares of face value ₹ 10 each on March 30, 2017. For details, see "*Capital Structure*" beginning on page 62.

2. ***Share subscription and purchase agreement dated October 1, 2020 between Orange Clove Investments B.V. ("Orange Clove"), the Existing Investors, Mr. P. S. Jayakumar, Mr. Manoj Viswanathan, Mr. Bhaskar Chaudhry (collectively, the "Individual SS", and together with the Existing Investors, the "Existing Shareholders") and our Company (the "2020 SSPA")***

Pursuant to the 2020 SSPA, Orange Clove (i) has subscribed to 2,240,639 Equity Shares for an aggregate consideration of approximately ₹ 750 million on October 15, 2020, as a part of the Pre-IPO Placement; and (ii) has purchased 17,985,394 Equity Shares from the Existing Shareholders, in tranches, on October 15, 2020 and October 16, 2020. Further, in terms of the 2020 SSPA and pursuant to the approval of the RBI received by letter dated January 4, 2021, Orange Clove has purchased 3,931,952 and 208,492 Equity Shares from Existing Investors and Mr. P.S. Jayakumar respectively on January 12 and January 13, 2021. For details, see "*Capital Structure*" beginning on page 62.

3. ***Individual share purchase agreements dated October 6, 2020 and October 11, 2020 between Orange Clove with certain other individual shareholders ("Other Individual Sellers") and the Company (the "Other Individual Sellers' SPAs")***

Pursuant to the Other Individual Sellers' SPAs, Orange Clove has purchased 825,325 Equity Shares from the Other Individual Sellers, in tranches, between October 15, 2020 and October 17, 2020, on October 19, 2020 and on October 23, 2020.

4. ***Amended and Restated Shareholders' Agreement dated October 1, 2020 between Orange Clove, the Existing Shareholders and our Company (the "2020 SHA")***

Further to the 2020 SSPA, the Company, the Existing Shareholders and Orange Clove entered into the 2020 SHA, to record the terms in relation to the rights of Orange Clove and the Existing Shareholders as shareholders of the Company. The 2020 SHA *inter alia,* sets out the rights and obligations amongst the parties thereto, and provides certain rights, subject to certain terms and conditions, including the right to nominate directors, pre-emptive rights in the event of transfer of all or any part of the securities held by them, tag along and drag along rights in the event of any transfer of securities and certain information rights. At the time of entering into the 2017 SPSSA, the Existing Investors and our Company had entered into a shareholders' agreement dated March 20, 2017 ("**2017 SHA**") which amongst others, set out the rights and obligations amongst the parties thereto and was subsequently amended by way of an amendment agreement dated November 26, 2019 to the 2017 SHA ("**Amendment Agreement**"). The 2020 SHA supersedes the 2017 SHA, as amended by the Amendment Agreement.

The 2020 SHA and all rights and obligations of the parties thereunder will terminate on listing of the Equity Shares on the Stock Exchanges, save and except for certain rights with respect to the composition of the Board, right to nominate members on the Board and quorum of the meetings, as set out below:

a. The Board shall comprise up to nine Directors.

b. The chairman of the Board shall be an Independent Director, at all times. A minimum of three Independent Directors shall be appointed to the Board in accordance with applicable law.

c. TN V LLP shall have the right to appoint and continue to have on the Board, (i) two Directors for as long as it owns at least 16% of the Company's Equity Share capital on a fully diluted basis, and (ii) one Director if the shareholding of TN V LLP falls below 16%, but is at least 10% of the Company's Equity Share capital on a fully diluted basis.

d. Aether shall have the right to appoint and continue to have on the Board, one Director for so long as it owns at least 10% of the Company's Equity Share capital on a fully diluted basis.

e. Bessemer shall have the right to appoint and continue to have on the Board, one Director for so long as it owns at least (i) 10% of the Company's Equity Share capital on a fully diluted basis in case the Equity Shares of the Company are listed on any of the Stock Exchanges; or (ii) 7% of the Company's Equity Share capital on a fully diluted basis in other cases.

f. Orange Clove shall have the right to appoint and continue to have on the Board two Directors till such time as it continues to hold at least 16% of the Company's Equity Share capital on a fully diluted basis. However, Orange Clove shall be entitled to appoint no more than one Director on the Board (i) until an approval from the RBI, to the extent such an approval is required under the NHB Directions, is received by the Company for the appointment of the second Director, and (ii) in the event the shareholding of Orange Clove falls below 16%, but is at least 10%, of the Company's Equity Share capital on a fully diluted basis.

g. The chief executive officer ("**CEO**") shall be appointed and shall hold office as a whole-time Director. The CEO shall, at the option of TN V LLP, be considered as one of its nominees on the Board. In the event Orange Clove appoints a second director as set out above and in accordance with the terms of the 2020 SHA, the CEO shall be deemed to be a nominee of TN V LLP for so long as it continues to hold at least 16% of the Company's Equity Share capital on a fully diluted basis.

h. If any of (i) TN V LLP, (ii) Aether, (iii) Orange Clove, or (iv) Bessemer, is classified as a promoter, it shall be entitled to nominate one Director on the Board, even if its shareholding falls below 10% of the Company's Equity Share capital on a fully diluted basis, so long as it continues to remain the 'promoter' of the Company (where the term 'promoter' shall have the meaning set forth in the SEBI ICDR Regulations).

i. The quorum for a Board meeting shall be as prescribed under the Companies Act. The presence of at least one Director nominated by each of the Promoters and at least one director nominated by Orange Clove, provided it has exercised its right to appoint at least one Director, at the beginning and throughout the meeting shall be necessary for the purpose of forming a valid quorum for a Board meeting.

The aforementioned rights of Orange Clove and the Existing Investors shall be subject to such rights being approved by the members of the Company through a special resolution at the first general meeting of the Company held post listing of Equity Shares on the Stock Exchanges in accordance with the provisions of the Companies Act and the SEBI Listing Regulations.

Further, in terms of the 2020 SHA, Mr. Narendra Ostawal was appointed as a Nominee Director of Orange Clove on the Board pursuant to a resolution of the Board and of the shareholders of the Company each dated October 15, 2020.

5. ***Inter-se agreement dated November 20, 2019 between TN V LLP and Aether (the "Inter-se Agreement")***

The Inter-se Agreement shall become effective on the date of listing of the Equity Shares pursuant to the Offer. Pursuant to the Inter-se Agreement, in case TN V LLP proposes to sell any of its securities held in our Company to any person other than an affiliate (as defined in the Inter-se Agreement), Aether shall have a tag along right on such sale. Further, TN V LLP shall have a drag along right against Aether in case TN V LLP proposes to sell any of its securities held in our Company. The Inter-se Agreement shall automatically terminate without any further act or deed required on the part of any party, upon earlier of the following: (i) by the mutual written agreement of the parties to the Inter-Se Agreement; (ii) when either party ceases to own any securities of our Company; and (iii) the date on which our Company is wound up.

Agreements with Key Managerial Personnel, Directors or any other employee

There are no agreements entered into by our Key Managerial Personnel or Directors 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.

Guarantees given by Promoter Selling Shareholders

The Promoters Selling Shareholders have not provided any guarantees on behalf of our Company.

OUR MANAGEMENT

In terms of the Articles of Association, our Company shall have up to nine Directors. As on the date of this Prospectus, our Board comprises nine Directors, including three Independent Directors (of which one is a woman Director), one Executive Director, being our Managing Director and Chief Executive Officer and five Nominee Directors.

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

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
1.	**Deepak Satwalekar** **Designation:** Chairman and Independent Director **Term:** Five years with effect from October 23, 2019; not liable to retire by rotation **Period of Directorship:** Director since October 23, 2019 **Address:** 401, The Orchid, 12th Road, Near Madhu Park, Khar (West), Mumbai 400 052 **Occupation:** Retired **Date of Birth:** November 14, 1948 **DIN:** 00009627 **Age:** 72	• Asian Paints Limited; • Germinait Solutions Private Limited • Piramal Enterprises Limited; • Piramal Capital and Housing Finance Limited; and • Wipro Limited.
2.	**Sakti Prasad Ghosh** **Designation:** Independent Director **Term:** Five years with effect from July 7, 2018 until the conclusion of AGM to be held in 2023 **Period of Directorship:** Director since January 14, 2011 **Address:** Block BJ 94, Sector II, Salt Lake City PS, Bidhannagar, Kolkata 700 091 **Occupation:** Retired **Date of Birth:** October 2, 1939 **DIN:** 00183802 **Age:** 81	• Bengal Ambuja Housing Development Limited; • Bengal Shristi Infrastructure Development Limited; and • Shristi Infrastructure Development Corporation Limited.
3.	**Sujatha Venkatramanan** **Designation:** Independent Director **Term:** Five years with effect from July 7, 2018 until the conclusion of AGM to be held in 2023 **Period of Directorship:** Director since August 16, 2012 **Address:** Ground floor Flat, 20, Ferncroft Avenue London NW3 7PH **Occupation:** Service **Date of Birth:** June 13, 1965	Nil

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
	DIN: 05340759 **Age:** 55	
4.	**Divya Sehgal** **Designation:** Nominee Director(1) **Term:** Liable to retire by rotation **Period of Directorship:** Director since June 10, 2017 **Address:** Flat No 1307 and 1308, Wing A, 13th floor, Ashok Tower, Dr. Ambedkar Road, Parel, Sewri, Mumbai 400 012 **Occupation:** Service **Date of Birth:** October 20, 1972 **DIN:** 01775308 **Age:** 48	• Fincare Business Services Limited; • Max Bupa Health Insurance Company Limited; and • Trivitron Healthcare Private Limited.
5.	**Maninder Singh Juneja** **Designation:** Nominee Director(1) **Term:** Liable to retire by rotation **Period of Directorship:** Director since May 26, 2017 **Address:** D 1002, Mayfair Meridian Ceasar Road, Amboli, Andheri West, Mumbai 400 058 **Occupation:** Service **Date of Birth:** January 31, 1966 **DIN:** 02680016 **Age:** 54	• Actify Data Labs Private Limited; • Fedbank Financial Services Limited; • Fincare Business Services Limited; • Indifi Technologies Private Limited; • Infinity Fincorp Solutions Private Limited; • Max Bupa Health Insurance Company Limited; and • Riviera Investors Private Limited.
6.	**Rajagopalan Santhanam** **Designation:** Nominee Director(2) **Term:** Liable to retire by rotation **Period of Directorship:** Director since March 30, 2017 **Address:** 1805, B Wing, Lake Primrose, Lake Homes, Powai, Mumbai 400 076 **Occupation:** Service **Date of Birth:** April 25, 1965 **DIN:** 00025669 **Age:** 55	• Meru Travel Solutions Private Limited; • Degustibus Hospitality Private Limited; • Max Bupa Health Insurance Company Limited; • National Bulk Handling Corporation Private Limited; • NBHC Enterprises Private Limited; • Integrace Private Limited; • RDC Concrete (India) Private Limited; • Robo Silicon Private Limited; • Sesa Care Private Limited; • Trivitron Healthcare Private Limited;

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
		• True North Enterprise Private Limited; and • True North Ventures Private Limited.
7.	**Vishal Vijay Gupta** **Designation:** Nominee Director[(3)] **Term:** Liable to retire by rotation **Period of Directorship:** Director since February 28, 2018 **Address:** 15A, D Block, Binny Crescent Apartments Nandidurga Road, Benson Town, Bangalore 560 046 **Occupation:** Service **Date of Birth:** September 24, 1977 **DIN:** 01913013 **Age:** 43	• Anunta Technology Management Services Limited; • Applied Solar Technologies (India) Private Limited; • API Holdings Private Limited; • BVP India Investors Private Limited; • Hungama Digital Media Entertainment Private Limited; • Innoviti Payment Solutions Private Limited; • Livspace Pte Limited; • Lentra Ai Private Limited; • Medi Assist Healthcare Services Limited; • Nephrocare Health Services Private Limited; • Perfios Software Solutions Private Limited; • Phasorz Technologies Private Limited; • Sanghvi Beauty and Technologies Private Limited; • Supermarket Grocery Supplies Private Limited; and • UrbanClap Technologies India Private Limited.
8.	**Narendra Ostawal** **Designation:** Nominee Director[(4)] **Term:** Liable to retire by rotation **Period of Directorship:** Director since October 15, 2020 **Address:** B, B-4101, Floor 41st, Plot CS no. 77, B Wing, One Avighna Park, Mahadeo Palav Marg, Currey Road, Parel, Mumbai 400 012 **Occupation:** Service **Date of Birth:** November 13, 1977 **DIN:** 06530414 **Age:** 43	• Avanse Financial Services Limited; • Carmel Point Investments India Private Limited; • Computer Age Management Services Limited; • Fusion Micro Finance Private Limited; • IndiaFirst Life Insurance Company Limited; and • Warburg Pincus India Private Limited.
9.	**Manoj Viswanathan**	NIL

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
	Designation: Managing Director and Chief Executive Officer **Term:** Managing Director for a period three years, with effect from August 1, 2020 **Period of Directorship:** Director since June 28, 2010 **Address:** 1402, Panchatantra (1), Off Yari Road, Versova, Mumbai 400 061 **Occupation:** Service **Date of Birth:** April 4, 1970 **DIN:** 01741612 **Age:** 50	

1. *Nominee of TN V LLP*
2. *Nominee of TN V LLP for a period of March 30, 2017 to February 28, 2020; nominee of Aether with effect from February 28, 2020*
3. *Nominee of Bessemer*
4. *Nominee of Orange Clove*

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

Deepak Satwalekar is the Chairman and Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from The American University. Previously, he was associated with Housing Development Finance Corporation Limited as a director and HDFC Standard Life Insurance Company Limited as the managing director and chief executive officer. He has also been recognised as a distinguished alumnus by the Indian Institute of Technology, Bombay. He was appointed as an Independent Director on the Board of our Company with effect from October 23, 2019.

Sakti Prasad Ghosh is an Independent Director of our Company. He holds a master's degree in commerce from University of Calcutta, a certificate in financial management from University of Mumbai (earlier known as University of Bombay) and a certificate in industrial finance from the Indian Institute of Bankers. He has over 39 years of experience in banking and financial services institutions. Previously, he was associated with Reserve Bank of India as joint manager, National Housing Bank as executive director, Unit Trust of India as deputy general manager, Hometrust Housing Finance Company as managing director and Asian Development Bank as consultant. He was appointed as an Independent Director on the Board of our Company with effect from January 14, 2011.

Sujatha Venkatramanan is an Independent Director of our Company. She holds a bachelor's degree in economics (honours) from University of Delhi and a master's degree in business administration from University of Delhi. She has over 24 years of experience in retail banking functions particularly credit risk including credit risk policy, analytics and operations, mergers and acquisitions due diligence, portfolio management, risk advisory, project monitoring, product development, business development and marketing. Previously, she was associated with Citibank as group credit policy head for the central eastern Europe, Middle East, Africa and India, AurionPro Solutions as a consultant and Experian Singapore Pte Limited as consulting director in decision analytics for Asia Pacific. Presently, she is associated with HSBC Group Management Limited as global head of credit bureau management. She was appointed as an Independent Director on the Board of our Company with effect from August 16, 2012.

Divya Sehgal is a Nominee Director. He holds a bachelor's of technology degree in electrical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Bengaluru. He has over 23 years of experience in the financial sector. Previously, he was associated with Mc Kinsey & Company as associate, ANZ Grindleys Bank, E Medlife.com Limited as director and Apollo Health Street Limited as chief operating officer. Currently, he is associated with True North Managers LLP as a partner. He was appointed as a Nominee Director on the Board of our Company with effect from June 10, 2017.

Maninder Singh Juneja is a Nominee Director. He holds a bachelor's degree in civil engineering from Maharaja Sayajirao University of Baroda and a post graduate diploma in management from Indian Institute of Management Society, Lucknow. He has over 26 years of experience in the banking industry. Prior to joining our Company, he was associated with Godrej and Boyce Manufacturing Company Limited as management trainee, Godrej GE Appliances Limited, SRF Finance Limited as business manager of corporate finance, DGP Windsor India Limited, Whirlpool of India Limited as business manager, ICICI Bank Limited as group executive and National Bulk Handling Corporation Private Limited as managing director and chief executive officer. Currently, he is associated with True North Managers LLP as a partner. He was appointed as a Nominee Director on the Board of our Company with effect from May 26, 2017.

Rajagopalan Santhanam is a Nominee Director. He holds a bachelor's degree in commerce from University of Delhi. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 28 years of experience in finance, accounting and treasury management. Previously, he was associated with ITC Limited and Monsanto (India) Limited as chief financial officer. Currently, he is associated with True North Managers LLP as managing director. He was appointed as a Nominee Director on the Board of our Company with effect from March 30, 2017.

Vishal Vijay Gupta is a Nominee Director. He has passed the final examination of bachelor's degree in commerce from Nagpur University and holds a post graduate diploma in management from Indian Institute of Management, Calcutta. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 15 years of experience in investments in consumer internet, financial technology and healthcare technology. Previously, he was associated with DSL Software Limited as a senior management trainee. Currently, he is associated with Bessemer Venture Partners India Investors Private Limited as the managing director. He was appointed as a Nominee Director on the Board of our Company with effect from February 28, 2018.

Narendra Ostawal is a Nominee Director of our Company. He holds a post graduate diploma in management from Indian Institute of Management Bangalore and attended the international executive business program at the University of Chicago's Graduate School of Business. He has passed the final examination held by the Institute of Chartered Accountants of India. He is associated with Warburg Pincus India Private Limited since 2007 where he currently holds the position of Managing Director. He has previously been associated with 3i India Private Limited and McKinsey & Company, Inc. He was appointed as a Nominee Director on the Board of our Company with effect from October 15, 2020.

Manoj Viswanathan is a Managing Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in electrical and electronics engineering from the Birla Institute of Technology and Science, Pilani and a post graduate diploma in business management from XLRI, Jamshedpur. He has over 24 years of experience in consumer lending. Previously, he was associated with Computer Garage Private Limited, Asian Paints India Limited, Citibank and CitiFinancial Consumer Finance India Limited as vice president of personal loans. He joined our Company as a Director with effect from June 28, 2010.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this 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.

Other than (i) Divya Sehgal and Maninder Singh Juneja, nominated by TN V LLP pursuant to the SHA; (ii) Rajagopalan Santhanam, nominated by Aether; (iii) Vishal Vijay Gupta nominated by Bessemer and (iv) Narendra Ostawal, nominated by Orange Clove pursuant to the SHA, 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. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements*" beginning on pages 177-179.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Managing Director and Chief Executive Officer

Manoj Viswanathan

Pursuant to the resolution passed by the Board on February 18, 2010, Manoj Viswanathan was appointed as the Chief Executive Officer of the Company. Further, pursuant to resolutions passed by the Board on June 28, 2010 and the Shareholders on September 17, 2010, he was appointed as a Director on the Board. He was re-appointed as a Director pursuant to resolution passed by the Board on May 28, 2018 and by the Shareholders held on July 7, 2018 with effect from April 1, 2018, for a term of five years. Further, he was also designated as a Managing Director of the Company with effect from August 1, 2020. In terms of the employment agreement dated October 15, 2020, Manoj Viswanathan is entitled to employee stock options as determined by the Board, performance linked bonus as may be determined by the Board, allowances as per the policies of the Company, reimbursement of travel and other business related expenses based on actuals and the salary which includes the Company provident fund contribution. For details of the number employee stock options currently held by our Managing Director and Chief Executive Officer, see "*Capital Structure*" on page 62.

Pursuant to the resolution passed by the Board on August 10, 2020 and by the Shareholders on August 25, 2020, Manoj Viswanathan was designated as a Managing Director with effect from August 1, 2020. The remuneration details for our Managing Director and Chief Executive Officer as approved by the resolution passed by the Shareholders on August 25, 2020 is as follows:

Particulars	Amount (in ₹ million)
Basic salary	2.77
House rent allowance	1.38
Leave travel allowance	0.23
Other allowance	4.49
Mobile allowance	0.02
Provident fund	0.33
Performance linked incentive	As may be decided by our Board
Total	**9.22**

Pursuant to the resolution passed by the Board on October 8, 2020 and the Shareholders on October 9, 2020, for a period of three years with effect from August 1, 2020, our Board may vary/ increase the overall managerial remuneration payable to our Managing Director and Chief Executive Officer including gains from exercising of stock options, performance linked incentive and other benefits during the period of his appointment, provided that such variation/ increase shall not exceed ₹ 300 million in any financial year of his tenure.

Payment or benefit to Directors of our Company

Details of the sitting fees/other remuneration paid to our Directors for Financial Year 2020 are set forth below.

Remuneration to our Managing Director and Chief Executive Officer

Details of the remuneration paid to our Managing Director and Chief Executive Officer for Financial Year 2020 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Manoj Viswanathan	12.10

Remuneration to our Non-Executive Directors

(a) *Independent Directors*

Our Independent Directors are entitled to receive sitting fees of ₹ 0.1 million per sitting and for every meeting of the Board or any Committee that they attend. In addition to the above, pursuant to a resolution passed by our Board on October 8, 2020 and November 13, 2020 and by our Shareholders on October 9, 2020 and November 19, 2020, and in accordance with the relevant provisions of the Companies Act, the Independent Directors are entitled to profit related commission commencing Financial Year 2020 and for subsequent years, as may be decided by our Board from time to time, provided that the total commission payable to them during any financial year shall not exceed one percent of the net profits of our Company for that financial year.

Details of the sitting fees paid to the Independent Directors of our Company for financial year 2020 are set forth below.

S. No.	Name of Non-Executive Director	Number of meetings attended	Sitting Fees (in ₹ million)	Commission* (in ₹ million)
1.	Deepak Satwalekar	3	0.30	1.50
2.	Sakti Prasad Ghosh	12	1.20	0.75
3.	Sujatha Venkatramanan	11	1.10	1.00

* *Pursuant to a circular resolution of the Board passed on December 14, 2020, the commission to the Independent Directors for financial year 2020 was paid in December 2020.*

(b) *Nominee Directors*

The Nominee Directors are not entitled to any sitting fees for attending meetings of the Board and its Committees. Accordingly, no sitting fee has been paid to the Nominee Directors for the Financial Year 2020.

Further, pursuant to a resolution passed by our Board on November 13, 2020 and by our Shareholders on November 19, 2020 and in accordance with the relevant provisions of the Companies Act, the Nominee Directors are entitled to profit related commission commencing Financial Year 2020 and for subsequent years, as may be decided by our Board from time to time, provided that the total commission payable to them during any financial year shall not exceed one percent of the net profits of our Company for that financial year. No commission has been paid to the Nominee Directors for the Financial Year 2020.

Bonus or Profit-Sharing Plan of the Directors

Except the commission that our Independent Directors and our Nominee Directors, may receive based on the performance of our Company and the performance bonus component of the remuneration of Manoj Viswanathan, none of our Directors are party to any bonus or profit sharing plan of our Company.

Remuneration paid to Directors of our Company by our Subsidiaries or our Associates

As on the date of this Prospectus, our Company does not have any Subsidiaries or Associates.

Shareholding of Directors in our Company

As on the date of this Prospectus, none of our Directors hold any Equity Shares, except as disclosed below.

Name of the Director	Number of Equity Shares Held
Manoj Viswanathan	1,052,900
Sujatha Venkatramanan	40,000

Our Articles of Association do not require our Directors to hold any qualification 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, if any, payable to them for attending meetings of our Board or Committees thereof. Some of our Directors hold positions as directors on the board of directors of our Promoter. For further details, see "*– Terms of Appointment of our Managing Director and Chief Executive Officer* ", "*– Payment or benefit to Directors of our Company*", on pages 184 and 185, respectively.

(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) Except to extent of Equity shares held by our Directors as disclosed in "*– Shareholding of Directors in our Company*", 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 (excluding Independent Directors) may be deemed to be interested to the extent of options granted to them pursuant to ESOP 2012. Except Manoj Viswanathan who holds 590,680 employee stock options, none of our Directors hold options pursuant to ESOP 2012 and ESOP II as on the date of this Prospectus. For details, see "*Capital Structure*" beginning on page 62.

(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
Narendra Ostawal	October 15, 2020	Appointment as Nominee Director
Manoj Viswanathan	August 1, 2020	Change in designation to Managing Director and Chief Executive Officer
Rajagopalan Santhanam	February 28, 2020	Appointment as Nominee Director
Rajagopalan Santhanam	February 28, 2020	Cessation as Nominee Director

Name	Date of Change	Reason
Deepak Satwalekar	October 30, 2019	Appointment as Independent Director
Manoj Viswanathan	July 7, 2018	Re-appointment as Director
Sakti Prasad Ghosh	July 7, 2018	Re-appointment as Independent Director
Sujatha Venkatramanan	July 7, 2018	Re-appointment as Independent Director
Vishal Vijay Gupta	February 28, 2018	Appointment as Nominee Director
Rajiv Sabharwal	January 16, 2018	Cessation as Nominee Director

Borrowing Powers of Board

Pursuant to resolution passed by our shareholders in the AGM held on June 12, 2019, the Board is authorised to borrow from time to time all such sum(s) of money together with the money(s) already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), 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 money(s) may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed ₹ 50,000 million.

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 Prospectus, our Board comprises nine Directors, including three Independent Directors (of which one is a Chairman and one is a woman Director), one executive Director, being our Managing Director and Chief Executive Officer and five 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:

1. Sujatha Venkatramanan, Chairperson;

2. Sakti Prasad Ghosh; and

3. Rajagopalan Santhanam.

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on May 21, 2013 and last reconstituted pursuant to resolution passed by our Board in its meeting held on November 18, 2019. 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 November 18, 2019 are set forth below.

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

b) Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

d) Approving payments to statutory auditors for any other services rendered by the statutory auditors;

e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of Section 134 of the Companies Act;

ii. Changes, if any, in accounting policies and practices and reasons for the same;

iii. Major accounting entries involving estimates based on the exercise of judgment by management;

iv. Significant adjustments made in the financial statements arising out of audit findings;

v. Compliance with listing and other legal requirements relating to financial statements;

vi. Disclosure of any related party transactions; and

vii. Modified opinion(s) in the draft audit report.

f) Laying down the criteria for granting omnibus approval in accordance with the Company 'policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

g) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h) 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the 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 the Company;

i) Approval or any subsequent modifications of transactions of the Company with related parties provided that the audit committee may take omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

j) Scrutinizing of inter-corporate loans and investments;

k) Valuing of undertakings or assets of the Company, wherever it is necessary;

l) Evaluating of internal financial controls and risk management systems;

m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

n) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

o) 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;

p) Discussing with internal auditors on any significant findings and follow up there on;

q) 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 the Board;

r) 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;

s) 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;

t) Reviewing the functioning of the whistle blower mechanism;

u) 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;

v) 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 or the Listing Regulations or by any other regulatory authority; and

w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. April 1, 2019, and henceforth.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Sakti Prasad Ghosh, Chairman;

2. Sujatha Venkatramanan; and

3. Narendra Ostawal.

The Nomination and Remuneration Committee was constituted pursuant to resolution passed by our Board in its meeting held on March 20, 2017 and last reconstituted pursuant to resolution passed by our Board in its meeting held on November 13, 2020. 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 November 18, 2019 are set forth below.

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulating of criteria for evaluation of the performance of the independent directors and the Board;

c) Devising a policy on Board diversity;

d) 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;

e) 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;

f) Analyzing, monitoring and reviewing various human resource and compensation matters;

g) 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;

h) 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;

i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

j) 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;

k) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

l) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority";

m) Recommend to the board, all remuneration, in whatever form, payable to senior management; and

n) Performing such other functions as may be required for the performance of any of the above duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Sakti Prasad Ghosh, Chairman;

2. Maninder Singh Juneja; and

3. Manoj Viswanathan.

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on November 18, 2019. The scope and functions of the Stakeholder 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 November 18, 2019 are set forth below.

a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

e) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

f) To approve, register, refuse to register transfer or transmission of shares and other securities;

g) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

h) Allotment and listing of shares;

i) Approval of transfer or transmission of shares, debentures or any other securities;

j) To authorize affixation of common seal of the Company;

k) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

l) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

m) To dematerialize or rematerialize the issued shares;

n) Ensure proper and timely attendance and redressal of investor queries and grievances;

o) Carrying out any other functions contained in the Companies Act, the SEBI Listing Regulations and/or equity listing agreements (if applicable), as and when amended from time to time; and

p) 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:

1. Sakti Prasad Ghosh;

2. Rajagopalan Santhanam; and

3. Manoj Viswanathan.

The Corporate Social Responsibility Committee was constituted pursuant to resolution passed by our Board in its meeting held on June 20, 2016 and last reconstituted pursuant to resolution passed by our Board in its meeting held on February 28, 2018. 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 November 18, 2019 are set forth below.

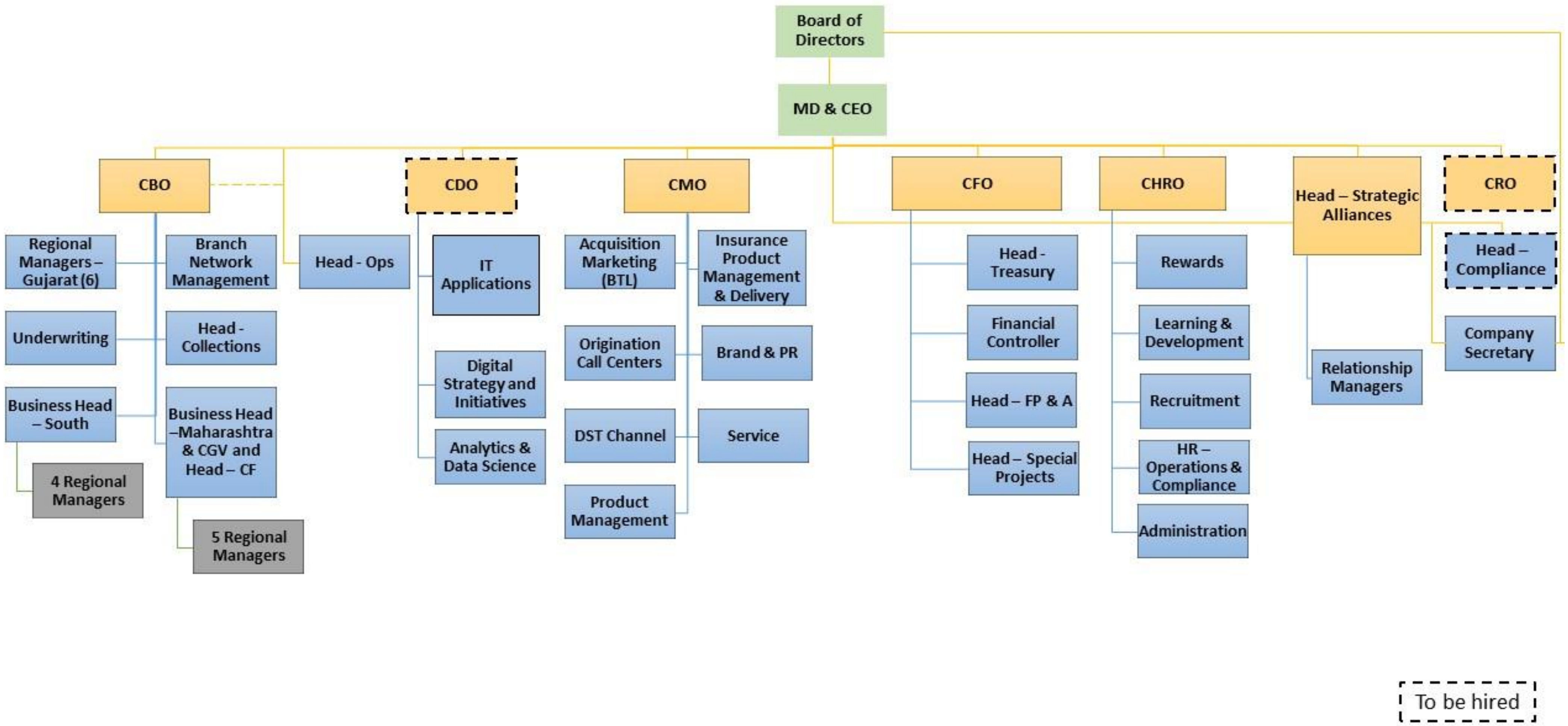
a) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;

b) To recommend the amount of expenditure to be incurred on the CSR activities, which is to be at least 2% of the average net profit of the Company in the three immediately preceding financial years;

c) To monitor the CSR Policy and its implementation by the Company from time to time; and

d) 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.

Management Organisation Structure



* *The positions of CDO, CRO and Head – Compliance have been created on August 16, 2020 and the relevant personnel are yet to be appointed.*

Key Managerial Personnel

The details of the Key Managerial Personnel, in terms of the Companies Act, as of the date of this Prospectus are as follows:

Manoj Viswanathan is the Managing Director and Chief Executive Officer of our Company. For details, see "- *Brief Biographies of Directors*" beginning on page 183. For details of compensation paid to him during Financial Year 2020, see "- *Payment or benefit to Directors of our Company – Remuneration to our Managing Director and Chief Executive Officer* " on page 185.

Nutan Gaba Patwari is the Chief Financial Officer of our Company. She has passed the final examination of bachelor's degree in commerce from University of Calcutta. She is a certified chartered accountant from the Institute of Chartered Accountants of India. She joined our Company with effect from January 1, 2019 and was appointed as the Chief Financial Officer with effect from March 4, 2019. She has over 14 years of experience in finance. Prior to joining our Company, she was associated with True North as a vice president – finance, Hindustan Unilever Limited as an operations manager in supply management, ITC Limited as assistant finance and Philip Morris Asia Limited as manager of planning. Presently, she heads the accounts, finance and treasury, budget and analytics functions of our Company. During Financial Year 2020, she received a remuneration of ₹ 8.75 million.

Shreyans Bachhawat is the Company Secretary of our Company. He has passed the final examination of bachelor's degree in commerce from University of Calcutta and has passed the final examination of bachelor's degree in law from Fakir Mohan University. He is a certified associate of the Institute of Company Secretaries. He has over 8 years of experience in corporate secretarial compliances. He joined our Company as the Company Secretary with effect from August 17, 2017 and was appointed as the Company Secretary with effect from September 7, 2017. Prior to joining our Company, he was associated with SREI Capital Markets Limited as senior vice president, India Power Corporation (Haldia) Limited as assistant manager (secretarial), Gretex Corporate Services Private Limited as an assistant company secretary and Tata Value Homes Limited as a deputy manager in the finance group. During Financial Year 2020, he received a remuneration of ₹ 2.09 million.

In addition to the above, the details of the senior management who have been identified as Key Managerial Personnel in terms of the SEBI ICDR Regulations, are as follows:

Ajay Khetan is the Chief Business Officer of our Company. He holds a bachelor's degree in mechanical engineering from the University of Allahabad and a post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He joined our Company with effect from March 14, 2012. He has over 19 years of experience in consumer finance and risk management. Prior to joining our Company, he was associated with Macquarie Finance (India) Private Limited as a senior manager, Hewlett Packard Financial Services (India) Private Limited, CitiFinancial Consumer Finance India Private Limited as assistant vice president, MIRC Electronics Limited as a management trainee and The Tata Engineering and Locomotive Company Limited as a graduate engineer trainee. During Financial Year 2020, he received a remuneration of ₹ 10.59 million.

Gaurav Mohta is the Chief Marketing Officer of our Company. He holds a bachelor's degree in mechanical engineering from Nagpur University and a post graduate diploma in business administration from ICFAI Business School. He joined our Company with effect from March 23, 2011. He has over 17 years of experience in consumer lending and product management. Prior to joining our Company, he was associated with Kotak Mahindra Bank Limited as an associate vice president, CitiFinancial Consumer Finance India Limited as a manager of personal loans-sales and Foodworld Supermarkets Limited as an assistant manager in operations. During Financial Year 2020, he received a remuneration of ₹ 8.51 million.

Vilasini Subramaniam is the Head – Strategic Alliances of our Company. She holds a bachelor's degree in commerce from University of Madras. She has passed the final examination of chartered accountancy from the Institute of Chartered Accountants of India. She joined our Company with effect from August 1, 2014. She has over 16 years of experience in consumer finance. Prior to joining our Company, she was associated with Citibank India as Global Consumer Group, Janalakshmi Financial Services as head of product development and marketing and Micro Housing Finance Corporation Limited as general manager in credit and finance. During Financial Year 2020, she received a remuneration of ₹ 5.96 million.

Ramakrishna Vyamajala is the Chief Human Resources Officer of our Company. He holds a post graduate diploma in management from T.A. Pai Management Institute. He joined our Company with effect from November 29, 2018. He has over 15 years of experience in human resources, rewards and recognition, compensation and benefits. Prior to joining our Company, he was associated with Sterlite Technologies Limited, a group company of Vedanta Resources Plc, as a deputy manager in human resources and IDFC Bank Limited as the senior director in human resources. During Financial Year 2020, he received a remuneration of ₹ 7.95 million.

All our Key Managerial Personnel are permanent employees of our Company.

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

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Prospectus.

Name of Key Managerial Personnel	Number of Equity Shares held
Manoj Viswanathan	1,052,900
Nutan Gaba Patwari	67,200
Ajay Khetan	74,800
Gaurav Mohta	68,240
Vilasini Subramaniam	44,600
Ramakrishna Vyamajala	13,440
Shreyans Bachhawat	1,000

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 be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). For details, see "- *Shareholding of Key Managerial Personnel in our Company*" on page 194.

Except Gaurav Mohta who has received advances from our Company aggregating to ₹ 2.1 million, of which ₹ 1.56 million, are outstanding as on the date of this Prospectus, no 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 for change
Ajay Khetan	August 16, 2020	Change of designation from Chief Operating Officer and Head-Risk to Chief Business Officer
Gaurav Mohta	August 16, 2020	Change of designation from Head – Sales and Marketing to Chief Marketing Officer
Ramakrishna Vyamajala	August 16, 2020	Change of designation from Head – Human Resources to Chief Human Resources Officer
Arunchandra Jupalli	August 16, 2020	Change of designation from Head- Loan Against Property to Business Head- South and accordingly cessation as Key Managerial Personnel
Abhijeet Jamkhindikar	August 16, 2020	Change of designation from Head- Developer Finance to Business Head- Maharashtra & CGV and Head- Developer Finance and accordingly cessation as Key Managerial Personnel
Ajay Khetan	May 7, 2019	Change of designation from Chief Operating Officer to Chief Operating Officer and Head-Risk
Vilasini Subramaniam	May 7, 2019	Change of designation from Vice-president – Credit and Risk to Head – Strategic Alliances
Nutan Gaba Patwari	March 4, 2019	Appointment as Chief Financial Officer
Kiran Agarwal Todi	November 30, 2018	Cessation as Chief Financial Officer
Ramakrishna Vyamajala	November 29, 2018	Appointment as Head – Human Resources

Name	Date of change	Reason for change
Kiran Agarwal Todi	February 28, 2018	Appointment as Chief Financial Officer

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 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 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 purchase plan

For details of our employee stock option plans, see "*Capital Structure*" on page 62.

OUR PROMOTERS AND PROMOTER GROUP

True North Fund V LLP and Aether (Mauritius) Limited are the Promoters of our Company. As on the date of this Prospectus, our Promoters hold an aggregate of 43,480,894 Equity Shares, comprising 52.85% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details of shareholding of our Promoters in our Company, please see "*Capital Structure*" on page 62.

The details of our Promoters are provided below:

True North Fund V LLP ("TN V LLP")

Generic Details of the Fund

TN V LLP, a limited liability partnership ("**LLP**"), was incorporated on December 20, 2016 under the Limited Liability Partnership Act, 2008, with LLP identification number AAI-0542. Its registered office is located at Rocklines House, Ground Floor, 9/2, Museum Road, Bangalore 560 001. TN V LLP is primarily engaged in the business of financial intermediation (other than insurance and pension funding) and is registered with SEBI as a Category II Alternative Investment Fund with registration number IN/AIF2/16-17/0303, as per the certificate of registration granted under the SEBI AIF Regulations.

TN V LLP and its affiliates have raised six funds from 1999 until the date of this Prospectus, having a collective corpus in excess of USD 2 billion.

As on the date of this Prospectus, TN V LLP holds 26,115,080 Equity Shares constituting 31.74% of the pre-Offer Equity Share capital of our Company. For details in relation to the purchase of Equity Shares by TN V LLP of our Company, please see "*History and Certain Corporate Matters*" and "*Capital Structure*" on pages 174 and 62, respectively.

Our Company confirms that the PAN, bank account number(s) and LLP identification number of TN V LLP and the address of the registrar of companies where TN V LLP is registered, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

The designated partners of TN V LLP are:

(a) Surendra Ambalal Dave, a nominee of TNEPL, the manager of TN V LLP; and

(b) Suresh Narsappa Talwar, a nominee of True North Managers LLP, the sponsor of TN V LLP.

The key persons of TN V LLP are:

1. Vishal Nevatia; and

2. Pramod Kabra.

The core team at TN V LLP comprises 28 investment management and business management professionals. These professionals provide management support across the Finance, Human Resources and Technology functions to companies in which TN V LLP and its affiliates have investments.

Details of the Fund Manager

As per the provisions of the SEBI AIF Regulations, True North Enterprise Private Limited ("**TNEPL**") is the manager of TN V LLP. TNEPL was incorporated on August 18, 2015 under the Companies Act with corporate identification number U74900KA2015PTC082342. Its registered office is located at Rocklines House, Ground Floor, 9/2, Museum Road, Bangalore 560 001.

Details of the Sponsor

As per the provisions of the SEBI AIF Regulations, True North Managers LLP is the sponsor of TN V LLP. True North Managers LLP was incorporated on June 28, 2010 under the Limited Liability Partnership Act, 2008 with LLP identification number AAA-1685. Its registered office is located at Suite F9C, Grand Hyatt Plaza, Santacruz East, Mumbai 400 055.

Details of Investors in the Fund

There are five investors who have contributed to the capital of TN V LLP as on the date of this Prospectus. Further, in terms of the limited liability partnership agreement dated December 28, 2016, out of the five investors, only Indium V (Mauritius) Holdings Limited has made capital commitments in excess of 15% of the total capital commitment. For details of Indium V (Mauritius) Holdings Limited, see, "- *Aether (Mauritius) Limited - Shareholding pattern*" on page 198.

The details of the total capital commitments of TN V LLP as on the date of this Prospectus are provided below:

Type of Investor (Institutional, Corporate, Individual)	Percentage of Capital Commitments (%)
Institutional	6.93
Corporate	93.07
Individual	Nil
Total	100%

Details of Investments of the Fund

The details of the investments made by TN V LLP are provided below:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Total number of entities funded</td><td>17</td></tr>
<tr><td>Distribution of such entities - country wise</td><td>Investments in India – 16

Investments in British Virgin Islands – one</td></tr>
<tr><td>Distribution of such entities - holding period wise</td><td><table>
<tr><th>Holding period</th><th>Number of entities held for such period</th></tr>
<tr><td>0 – 12 months</td><td>1</td></tr>
<tr><td>13 – 24 months</td><td>0</td></tr>
<tr><td>25 – 36 months</td><td>3</td></tr>
<tr><td>>36 months</td><td>13</td></tr>
</table></td></tr>
<tr><td>Distribution of such entities - sector wise</td><td>Healthcare – five

Financial services – five

Hospitality – one

Agri Products – one

Consumer products – two

Infrastructure – one

Investment – one

Data analytics – one</td></tr>
<tr><td>Number of entities under the control of TN V LLP, directly or indirectly</td><td>Six, excluding the Company</td></tr>
<tr><td>Companies where TN V LLP has offered its shares for lock-in as part of minimum promoter’s contribution</td><td>Nil</td></tr>
<tr><td>Average holding period of TN V LLP’s investments</td><td>40 months</td></tr>
<tr><td>Sector focus/core specialization of TN V LLP, if applicable</td><td>Financial services, healthcare and consumer products</td></tr>
</table>

Details of change in control

There has been no change in the control of TN V LLP in the last three years preceding the date of this Prospectus.

Aether (Mauritius) Limited (“Aether”)

Corporate Information

Aether, a company limited by shares, was incorporated on August 19, 2016 under the Companies Act, 2001 of the Republic of Mauritius, with corporate identification number 140975 C1/GBL. Its registered office is located at 201, 2nd Floor, Sterling

Tower, 14 Poudriere Street, Port Louis, Mauritius. Aether holds a Category 1 Global Business License under the Financial Services Act 2007 of the Republic of Mauritius and is primarily engaged in the business of investing in Indian companies through the FDI route. Aether does not have investments in any entity other than our Company as on the date of this Prospectus.

As on the date of this Prospectus, Aether holds 17,365,814 Equity Shares constituting 21.11% of the pre-Offer Equity Share capital of our Company. For details in relation to the purchase of Equity Shares by Aether of our Company, please see "*History and Certain Corporate Matters*" and "*Capital Structure*" beginning on pages 174 and 62, respectively.

Our Company confirms that the PAN, bank account number(s) and corporate identification number of Aether and the address of the registrar of companies in Mauritius where Aether is registered, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Shareholding pattern

100% of Class A equity shares of Aether carrying 100% of the voting rights and control are held by Indium V (Mauritius) Holdings Limited, a company incorporated in Mauritius, which is controlled by Global Opportunity Advisors (Mauritius) Limited. Aether has also issued Class B equity shares, which do not carry any voting rights, to Waverly Pte. Ltd., a company incorporated in Singapore, which is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd., a company incorporated in Singapore. There is no natural person holding 15% or more of the voting rights of Aether.

The board of directors of Indium V (Mauritius) Holdings Limited comprises:

1. Savinilorna Payandi Pillay Ramen;
2. Kamalam Pillay Rungapadiachy;
3. Anne-Maree Byworth; and
4. Roberto Pilotto.

Board of directors

As on the date of this Prospectus, the board of directors of Aether comprises of:

1. Savinilorna Payandi Pillay Ramen; and
2. Kamalam Pillay Rungapadiachy.

Details of change in control

There has been no change in the control of Aether in the last three years preceding the date of this Prospectus. For details of the shareholding of Aether please see "*Aether (Mauritius) Limited ("Aether") – Shareholding pattern*" on page 198.

Change in control of our Company

TN V LLP and Aether are not the original promoters of our Company and first invested in the Company pursuant to the 2017 SPSSA and 2017 SHA, each dated March 20, 2017. For details of our original promoters, see "*History and Certain Corporate Matters – Major events and milestones in relation to our Company*" on pages 176-177. The Company received requests from TN V LLP and Aether dated July 23, 2019 and July 22, 2019, respectively, for reclassification of their shareholding from public to promoter and the Board (pursuant to resolution dated July 31, 2019) took on record that TN V LLP and Aether shall be identified as Promoters. For details in relation to the purchase of Equity Shares and acquisition of control of our Company by TN V LLP and Aether, please see "*History and Certain Corporate Matters*" and "*Capital Structure*" beginning on pages 174 and 62, respectively.

Experience of our Promoters in the business of our Company

Due to the nature of their respective core business activities, our Promoters may not have adequate experience in the business activities undertaken by our Company. Please see "*Risk Factors – Our Promoters may not have adequate experience in the business activities undertaken by our Company.*" on page 38.

Interest of our Promoters

(a) Our Promoters are interested in our Company to the extent that they are promoters of our Company and to the extent of their shareholding in our Company, the Directors nominated by them on the Board and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company. For details of the Promoters' shareholding in our Company and aforementioned Directors nominated on the Board, see "*Capital Structure*" and "*Our Management*" beginning on pages 62 and 180, respectively.

(b) None of our Promoters have any interest in any property acquired by our Company in the preceding three years or proposed to be acquired by our Company, as on the date of this Prospectus.

(c) Our Promoters are not interested as a member of a firm or a company (other than our Company) and no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are members, in cash or shares or otherwise by any person for services rendered by them in connection with the promotion or formation of our Company.

(d) None of our Promoters have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Payment or benefits to our Promoters

Except as disclosed in "*Financial Information*" beginning on page 223, our Company has not entered into any contract, agreements or arrangements in the preceding two years in which our Promoters are directly or indirectly interested, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to the Promoters and the members of the Promoter Group or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Material Guarantees

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Prospectus.

Disassociation by our Promoters in the three immediately preceding years

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years:

S. No.	Name of disassociated entity	Promoter who has disassociated	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
1.	Integrace Private Limited	TN V LLP	Transfer of shares to True North Fund VI LLP	January 24, 2019

Promoter Group

Details of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (excluding our Promoters) are provided below:

Entities forming part of Promoter Group

1. Indium V (Mauritius) Holdings Limited;
2. Waverly Pte. Ltd.;
3. Actify Data Labs Private Limited;
4. DeGustibus Hospitality Private Limited;
5. Metaffinity Private Limited;
6. Seedworks International Private Limited;
7. Sesa Care Private Limited;
8. Threpsi Care LLP;
9. Condis India Healthcare Limited;
10. KIMS Healthcare Holding Company Limited; and
11. Kids Clinic India Private Limited.

The abovementioned entities Actify Data Labs Private Limited, DeGustibus Hospitality Private Limited, Metaffinity Private Limited, Seedworks International Private Limited, Sesa Care Private Limited, Threpsi Care LLP, Condis India Healthcare Limited, KIMS Healthcare Holding Company Limited and Kids Clinic India Private Limited have been identified as part of the Promoter Group solely on account of the direct shareholding of our Promoter, TN V LLP in them.

OUR GROUP COMPANY

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 Financial Information, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to resolution of our Board dated November 18, 2019, for the purposes of disclosure in connection with the Offer, the companies which shall be disclosed as a 'Group Company' are: (i) the companies (other than promoters) with which there were related party transactions as per the Restated Financial Information; (ii) the companies (other than promoters) with which there were related party transactions for the period beginning September 30, 2020; and (iii) such other companies considered material by our Board.

Accordingly, in terms of the materiality policy adopted by our Board for determining group companies, read with the resolution of the IPO Committee dated January 12, 2021, our Company has identified Actify Data Labs Private Limited, as a Group Company, as on the date of this Prospectus.

A. ***Details of our Group Company***

Actify Data Labs Private Limited ("Actify")

Corporate Information

Actify is a private limited company, which was incorporated on January 1, 2018 under the Companies Act, 2013. The corporate identification number of Actify is U74999KA2018PTC109083 and its registered office is located at Rocklines House, Ground Floor, 9/2, Muesum Road, Bangalore – 560001, Karnataka, India. It is currently engaged in the business of providing data driven insights, predictive analytics, machine learning and artificial intelligence solutions and services in India and abroad, including but not limited to offering consulting services, training of personnel, carrying out research and development activities, setting up innovation centers, developing software, hosting software solutions, supporting solution implementation and augmenting resources, which may involve importing, exporting, selling, licensing, purchasing, distributing, hosting or otherwise dealing in various owned and third-party software products, platform and packages and establishing partnerships with other organizations (including academic institutions) for activities including but not limited to training, consulting, co-developing software and conducting joint research and development.

Financial Information

(₹ in million except per share data)

Particulars	Financial Year 2019*	Financial Year 2020
Equity Capital	58.10	94.60
Reserves (excluding revaluation reserves) and surplus	(40.16)	(60.19)
Sales/Turnover	21.13	52.51
Profit/(Loss) after tax	(40.16)	(20.03)
Earnings per share of face value ₹ 10 each (basic) (in ₹)	(9.90)	(2.24)
Earnings per share of face value ₹ 10 each (diluted) (in ₹)	(9.90)	(2.24)
Net asset value per share	3.09	3.64

* *The financial data relates to the period between January 1, 2018 and March 31, 2019. No financial data available for prior periods as Actify was incorporated on January 1, 2018.*

There are no significant notes of the auditors in relation to the above-mentioned financial information for the last three Financial Years.

B. Litigation

Our Group Company is not party to any pending litigation which has a material impact on our Company.

C. ***Loss making Group Company***

Our Group Company incurred a loss of ₹ 20.03 million for the period between April 1, 2019 and March 31, 2020.

D. Group Company which is a sick industrial company

Our Group Company is not a sick company and does not fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

E. Group Company under winding up/insolvency proceedings

Our Group Company is not under any winding up and no insolvency proceedings has been initiated against it under applicable law.

F. Defunct Group Company

During the five years immediately preceding the date of this Prospectus, our Group Company has not become defunct and no application has been made to the relevant registrar of company for striking off its name.

G. Nature and Extent of Interest of Group Company

In the promotion of our Company

Our Group Company does not have any interests in the promotion of our Company.

In the properties acquired by our Company in the past three years prior to filing this Prospectus or proposed to be acquired by it

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Prospectus or proposed to be acquired by it.

In transactions for acquisition of land, construction of building, supply of machinery, etc.

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

H. Common Pursuits between our Group Company and our Company

Our Group Company is not engaged in activities similar to that of our Company.

I. Related business transactions within our Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in "*Restated Financial Information*" and "*Summary of the Offer Document - Summary of Related Party Transactions*" on pages 223 and 21, respectively, there are no other related business transactions between the Group Company and our Company.

J. Business interests or other interests

Our Group Company does not have any business interest in our Company.

K. Other Confirmations

The equity shares of our Group Company are not listed on any stock exchange. For further details, see *"Other Regulatory and Statutory Disclosures"* on page 327.

DIVIDEND POLICY

Our Company has no formal dividend policy as on date of this Prospectus. 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. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. 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.

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 294.

We have not declared any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Prospectus and until the date of this Prospectus.

SELECTED STATISTICAL INFORMATION

Certain non-Ind AS (and non-generally accepted accounting principles) financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. We compute and disclose such 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 financial measures and other statistical and operational information when reporting their financial results. Such financial measures and such 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 measures should be read together with the nearest Ind AS measure.

Financial Ratios

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
Gross Loan Assets[1]	37,300.12	31,133.76	36,183.60	24,435.74	13,559.32
Growth Rate of Gross Loan Assets[2]	19.8%	63.1%	48.1%	80.2%	60.0%
Average Gross Loan Assets[3]	36,741.86	27,784.75	30,309.67	18,997.53	11,016.24
Assigned Assets [4]	7,175.20	4,746.42	5,760.90	2,920.65	374.62
Loans – Principal Outstanding	30,120.57	26,329.46	30,406.60	21,466.74	13,144.09
Total Assets	37,221.96	32,476.54	34,796.11	24,820.05	13,649.42
Disbursements[5]	2,959.48	8,857.53	16,182.88	15,728.21	7,455.29
Disbursements Growth Rate[6]	-66.6%	23.6%	2.9%	111.0%	75.7%
Total Outstanding Loan Accounts[7]	44,796	37,086	43,094	29,372	15,723
Revenue from Operations	2371.49	1,838.93	3986.40	2,598.76	1,320.92
Other Income	60.44	98.80	210.17	110.45	21.45
Total Income (Revenue from operations + Other Income)	2,431.93	1,937.73	4,196.57	2,709.21	1,342.37
Interest on borrowings and Interest on debt securities	1,099.79	904.07	1,912.23	1,248.83	647.11
Operating expenses[8]	464.47	491.35	1,046.49	735.30	423.82
Net total Income[9]	1,332.14	1,033.66	2,284.34	1,460.38	695.26
Operating Expenses / Total Income	19.1%	25.4%	24.9%	27.1%	31.6%
Cost to Income Ratio (Operating Expenses / Net Total Income)	34.9%	47.5%	45.8%	50.3%	61.0%
Impairment loss allowance[10]	398.93	149.89	267.46	119.69	56.74
Stage 3 loan assets [11]	275.79	268.36	315.36	170.45	80.68
Stage 3 loan assets / Gross Loan Assets	0.74%	0.86%	0.87%	0.70%	0.60%
Impairment loss allowance on Stage 3 loan assets [12]	89.40	56.57	81.22	42.40	16.50
Stage 3 loan assets (Net) [13]	186.39	211.79	234.14	128.05	64.18
Net Loan Assets[14]	36,901.19	30,983.87	35,916.14	24,316.05	13,502.58
Stage 3 loan assets (Net) / Net loan assets	0.51%	0.68%	0.65%	0.53%	0.48%
Assigned Assets/ Gross Loan Assets	19.2%	15.2%	15.9%	12.0%	2.8%

Notes:

1. *Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant year or period as well as loan assets which have been transferred by the Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

2. *Growth Rate of Gross Loan Assets represents percentage growth in Gross Loan Assets as of the last day of the relevant year or period over Gross Loan Assets as of the last day of corresponding immediately prior period.*

3. *Average Gross Loan Assets represents the simple average of gross loan assets as of the last day of the relevant year or period and gross loan assets as of the last day of the immediately prior year.*

4. *Assigned Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets which have been transferred by the Company by way of assignment as of the last day of the relevant year or period. The Assigned Assets represent the direct assignments and not pass through certificate.*

5. *Disbursements represents the aggregate of all loan amounts disbursed to our customers in the relevant year or period.*

6. *Disbursements Growth Rate represents the percentage growth in disbursements for the relevant year or period over disbursements of the corresponding immediately prior period.*

7. *Total Outstanding Loan Accounts represents the aggregate number of loan accounts outstanding as of the end of the relevant year or period. Number of loans excludes Insurance and Top up loan cases. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.*

8. *Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and others and other Expenses for the relevant year or period as per restated financial statements.*

9. *Net Total Income represents total income minus interest on borrowings and interest on debt securities for the relevant year or period as per restated financial statements.*

10. *Impairment loss allowance represents expected credit loss on loans excluding impairment loss allowance on undisbursed commitments as of the last day of the relevant year or period as per restated financial statements.*

11. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines.*

12. *Impairment loss allowance on Stage 3 loan assets represents impairment loss allowance on Stage 3 loan assets as at the end of the relevant year or period as per the restated financial statements.*

13. *Stage 3 loan assets (Net) represents Stage 3 loan assets less Impairment loss allowance on Stage 3 loan assets as at the end of the relevant year or period as per the restated financial statements as per ECL methodology under IndAS guidelines.*

14. *Net Loan Assets represents Gross Loan Assets less impairment loss allowance excluding impairment loss allowance on undisbursed commitments as of the last day of the relevant year or period.*

Return on Equity Tree

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages and ratios)				
Total assets	37,221.96	32,476.54	34,796.11	24,820.05	13,649.42
Average total assets[1]	36,009.04	28,648.30	29,808.08	19,234.74	11,769.50
Equity or Net worth[2]	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Average Equity or Average net worth[3]	9,609.13	7,062.22	7,283.88	4,241.78	3,157.87
Interest Income on term loans	1,981.76	1,548.37	3,424.98	2,289.15	1,274.47
Interest on borrowings and Interest on debt securities	1,099.79	904.07	1,912.23	1,248.83	647.11
Net Interest Income [4]	881.97	644.30	1,512.75	1,040.32	627.36
Non-Interest Income[5]	450.17	389.36	771.59	420.06	67.90
Operating Expenses[6]	464.47	491.35	1,046.49	735.30	423.82
Credit Cost [7]	164.09	39.46	165.02	73.13	28.74
Profit before tax	703.58	502.85	1,072.83	651.95	242.70
Tax expense	174.05	135.44	280.34	199.91	82.74
Profit after tax	529.53	367.41	792.49	452.04	159.96

Notes:

1. *Average total assets represent the simple average of total assets as of the last day of the relevant year or period and total assets as of the last day of the immediately prior year.*

2. *Equity or Net worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account including ESOP reserve as per restated financial statements.*

3. *Average equity or average net worth represents the simple average of our equity as of the last day of the relevant year or period and our equity as of the last day of the immediately prior year.*

4. *Net Interest Income represents interest income on term loans minus Interest on borrowings and Interest on debt securities for the relevant year or period as per the restated financial statements.*

5. *Non-interest income represents total income minus interest income on term loans for the relevant year or period as per restated financial statements.*

6. *Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and others and other Expenses for the relevant year or period as per restated financial statements.*

7. *Credit cost represents impairment on financial instruments for the relevant year or period as per the restated financial statements.*

Return on Equity Tree (Percentages)

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages and ratios)				
Total assets	37,221.96	32,476.54	34,796.11	24,820.05	13,649.42
Average total assets[1]	36,009.04	28,648.30	29,808.08	19,234.74	11,769.50
Equity or Net worth[2]	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Average Equity or Average net worth[3]	9,609.13	7,062.22	7,283.88	4,241.78	3,157.87
Interest Income on term loans/ Average total assets	5.5%	5.4%	11.5%	11.9%	10.8%
Interest on borrowings and Interest on debt securities / Average total assets	3.1%	3.2%	6.4%	6.5%	5.5%
Net Interest Income [4] / Average total assets	2.4%	2.2%	5.1%	5.4%	5.3%
Non-Interest Income[5] / Average total assets	1.3%	1.4%	2.6%	2.2%	0.6%
Operating Expenses[6] / Average total assets	1.3%	1.7%	3.5%	3.8%	3.6%
Credit Cost[7] / Average total assets	0.5%	0.1%	0.6%	0.4%	0.2%
Profit before tax / Average total assets	2.0%	1.8%	3.6%	3.4%	2.1%
Tax expense/ Average total assets	0.5%	0.5%	0.9%	1.0%	0.7%
Profit after tax on average total assets (ROA)	1.5%	1.3%	2.7%	2.4%	1.4%
Leverage (Average total assets/average Equity or average Net-worth)	3.75	4.06	4.09	4.53	3.73
Profit after tax on average equity or average Net-worth (ROE)	5.5%	5.2%	10.9%	10.7%	5.1%

Notes:

1. *Average total assets represent the simple average of total assets as of the last day of the relevant year or period and total assets as of the last day of the immediately prior year.*

2. *Equity or Net worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account including ESOP reserve as per restated financial statements.*

3. *Average equity or average Net worth represents the simple average of our equity as of the last day of the relevant year or period and our equity as of the last day of the immediately prior year.*

4. *Net Interest Income represents interest income on term loans minus Interest on borrowings and debt securities for the relevant year or period as per the restated financial statements.*

5. *Non-interest income represents total income minus interest income on term loans for the relevant year or period as per restated financial statements.*

6. *Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and others and other Expenses for the relevant year or period as per restated financial statements.*

7. *Credit cost represents impairment on financial instruments for the relevant year or period as per the restated financial statements.*

8. *Percentages for September 2019 and September 2020 have not been annualised. They are not comparable.*

Yields, Spreads and Margins

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
Interest Earning Assets[1]	32,746.80	28,022.67	32,494.92	21,529.33	13,216.13
Average Interest Earning Assets [2]	32,620.86	24,776.00	27,012.13	17,372.73	10,903.41
Average total assets	36,009.04	28,648.30	29,808.08	19,234.74	11,769.50
Interest Bearing Liabilities [3]	26,365.78	22,956.31	24,938.05	19,256.41	10,198.76
Average Interest-Bearing Liabilities [4]	25,651.92	21,106.36	22,097.23	14,727.59	8,414.61
Average Interest Earning Assets as percentage of Average Total Assets	90.6%	86.5%	90.6%	90.3%	92.6%
Average Interest-bearing liabilities as percentage of Average Total Assets	71.2%	73.7%	74.1%	76.6%	71.5%
Average Interest Earning Assets as percentage of Average Interest-Bearing Liabilities	127.2%	117.4%	122.2%	118.0%	129.6%
Average Yield on Loans - Principal Outstanding [5 10]	6.5%	6.5%	13.2%	13.2%	12.1%
Average Cost of Borrowing (excluding assignments)[6 10]	4.3%	4.3%	8.7%	8.5%	7.7%
Spread[7 10]	2.2%	2.2%	4.5%	4.7%	4.4%
Average Yield on Disbursement [8]	13.1%	13.2%	13.3%	12.6%	11.7%
Average cost of Incremental borrowings[9]	8.0%	9.0%	8.8%	8.6%	7.5%

Notes:

1. *Interest Earning Assets represents term loans (gross) (Loans – Principal outstanding) and fixed deposits for the relevant year or period as per restated financial statements.*

2. *Average interest earning assets represents simple average of our Interest Earning Assets as of the last day of the relevant year or period and our Interest-Earning Assets as of the last day of the immediately prior year.*

3. *Interest bearing liabilities represents borrowings (including debt securities) as per restated financial statements.*

4. *Average Interest-Bearing Liabilities represents simple average of our Interest-Bearing Liabilities as of the last day of the relevant year or period and our Interest-Bearing Liabilities as of the last day of the immediately prior year.*

5. *Average Yield on Loans - Principal outstanding represents (Interest on term loans/ Average loans – principal outstanding) for the relevant year or period as per restated financial statements. Average loans – principal outstanding represents the simple average of loans – principal outstanding as of the last day of the relevant year or period and loans – principal outstanding as of the last day of the immediately prior year.*

6. *Average Cost of Borrowing excluding assignments represents (Interest on borrowings and Interest on debt securities)/ Average borrowings (including debt securities) for the relevant year or period as per restated financial statements. Average (borrowings including debt securities) represents the simple average borrowings including debt securities as of the last day of the relevant year or period and borrowings including debt securities as of the last day of the immediately prior year.*

7. *Spread represents Average yield on Loans - Principal outstanding Less Average Cost of Borrowings (excluding assignments).*

8. *Average Yield on disbursement represents weighted average yield on Disbursement, weights being disbursed amount of each loan disbursed during the relevant year or period.*

   *Formula - Loan account wise sum product of ((Interest rate at which the loan is disbursed * Disbursal amount for corresponding loan account)/ Total disbursal amount during a year/ period)*

9. *Average yield on Incremental borrowings represents weighted average cost of borrowings raised during the period, weights being borrowings amount for each drawdown during the relevant year or period.*

10. *Percentages for September 2019 and September 2020 have not been annualised. They are not comparable.*

Details of Borrowings

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages and ratios)				
Number of banks borrowed from and issued debt securities to	17	14	15	14	10
Private sector banks	8	7	8	7	4
Public sector banks	9	7	7	7	6
Amount borrowed (Borrowings + Debt securities)	26,365.78	22,956.31	24,938.05	19,256.41	10,198.76
Private sector banks	7,518.78	8,205.90	7,536.20	4,447.04	2,144.93
Public sector banks	9,003.24	8,916.93	10,256.77	8,941.74	5,598.82
Other parties	514.65	364.67	601.42	-	-
NHB loans	6,934.53	5,468.81	6,543.66	5,867.63	2,455.01
Debt Securities	2,394.58	-	-	-	-
Average Cost of Borrowings (excluding assignments) [1]	4.3%	4.3%	8.7%	8.5%	7.7%
Debt[2]	26,365.78	22,956.31	24,938.05	19,256.41	10,198.76
Equity[3]	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Debt to equity ratio	2.67	2.58	2.67	3.68	3.14
CRAR (%)[4]	51.7%	47.6%	49.0%	38.5%	43.0%

Notes:

1. *Percentages for September 2019 and September 2020 have not been annualised. They are not comparable.*

2. *Debt represents the Borrowings (including debt securities) as of the last day of the relevant year or period as per restated financial statements.*

3. *Equity means the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account including ESOP reserve as per restated financial statements.*

4. *Reported CRAR presented in accordance with restated Ind AS financial information.*

Borrowings sanctioned and Debt Securities Issued

Particulars	As of and for the six months ended September 30,		As of and the year March 31,
	2020	2019	2020
	(₹ in million)		
Bank loans	4,000.00	5,900.00	7,450.00
NHB	361.00	2,400.00	2,400.00
Debt Securities	2,400.00	-	-
Total	**6,761.00**	**8,300.00**	**9,850.00**

Assignments during the year/ period

Particulars	As of and for the six months ended September 30,		As of and the year March 31,
	2020	2019	2020
	(₹ in million)		
Direct assignment	1,843.70	1,513.40	2,984.90
Total	**1,843.70**	**1,513.40**	**2,984.90**

Bifurcation of loan accounts:

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Count in number, except percentages)				
Number of total loan accounts	44,796	37,086	43,094	29,372	15,723
Salaried loan accounts	74.6%	74.4%	74.4%	74.5%	72.7%
Self-employed loan accounts	25.4%	25.6%	25.5%	25.5%	27.3%
New to Credit loan accounts[1]	40.4%	44.1%	41.8%	45.8%	48.1%

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Count in number, except percentages)				
Have Credit History	59.6%	55.9%	58.2%	54.2%	51.9%
Number of Active Customer Accounts[2]	44,467	36,763	42,768	29,085	15,533

Notes:

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

2. *Active customer accounts represent customers who have a loan existing with the Company.*

3. *Loan accounts are classified as salaried and self-employed, new to credit and have credit history at the time of sanction of loan.*

Product wise Gross Loan Assets by segment (Retail and Corporate)

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
Retail	**36,597.40**	**30,267.68**	**35,421.40**	**23,595.08**	**13,383.40**
Housing Loan	34,348.94	28,475.49	33,230.64	22,486.95	13,022.14
Loans for Purchase of Commercial Property	350.50	328.25	347.45	249.86	73.86
Loans Against Property	1,897.96	1,463.94	1,843.31	858.27	287.40
Corporate	**702.72**	**866.08**	**762.20**	**840.66**	**175.92**
Developer Finance	702.72	866.08	762.20	840.66	175.92
Total	**37,300.12**	**31,133.76**	**36,183.60**	**24,435.74**	**13,559.32**
Retail	98.1%	97.2%	97.9%	96.6%	98.7%
Corporate	1.9%	2.8%	2.1%	3.4%	1.3%

Note:

Top up and Insurance loans have been mapped to their respective parent loans. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer

Product Wise Gross Loan Assets (Number of loans)

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Count in number)				
Housing Loan	42,047	34,919	40,404	27,959	15,224
Loans for Purchase of Commercial Property	454	426	449	337	110
Developer Finance	25	34	28	32	7
Loans Against Property	2,270	1,707	2,213	1,044	382
Total	**44,796**	**37,086**	**43,094**	**29,372**	**15,723**

Note:

Number of loans excludes Insurance and Top up loan cases. Top up and Insurance loans have been mapped to their respective parent loans. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.

Interest yield on Gross Loan Assets by Product (Based on Closing Balance)

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Percentages)				
Housing Loan	12.9%	12.8%	12.9%	12.3%	12.2%
Loans for Purchase of Commercial Property	15.3%	15.5%	15.4%	15.1%	15.7%
Developer Finance	14.2%	14.5%	14.4%	13.9%	12.8%
Loans Against Property	15.7%	15.9%	15.8%	15.4%	15.9%
Total	**13.1%**	**13.0%**	**13.1%**	**12.5%**	**12.3%**

Note:

Formula - Sum Product of (Closing interest rate loan account wise Closing Gross Loan Assets for corresponding loan account / Closing Gross Loan Assets).*

Gross Loan Assets by nature of occupation

Occupation	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)									
Salaried	27,261.57	73.1%	22,609.29	72.6%	26,393.58	72.9%	17,780.09	72.8%	9,982.35	73.6%
Self Employed	9,335.83	25.0%	7,658.39	24.6%	9,027.82	25.0%	5,814.99	23.8%	3,401.05	25.1%
Corporate	702.72	1.9%	866.08	2.8%	762.20	2.1%	840.66	3.4%	175.92	1.3%
Total	**37,300.12**	**100.0%**	**31,133.76**	**100.0%**	**36,183.60**	**100.0%**	**24,435.74**	**100.0%**	**13,559.32**	**100.0%**

Note: *Loan accounts are classified as Salaried, Self-employed and Corporate at the time of sanction of loans.*

Percentage Stage 3 Loan Assets by occupation and associated closing yield

Occupation	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield
	(Percentages)									
Salaried	0.5%	12.8%	0.6%	12.7%	0.6%	12.7%	0.5%	12.2%	0.3%	11.8%
Self Employed	1.4%	13.8%	1.8%	14.0%	1.7%	13.8%	1.4%	13.5%	1.5%	13.5%
Corporate	1.6%	14.2%	0.0%	14.5%	1.4%	14.4%	0.0%	13.9%	0.0%	12.8%
Total	**0.7%**	**13.1%**	**0.9%**	**13.0%**	**0.9%**	**13.1%**	**0.7%**	**12.5%**	**0.6%**	**12.3%**

Notes:

1. *Loan accounts are classified as Salaried, Self-employed and Corporate at the time of sanction of loans.*

2. *Formula: Loan account wise sum product of closing Gross Loan Assets for the respective occupation and corresponding closing Interest rate for the respective loan account/ Total closing Gross Loan Assets for the respective occupation.*

3. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines*

Gross Loan Assets by credit history

Credit History	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)									
New to Credit[1]	12,252.94	32.8%	11,165.03	35.9%	12,398.98	34.3%	9,047.18	37.0%	5,664.80	41.8%
With Credit History	25,047.18	67.2%	19,968.73	64.1%	23,784.62	65.7%	15,388.56	63.0%	7,894.52	58.2%
Total	**37,300.12**	**100.0%**	**31,133.76**	**100.0%**	**36,183.60**	**100.0%**	**24,435.74**	**100.0%**	**13,559.32**	**100.0%**

Notes:

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

2. *Loan accounts are classified as new to credit and with credit history at the time of sanction of loans.*

Percentage Stage 3 Loan Assets by credit history and associated closing yield

Credit History	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield
	(Percentages)									
New to credit	0.9%	13.2%	1.0%	13.1%	1.0%	13.2%	0.6%	12.6%	0.5%	12.4%
With credit history	0.7%	13.0%	0.8%	13.0%	0.8%	13.0%	0.7%	12.4%	0.7%	12.0%

Credit History	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield	% Stage 3 Loan Assets	Yield
	(Percentages)									
Total	**0.7%**	**13.1%**	**0.9%**	**13.0%**	**0.9%**	**13.1%**	**0.7%**	**12.5%**	**0.6%**	**12.3%**

Notes:

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

2. *Formula: Loan account wise sum product of closing Gross Loan Assets for the respective credit history and corresponding closing Interest rate for the respective loan account/ Total closing Gross Loan Assets for the respective Credit History*

3. *Loan accounts are classified as new to credit and with credit history at the time of sanction of loans.*

4. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines*

Gross Loan Assets by Average Ticket Size (Sanctioned Amount)

Ticket size bracket	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
Retail Loans										
Up to 500,000	1,215.32	3.3%	1,077.27	3.6%	1,243.37	3.5%	881.69	3.7%	407.51	3.0%
500,000 to 1 million	12,884.92	35.2%	10,573.53	34.9%	12,652.64	35.7%	8,183.66	34.7%	4,740.79	35.4%
1 million to 1.5 million	11,999.20	32.8%	9,695.16	32.0%	11,455.95	32.3%	7,472.53	31.7%	4,518.03	33.8%
1.5 million to 2 million	5,307.85	14.5%	4,391.47	14.5%	5,046.41	14.3%	3,487.12	14.8%	2,121.10	15.8%
2 million to 2.5 million	2,296.42	6.3%	1,920.21	6.3%	2,159.98	6.1%	1,496.76	6.3%	804.43	6.0%
Above 2.5 million	2,893.69	7.9%	2,610.04	8.6%	2,863.05	8.1%	2,073.32	8.8%	791.54	5.9%
Sub Total Retail Sector (A)	**36,597.40**	**100.0%**	**30,267.68**	**100.0%**	**35,421.40**	**100.0%**	**23,595.08**	**100.0%**	**13,383.40**	**100.0%**
Developer Finance										
5 million to 100 million	702.72	-	866.08	-	762.20	-	840.66	-	175.92	-
Sub Total Developer finance (B)	**702.72**	**-**	**866.08**	**-**	**762.20**	**-**	**840.66**	**-**	**175.92**	**-**
Total (A + B)	**37,300.12**	**-**	**31,133.76**	**-**	**36,183.60**	**-**	**24,435.74**	**-**	**13,559.32**	**-**

Notes:

1. *Retail Loans includes Housing loans, Loans against property and loans for purchase of commercial property.*

2. *The table represents Gross Loan Assets as of the end of the relevant year or period categorised into buckets based on the size of sanctioned loan amount.*

Gross Loan Assets by States / Territories

States / Territories	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
Gujarat	14,539.78	39.0%	12,598.96	40.5%	14,375.05	39.7%	9,959.86	40.8%	5,157.99	38.0%
Maharashtra	7,794.21	21.0%	7,644.32	24.6%	7,847.28	21.7%	6,943.49	28.4%	4,824.80	35.6%
Tamil Nadu	3,917.97	10.5%	2,879.65	9.2%	3,595.52	9.9%	2,087.32	8.5%	1,175.71	8.7%
Karnataka	3,476.23	9.3%	2,731.70	8.8%	3,252.92	9.0%	2,004.13	8.2%	951.40	7.0%
Rajasthan	1,909.15	5.1%	1,386.53	4.5%	1,793.52	5.0%	931.39	3.8%	408.47	3.0%

States / Territories	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
Telangana	1,874.78	5.0%	1,244.82	4.0%	1,758.10	4.9%	766.24	3.1%	136.69	1.0%
Madhya Pradesh	1,522.15	4.1%	1,003.34	3.2%	1,412.91	3.9%	643.71	2.6%	211.08	1.6%
Uttar Pradesh	982.70	2.6%	736.52	2.4%	955.50	2.6%	482.32	2.0%	276.49	2.0%
Haryana	376.82	1.0%	377.15	1.2%	381.02	1.1%	326.30	1.3%	273.37	2.0%
Chhattisgarh	372.71	1.0%	266.98	0.9%	338.06	0.9%	203.90	0.8%	132.63	1.0%
Andhra Pradesh	533.62	1.4%	263.79	0.8%	473.72	1.3%	87.08	0.4%	10.69	0.1%
Total	**37,300.12**	**100.0%**	**31,133.76**	**100.0%**	**36,183.60**	**100.0%**	**24,435.74**	**100.0%**	**13,559.32**	**100.0%**

Gross Loan Assets by Income Group

Income Group	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
Retail Loans										
Economically Weaker Section[1]	9,506.57	26.0%	8,017.01	26.5%	9,298.56	26.3%	6,408.18	27.2%	3,825.93	28.6%
Low Income Group[2]	18,881.91	51.6%	15,345.80	50.7%	18,124.59	51.2%	11,962.06	50.7%	7,122.02	53.2%
Middle Income Group[3]	7,369.71	20.1%	6,130.16	20.3%	7,141.55	20.1%	4,606.26	19.5%	2,149.23	16.1%
High Income Group[4]	839.21	2.3%	774.71	2.6%	856.70	2.4%	618.58	2.6%	286.22	2.1%
Sub Total Retail Loans (A)	**36,597.40**	**100.0%**	**30,267.68**	**100.0%**	**35,421.40**	**100.0%**	**23,595.08**	**100.0%**	**13,383.40**	**100.0%**
Developer Finance										
Developer Finance	702.72	-	866.08	-	762.20	-	840.66	-	175.92	-
Sub Total Developer finance (B)	**702.72**	**-**	**866.08**	**-**	**762.20**	**-**	**840.66**	**-**	**175.92**	**-**
Total (A + B)	**37,300.12**		**31,133.76**		**36,183.60**		**24,435.74**	**-**	**13,559.32**	**-**

Notes:

1. *Economically Weaker Section comprises borrowers with income up to ₹ 0.3 million per annum.*

2. *Low Income Group comprises borrowers with income above ₹ 0.3 million per annum but less than ₹ 0.6 million per annum*

3. *Middle Income Group comprises borrowers with income above ₹ 0.6 but less than ₹ 1.8 million per annum.*

4. *High Income Group comprises borrowers with income above ₹ 1.8 million per annum.*

5. *Retail Loans includes Housing loans, Loans against property and loans for purchase of commercial property.*

Product wise Stage 3 loan assets

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Housing Loan	260.44	264.72	298.54	168.30	78.71
Loans for Purchase of Commercial Property	1.51	-	1.43	-	-
Developer Finance	11.50	-	10.74	-	-
Loans Against Property	2.34	3.64	4.65	2.15	1.97
Total	**275.79**	**268.36**	**315.36**	**170.45**	**80.68**

Note:

Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines.

Product wise Stage 3 loan assets (Number of loans) - excluding Insurance cases

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Count in number)				
Housing Loan	202	219	264	149	73
Loans for Purchase of Commercial Property	1	-	1	-	-
Developer Finance	1	-	1		-
Loans Against Property	2	4	5	2	2
Total	**206**	**223**	**271**	**151**	**75**

Notes:

1. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines.*

2. *Multiple loans to one customer are considered as one loan.*

3. *Insurance loans represents insurance given on parent loans where the insurance premium is funded by the Company and collected from the customer over the parent loan term*

Percentage Stage 3 loan assets to Gross Loan Assets

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Percentages)				
Housing Loan	0.8%	0.9%	0.9%	0.7%	0.6%
Loans for Purchase of Commercial Property	0.4%	0.0%	0.4%	0.0%	0.0%
Developer Finance	1.6%	0.0%	1.4%	0.0%	0.0%
Loans Against Property	0.1%	0.2%	0.3%	0.3%	0.7%
Total	**0.7%**	**0.9%**	**0.9%**	**0.7%**	**0.6%**

Note:

1. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines.*

2. *Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant year or period as well as loan assets which have been transferred by the Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

Lagged Stage 3 loan assets on Gross Loan Assets (GLA)

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Percentages)				
1 Year lagged Stage 3 loan assets on GLA [1]	0.9%	1.4%	1.3%	1.3%	1.0%
2 Year lagged Stage 3 loan assets on GLA [2]	1.4%	NA	2.3%	2.0%	1.5%

Notes:

1. *1-year lagged Stage 3 loan assets on Gross Loan Assets is current year/period Stage 3 loan assets over Gross Loan Assets of the corresponding immediately prior year.*

2. *2-year lagged Stage 3 loan assets on Gross Loan Assets is current year/period Stage 3 loan assets over Gross Loan Assets of the year corresponding immediately preceding the prior year.*

3. *Stage 3 loan assets represents closing balance of loans – principal outstanding overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines.*

4. *Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant year or period as well as loan assets which have been transferred by the Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

Bounce Rate

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,											
	2020		2020				2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
No of cases Presented	127,777	113,751	123,551	113,816	103,993	91,074	77,611	66,599	56,804	47,733	41,670	36,768	32,749	28,512
No of cases bounced	36,206	41,436	12,931	12,365	10,401	8,689	7,102	6,817	6,141	5,589	5,131	5,111	4,515	4,029
Bounce Rate	**28.3%**	**36.4%**	**10.5%**	**10.9%**	**10.0%**	**9.5%**	**9.2%**	**10.2%**	**10.8%**	**11.7%**	**12.3%**	**13.9%**	**13.8%**	**14.1%**

Note:

Number of cases presented and bounced excludes Insurance cases where Insurance loans represents insurance given on parent loans where the insurance premium is funded by the Company and collected from the customer over the parent loan term.

Gross Loan Assets- Pre EMI, Early EMI and EMI

Particulars	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
EMI[1]	33,181.61	89.0%	26,570.10	85.3%	31,578.87	87.3%	20,276.69	83.0%	10,581.26	78.0%
Pre – EMI[2]	3,805.20	10.2%	4,244.78	13.7%	4,309.49	11.9%	3,847.17	15.7%	2,782.85	20.5%
Early EMI[3]	313.31	0.8%	318.88	1.0%	295.24	0.8%	311.88	1.3%	195.21	1.5%
Total	**37,300.12**	**100.0%**	**31,133.76**	**100.0%**	**36,183.60**	**100.0%**	**24,435.74**	**100.0%**	**13,559.32**	**100.0%**

Notes:

1. *EMI are loans where the construction is completed hence loan is fully disbursed and EMI on loan is being collected.*
2. *Pre – EMI are loans where property is under construction hence loans are partially disbursed accordingly only interest is being collected from the customer. EMI collection will start full disbursements happen.*
3. *Early EMI are loans where property is under construction hence loans are partially disbursed however EMI has started on request of customers.*

Loan Assets –Days Past Due (DPD) 30+ and Days Past Due (DPD) 90+

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
DPD 30+ [1]	402.67	471.38	596.68	364.12	182.47
DPD 90+ [2]	275.79	268.36	315.36	170.45	80.68
DPD 30+ /Gross Loan Assets	1.1%	1.5%	1.6%	1.5%	1.3%
DPD 90+ /Gross Loan Assets	0.7%	0.9%	0.9%	0.7%	0.6%

Notes:

1. *DPD 30+ represents sum of Stage 2 loan assets and Stage 3 loan assets at the end of the relevant year or period as per restated financial statements as per ECL methodology under IndAS guidelines.*
2. *DPD 90+ represents Stage 3 loan assets at the end of the relevant year or period as per restated financial statements as per ECL methodology under IndAS guidelines.*

Product wise Loan Assets – Days Past Due (DPD) 30+ and Days Past Due (DPD) 90+

Particulars		As of and for the six months ended September 30,		As of and the year ended March 31,		
		2020	2019	2020	2019	2018
		(₹ in million)				
Housing Loan	DPD 30+ [1]	381.81	444.22	550.14	356.71	175.20
	DPD 90+ [2]	260.44	264.72	298.54	168.30	78.71

Particulars		As of and for the six months ended September 30,		As of and the year ended March 31,		
		2020	2019	2020	2019	2018
		(₹ in million)				
Loans for Purchase of Commercial Property	DPD 30+ [1]	2.26	1.40	4.14	-	-
	DPD 90+ [2]	1.51	-	1.43	-	-
Developer Finance (Construction Finance)	DPD 30+ [1]	11.50	10.73	16.59	-	-
	DPD 90+ [2]	11.50	-	10.74	-	-
Loans Against Property	DPD 30+ [1]	7.10	15.03	25.81	7.41	7.27
	DPD 90+ [2]	2.34	3.64	4.65	2.15	1.97

Notes:

1. *DPD 30+ represents sum of Stage 2 loan assets and Stage 3 loan assets at the end of the relevant year or period as per restated financial statement as per ECL methodology under IndAS guidelines*

2. *DPD 90+ represents Stage 3 loan assets at the end of the relevant year or period as per restated financial statements as per ECL methodology under IndAS guidelines.*

Gross Loan Assets –Days Past Due (DPD) 30+ and Days Past Due (DPD) 90+

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
DPD 30+ [1]	425.29	498.74	631.99	364.18	181.41
DPD 90+ [2]	268.17	266.85	314.71	165.41	80.07
DPD 30+/ Gross Loan Assets	1.1%	1.6%	1.7%	1.5%	1.3%
DPD 90+/ Gross Loan Assets	0.7%	0.9%	0.9%	0.7%	0.6%

Notes:

1. *DPD 30+ represents gross loan assets outstanding for more than 30 days after the due date for the relevant year or period.*

2. *DPD 90+ represents gross loan assets outstanding for more than 90 days after the due date for the relevant year or period.*

Product wise Gross Loan Assets – Days Past Due (DPD) 30+ and Days Past Due (DPD) 90+

Particulars		As of and for the six months ended September 30,		As of and the year ended March 31,		
		2020	2019	2020	2019	2018
		(₹ in million)				
Housing Loan	DPD 30+ [1]	405.34	472.68	588.43	357.18	174.40
	DPD 90+ [2]	253.61	263.63	298.84	163.56	78.22
Loans for Purchase of Commercial Property	DPD 30+ [1]	2.09	1.35	4.02	-	-
	DPD 90+ [2]	1.35	-	1.35	-	-
Developer Finance (Construction Finance)	DPD 30+ [1]	11.13	10.37	16.07	-	-
	DPD 90+ [2]	11.13	-	10.37	-	-
Loans Against Property	DPD 30+ [1]	6.73	14.34	23.47	7.00	7.01
	DPD 90+ [2]	2.08	3.22	4.15	1.85	1.85

Notes:

1. *DPD 30+ represents gross loan assets outstanding for more than 30 days after the due date for the relevant year or period.*

2. *DPD 90+ represents gross loan assets outstanding for more than 90 days after the due date for the relevant year or period.*

Loan to Value (LTV)

Particulars	As of and for the six months ended September 30,							
	2020				2019			
	Based on Sanction value		Based on Gross Loan Assets		Based on Sanction value		Based on Gross Loan Assets	
	(₹ in million, except percentages)							
Less than 50%	8,286.84	22.2%	11,793.24	31.6%	6,122.74	19.7%	9,010.46	28.9%

Particulars	As of and for the six months ended September 30,							
	2020				2019			
	Based on Sanction value		Based on Gross Loan Assets		Based on Sanction value		Based on Gross Loan Assets	
	(₹ in million, except percentages)							
50-80%	12,149.32	32.6%	18,947.73	50.8%	10,208.88	32.8%	15,761.14	50.6%
Above 80%	16,863.96	45.2%	6,559.15	17.6%	14,802.14	47.5%	6,362.16	20.5%
Total	**37,300.12**	**100.0%**	**37,300.12**	**100.0%**	**31,133.76**	**100.0%**	**31,133.76**	**100.0%**

Particulars	As of and the year ended March 31,											
	2020				2019				2018			
	Based on Sanction value		Based on Gross Loan Assets		Based on Sanction value		Based on Gross Loan Assets		Based on Sanction value		Based on Gross Loan Assets	
	(₹ in million, except percentages)											
Less than 50%	7,800.55	21.6%	10,971.24	30.3%	4,234.10	17.3%	6,647.82	27.2%	1,522.77	11.2%	2,555.68	18.8%
50-80%	12,193.33	33.7%	17,947.66	49.6%	7,722.22	31.6%	12,578.20	51.5%	4,414.27	32.6%	6,393.99	47.2%
Above 80%	16,189.72	44.7%	7,264.70	20.1%	12,479.42	51.1%	5,209.72	21.3%	7,622.28	56.2%	4,609.65	34.0%
Total	**36,183.60**	**100.0%**	**36,183.60**	**100.0%**	**24,435.74**	**100.0%**	**24,435.74**	**100.0%**	**13,559.32**	**100.0%**	**13,559.32**	**100.0%**

Product wise Loan to Value (LTV)

Product	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	Based on sanction value	Based on Gross Loan Assets	Based on sanction value	Based on Gross Loan Assets	Based on sanction value	Based on Gross Loan Assets	Based on sanction value	Based on Gross Loan Assets	Based on sanction value	Based on Gross Loan Assets
	(Percentages)									
Housing Loan	61.9%	50.0%	73.8%	58.4%	62.0%	50.7%	75.0%	58.7%	76.1%	64.0%
Loans for Purchase of Commercial Property	55.3%	48.9%	59.8%	54.0%	54.7%	49.2%	59.6%	54.1%	58.2%	50.6%
Developer Finance	31.8%	17.6%	39.0%	21.4%	31.1%	16.6%	40.8%	21.2%	40.0%	23.7%
Loans Against Property	27.8%	26.2%	33.4%	31.7%	27.6%	26.2%	33.3%	31.2%	32.0%	29.7%
Total	**60.1%**	**48.8%**	**71.7%**	**57.1%**	**60.2%**	**49.4%**	**73.3%**	**57.6%**	**74.9%**	**63.1%**

Notes:

1. *LTV is calculated product wise.*

2. *LTV on sanction value is calculated as simple average of all customer code wise sanction value of the loans to that customer / collateral value of the loans to that customer.*

3. *LTV on Gross Loan Assets is calculated as simple average of all customer code wise Gross Loan Assets of the loans to that customer / collateral value of the loans to that customer.*

4. *Collateral value excludes collateral value of Insurance loan and Top up loans where the principal loan is active as the collateral value for those loans are included in the collateral value of the principal loan account.*

5. *Total LTV (based on Sanction value and Gross Loan Assets) is calculated as product wise {(sum product of (LTV (based on Sanction value and Gross Loan Assets) of that product * number of loan accounts active for the product))/ total number of loan accounts active}. Number of loan accounts excludes Insurance loans and Top up loans where the principal loan is active.*

6. *Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.*

Product wise contracted tenure (in Months, on Origination)

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(in months)				
Housing Loan	230.56	230.51	230.80	232.10	235.23
Loans for Purchase of Commercial Property	156.79	151.19	154.82	147.02	126.98
Developer Finance	33.84	26.94	30.54	26.25	29.43
Loans Against Property	157.97	157.41	157.79	155.66	147.64
Total	**226.02**	**225.96**	**226.13**	**228.07**	**232.08**

Note:

Includes tenure of Top up Loans. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record.

Product wise Average ticket size on Sanctioned amount

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Housing Loan	1.02	1.02	1.01	1.02	1.02
Loans for Purchase of Commercial Property	0.90	0.87	0.88	0.84	0.81
Loans Against Property	0.89	0.90	0.88	0.88	0.82
Total	**1.01**	**1.01**	**1.00**	**1.01**	**1.01**
Developer Finance	66.76	68.18	68.12	61.44	36.14

Notes:

1. *Sanctioned amount includes Insurance and top up loans. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.*

2. *All sanctions to one customer are considered as one case for the purpose of calculation.*

Sanctions during the year/ period

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Housing Loan	2,889.59	9,238.14	16,153.32	16,375.90	8,663.72
Loans for Purchase of Commercial Property	17.79	101.71	131.74	223.50	73.73
Developer Finance	15.00	185.01	185.00	1,354.90	611.00
Loans Against Property	154.56	778.61	1,173.57	780.78	118.62
Total	**3,076.94**	**10,303.47**	**17,643.63**	**18,735.08**	**9,467.07**

Note:

Includes Insurance and Top up loan Sanctions. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.

Fresh Sanctions during the year/ period (Number of cases)

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Count in number)				
Housing Loan	2,809	8,816	15,696	16,148	8,539
Loans for Purchase of Commercial Property	20	99	134	257	97
Developer Finance	1	5	5	25	13
Loans Against Property	171	844	1,334	867	160
Total	**3,001**	**9,764**	**17,169**	**17,297**	**8,809**

Note: *Excludes Insurance and Top up loans cases. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.*

Disbursements by segments

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Housing Loan	2,787.77	7,871.80	14,550.79	13,858.78	7,115.37
Loans for Purchase of Commercial Property	20.71	93.10	143.41	191.80	52.87
Developer Finance	34.33	246.46	368.76	1,032.31	178.00
Loans Against Property	116.67	646.17	1,119.92	645.32	109.05
Total	**2,959.48**	**8,857.53**	**16,182.88**	**15,728.21**	**7,455.29**

Note:

Includes Insurance and Top up loan Sanctions. Top up loan is an additional credit facility offered to existing customers after evaluating their repayment track record and Insurance loan is a loan provided to the customer to fund the insurance premium for life or general insurance availed by the customer.

Disbursements Yield

Product	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Percentages)				
Housing Loan	13.0%	13.1%	13.1%	12.4%	11.6%
Loans for Purchase of Commercial Property	15.1%	14.7%	14.9%	14.7%	15.5%
Developer Finance	14.1%	14.2%	14.3%	13.8%	12.8%
Loans Against Property	15.3%	15.4%	15.6%	15.1%	15.5%
Total	**13.1%**	**13.2%**	**13.3%**	**12.6%**	**11.7%**

Note:

*Formula - Loan account wise sum product of ((Closing interest rate at which the loan is disbursed * Disbursal amount for corresponding loan account)/ Total disbursal amount during a year/ period)*

Sources of Funds

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Term Loans – Secured					
National Housing Bank	6,934.53	5,468.81	6,543.66	5,867.63	2,455.01
Banks	16,521.98	17,022.78	17,692.89	13,388.73	7,743.75
Other parties	514.65	364.67	601.42	-	-
Working capital loan	-	100.00	100.00	-	-
Loans repayable on demand					
Banks	0.04	0.05	0.08	0.05	-
Debt Securities	2,394.58	-	-	-	-
Total	**26,365.78**	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**

Types of Borrowing

Type of Borrowing	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
Fixed Rate Borrowings	4,802.10	18.2%	2,561.96	11.2%	2,149.55	8.6%	2,743.50	14.2%	1,754.53	17.2%

Type of Borrowing	As of and for the six months ended September 30,				As of and the year ended March 31,					
	2020		2019		2020		2019		2018	
	(₹ in million, except percentages)									
and Debt Securities										
Floating Rate Borrowings	21,563.68	81.8%	20,394.35	88.8%	22,788.50	91.4%	16,512.91	85.8%	8,444.23	82.8%
Total Borrowings (Borrowings + Debt securities)	**26,365.78**	**100.0%**	**22,956.31**	**100.0%**	**24,938.05**	**100.0%**	**19,256.41**	**100.0%**	**10,198.76**	**100.0%**

Average cost of borrowings and closing tenure of borrowings and assignments

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(Percentages, except tenure in months)				
Average cost of Borrowings and Tenure					
Closing tenure of borrowings (Months) [1]	55.75	60.67	59.28	67.45	69.09
Closing tenure of borrowings and assignments (Months)[2]	96.45	91.35	92.26	90.59	72.91
Average Cost of Borrowing (excluding assignments) [3]	4.3%	4.3%	8.7%	8.5%	7.7%

Notes:

1. *Closing tenure of borrowings in months is calculated by dividing the sum product of closing borrowings amount with its corresponding remaining tenure by total closing borrowings.*

2. *Closing tenure of borrowings and assignments in months is calculated by dividing the sum product of closing borrowing amount and assignments amount with its corresponding remaining tenure by total closing borrowings and assignments.*

3. *Average Cost of Borrowing excluding assignments represents (Interest on borrowings and Interest on debt securities)/ Average borrowings (including debt securities) for the relevant year or period as per restated financial statements. Average (borrowings including debt securities) represents the simple average borrowings including debt securities as of the last day of the relevant year or period and borrowings including debt securities as of the last day of the immediately prior year.*

4. *Percentages for September 2019 and September 2020 have not been annualised. They are not comparable.*

Balance Transfer In during the year/ period

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages)				
Balance Transfer In	11.30	111.44	165.29	345.11	207.18
Disbursement	2,959.48	8,857.53	16,182.88	15,728.21	7,455.29
% Balance Transfer in	**0.4%**	**1.3%**	**1.0%**	**2.2%**	**2.8%**

Balance Transfer Out during the year/ period

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Balance Transfer Out	250.33	304.17	894.87	624.52	867.00
Opening Gross Loan Assets	36,183.60	24,435.74	24,435.74	13,559.32	8,473.16
% BT Out	0.7%	1.2%	3.7%	4.6%	10.2%

Asset Quality

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million)				
Loans – Principal Outstanding[1]					
Stage 1[4]	29,717.90	25,858.08	29,809.92	21,102.62	12,961.62
Stage 2[5]	126.88	203.02	281.32	193.67	101.79
Stage 3[6]	275.79	268.36	315.36	170.45	80.68
Loans - Principal Outstanding[1]	**30,120.57**	**26,329.46**	**30,406.60**	**21,466.74**	**13,144.09**
Impairment loss allowance[2]					
Stage 1[4]	285.37	76.27	151.84	61.13	32.64
Stage 2[5]	24.16	17.05	34.40	16.16	7.60
Stage 3[6]	89.40	56.57	81.22	42.40	16.50
Total Impairment loss allowance[2]	**398.93**	**149.89**	**267.46**	**119.69**	**56.74**
Loans – Principal Outstanding (net of Impairment loss allowance)[3]					
Stage 1[4]	29,432.53	25,781.81	29,658.08	21,041.49	12,928.98
Stage 2[5]	102.72	185.97	246.92	177.51	94.19
Stage 3[6]	186.39	211.79	234.14	128.05	64.18
Loans – Principal Outstanding (net of Impairment loss allowance)[3]	**29,721.64**	**26,179.57**	**30,139.14**	**21,347.05**	**13,087.35**

Notes:

1. *Loans – Principal outstanding represents gross principal outstanding of loans as of the last day of the relevant period or year as per the restated financial statements.*

2. *Impairment loss allowance represents expected credit loss on loans as of the last day of the relevant period or year as per the restated financial statements.*

3. *Loans – Principal outstanding (net of Impairment loss allowance) represents gross principal outstanding less impairment loss allowance excluding impairment loss allowance on undisbursed commitments as of the last day of the relevant period or year as per the restated financial statements.*

4. *Exposures with days past due of less than or equal to 29 days are classified as stage 1 as per ECL methodology under IndAS guidelines.*

5. *Exposures with days past due equal to 30 days but less than or equal to 89 days are classified as stage 2 as per ECL methodology under IndAS guidelines.*

6. *Exposure with overdue of 90 days or more are classified as Stage 3 as per ECL methodology under IndAS guidelines.*

Capital to Risk Assets Ratio (CRAR)

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except percentages and ratios)				
Tier I Capital	9,878.33	8,887.88	9,331.19	5,224.69	3,246.04
Tier II Capital	245.01	140.47	244.30	106.89	58.98
Total Capital	10,123.34	9,028.35	9,575.49	5,331.58	3,305.02
Total Risk Weighted Assets	19,601.08	18,987.20	19,544.76	13,837.20	7,672.56
CRAR (Total Capital / Total Risk Weighted Assets)	51.7%	47.6%	49.0%	38.5%	43.0%
CRAR - Tier I Capital	50.4%	46.8%	47.7%	37.7%	42.3%
CRAR - Tier II Capital	1.3%	0.7%	1.3%	0.8%	0.8%
Net Worth[2]	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Total Assets to Net Worth Ratio	3.77	3.65	3.73	4.74	4.20
Gross Loan Assets to Net Worth Ratio	3.77	3.50	3.88	4.67	4.17

Notes:

1. *Reported CRAR is in accordance with restated Ind AS financial information.*

2. *Net worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account including ESOP reserve as per restated financial statements.*

Product wise effective tenure of loan along with Gross Loan Assets

Product	Gross Loan Assets as at September 30, 2020 (₹ in million)	Average Prepayment rate per month	Effective tenure (considering prepayment rate) (in months)
Housing Loan	34,348.94	0.68%	105
Total Loans (housing loans, loans against property, developer finance loans and loans for purchase of commercial property)	37,300.12	0.80%	97

Notes:

1. *Per month prepayment rates are based on historical trend for the period April 1,2018 to March 31, 2020. CLSS subsidy has not been considered in the calculation of prepayment rate.*

2. *Effective tenure of loans is calculated by considering the following variables: contracted tenure of loans (housing: 230.56 months and total loans: 226.02 months), product wise closing yield on Gross Loan Assets (housing: 12.86% and total loans: 13.06 %) and prepayment rate.*

Asset Liability Management

As of September 30, 2020							
Time Bucket	**0-3 Months**	**3 Months to 6 Months**	**6 Months to 1 Year**	**1 Year to 3 Years**	**3 Years to 5 Years**	**Over 5 Years**	**Total**
	(₹ in million)						
Outflows	3,651.50	2,804.68	4,951.00	18,815.70	7,384.77	12,237.19	49,844.84
Inflows	7,421.82	5,342.70	4,619.73	15,311.62	11,727.19	24,705.85	69,128.91
Gap	3,770.32	2,538.02	(331.27)	(3,504.08)	4,342.42	12,468.66	19,284.07
Cumulative Gap	**3,770.32**	**6,308.34**	**5,977.07**	**2,472.99**	**6,815.41**	**19,284.07**	

Note:

Asset liability management shown above is the Structural Liquidity Statement includes undisbursed portion of committed loans and borrowings and estimated interest flows. Further, classification of assets and liabilities under different maturity buckets is based on the estimates and assumptions to capture the behavioural pattern of the past data. Cumulative gap is cumulative difference between inflows and outflows in time buckets ranging from 1 day to over 10 years

Net Promoter Score (NPS)

Particulars	For the period										
	Nov 2019 – Dec 2019	**Sept 2019 – Oct 2019**	**July 2019 – Aug 2019**	**May 2019 – Jun 2019**	**Feb 2019– Apr 2019**	**Dec 2018- Jan 2019**	**Oct 2018 – Nov 2018**	**Aug 2018– Sep 2018**	**Jun 2018 – July 2018**	**Apr 2018 - May 2018**	**Jan 2018- March 2018**
	(Percentages)										
NPS	50.0%	49.0%	49.0%	48.0%	54.0%	47.0%	54.0%	60.0%	49.0%	47.0%	47.0%

Notes:

1. *Net Promoter Score is measured by subtracting the percentage of detractors from the percentage of promoters.*

2. *The Company has commissioned Ormax Consultants Private Limited to determine our net promoter score with effect from January 2018. Ormax determines our net promoter scores on a periodic basis through telephonically administered questionnaires by selecting recent customers from our database on a random basis.*

Net Promoter Score (NPS)

Particulars	For the period					
	Sep-20	**Aug-20**	**Jul-20**	**Jun-20**	**Feb-20**	**Jan-20**
	(Absolute number)					
NPS	59	48	47	41	48	52

Notes:

1. *Net Promoter Score is measured by subtracting the percentage of detractors from the percentage of promoters.*

2. *The Company has commissioned Litmus World Marketing Technologies Pvt. Ltd to determine our net promoter score with effect from January 2020. Litmus World determines our net promoter scores through its gauging tool known as 'Litmus World Suite' by delivering customer experience in form of Software as a Service in which feedback URL links are generated and sent to those customers whose loans have been sanctioned by the company, through channels like SMS and email.*

3. *The Net Promoter Score for the months of March, April and May 2020 has not been calculated due to the impact of Covid-19 on the operations and business of the Company.*

State-wise distribution of branches and districts

States	Number of Branches	Number of Districts	Percentage of Gross Loan Assets as on September 30, 2020
Gujarat	20	11	39.0%
Maharashtra	15	13	21.0%
Tamil Nadu	11	8	10.5%
Karnataka	4	1	9.3%
Rajasthan	6	3	5.1%
Telangana	3	2	5.0%
Madhya Pradesh	5	3	4.1%
Uttar Pradesh	1	3	2.6%
Haryana and National Capital Region	1	10	1.0%
Chhattisgarh	1	3	1.0%
Andhra Pradesh	3	3	1.4%
Total	**70**	**60**	**100.0%**

City Wise market Share Build Up (Housing Loans)

The following table reflects the improvement in our market share, in terms of origination of home loans in the bucket size of ₹ 500,000 to ₹ 2,500,000, for the periods indicated:

Branch Location	Our market share during Q1 FY18	Our market share during Q4 FY20
Jaipur	0.1%	2.3%
Ahmedabad	1.7%	2.7%
Surat	1.7%	2.5%
Indore	0.2%	2.3%
Nagpur	0.9%	2.2%
Raipur	0.3%	0.8%
Hyderabad	0.2%	1.1%
Bengaluru	0.2%	1.9%
Chennai	1.0%	2.0%

For details of the market size of home loans in the cities above, see "Industry Overview – Indian Housing Finance Market – Healthy Housing Finance Market Growth" beginning on page 113 of the DRHP. Our market share represents the percentage of the origination of our home loans over the market size in such cities, as provided in the CRISIL Report.

Branch and Employee Productivity

Particulars	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
	(₹ in million, except counts)				
Number of Branches	70	65	68	60	42
Number of Employees	675	738	696	675	382
Gross Loan Assets / Branch[1]	540.58	498.14	565.37	479.13	347.67
Disbursements / Branch[2]	42.89	141.72	252.86	308.40	191.16
Gross Loan Assets / Employee[3]	54.41	44.07	52.78	46.24	46.60
Disbursements / Employee[4]	4.32	12.54	23.61	29.76	25.62

Note:

1. *Gross Loan Assets /Branch represents Gross Loan Assets as at the end of the relevant year or period divided by average branches as of the last day of the relevant year or period. Average branches represents average of branches as of the last day of the relevant year or period and branches as of the last day of the immediately prior year.*

2. *Disbursements / Branch represents Gross Loan Assets as at the end of the relevant year or period divided by average branches as of the last day of the relevant year or period. Average branches represent average of branches as of the last day of the relevant year or period and branches as of the last day of the immediately prior year.*

3. *Gross Loan Assets / Employee represents Gross Loan Assets as at the end of the relevant year or period divided by average employees as of the last day of the relevant year or period. Average employees represents average of employees as of the last day of the relevant year or period and employees as of the last day of the immediately prior year.*

4. *Disbursements / Employee represents disbursements for the relevant year or period divided by average employees as of the last day of the relevant year or period. Average employees represents average of employees as of the last day of the relevant year or period and employees as of the last day of the immediately prior year.*

Branch-wise Productivity

Particulars	As of September 30, 2020				As of March 31, 2020			
	Average Vintage (in months)	Number of Branches	Gross Loan Assets	Gross Loan Assets per branch	Average Vintage (in months)	Number of Branches	Gross Loan Assets	Gross Loan Assets per branch
	(₹ in million, except counts)							
Top 30% Branches (Large branches)	61.99	21	22,037.42	1,049.40	57.16	20	21,178.13	1,058.91
Next 30% Branches (Mid-sized branches)	51.20	21	10,662.39	507.73	46.71	20	10,294.74	514.74
Bottom 40% Branches (Small branches)	32.52	28	4,600.31	164.30	28.41	28	4,710.78	168.24

Note:

Top 30% branches. Next 30% branches and Bottom 30% branches are ranked on the basis of size of their Gross Loan Assets as on September 30, 2020 and March 31,2020 respectively.

Sourcing Channel Split

Particulars	As of and for the six months ended September 30, 2020		As of and for the year ended March 31, 2020	
	Number of Sanctions	Percentage	Number of Sanctions	Percentage
	(Count in numbers, except percentages)			
Branch	285	9.2%	1,804	9.3%
Builder Ecosystem	388	12.5%	3,601	18.5%
Connector	1,945	62.9%	10,745	55.1%
Construction Community	176	5.7%	840	4.3%
Digital	57	1.8%	449	2.3%
Marketing	132	4.3%	1491	7.7%
Micro Connector	82	2.7%	405	2.1%
Strategic Alliances	28	0.9%	146	0.7%
Total	**3,093**	**100.0%**	**19,481**	**100.0%**

Collection Efficiency

Collection Efficiency parameters	April 2020	May 2020	June 2020	Q1FY 21	July 2020	August 2020	September 2020	Q2FY2 1
Collection Efficiency[1]	72.5%	64.4%	78.4%	**71.8%**	84.6%	94.3%	99.8%	**93.0%**
Unique Customers[2]	72.9%	63.7%	74.7%	**70.5%**	79.8%	83.5%	93.8%	**85.8%**

[1] *Collection Efficiency: Total number of EMIs received in the month (including arrears of previous months)/ Total number of loan accounts whose EMIs are due for the month.*

[2] *Unique customers: number of customers who made at least one payment in the month/ Total number of customers whose EMIs are due in the month.*

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
Home First Finance Company India Limited
511, Acme Plaza, Andheri-Kurla Road
Andheri (East)
Mumbai - 400 059

Dear Sirs,

1. We have examined the attached Restated Financial Information of Home First Finance Company India Limited (the "Issuer" or "Company"), comprising the Restated Statement of Assets and Liabilities as at 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flow for the six month period ended 30 September 2020 and 30 September 2019 and for the years ended 31 March 2020, 31 March 2019 and 31 March 2018, the Summary of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company (the "**Board**") at their meeting held on 13 November 2020 for the purpose of inclusion in the Addendum to Draft Red Herring Prospectus ("**ADRHP**"), Red Herring Prospectus ("**RHP**") and the Prospectus, prepared by the Company in connection with its proposed Initial Public Offer of equity shares (the "**Offer**"), in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Companies 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 Board is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the, (i) ADRHP to be submitted with the Securities and Exchange Board of India (the "**SEBI**"), National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the "**Stock Exchanges**"); (ii) RHP and the Prospectus to be submitted with SEBI, Stock Exchanges and Registrar of Companies, Mumbai (the "**ROC**"), in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure 5, note 1.1 to the Restated Financial Information. The responsibility of the Board includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board is also responsible for identifying and ensuring that the Company complies with the Companies Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated 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 9 November 2020 in connection with the Offer;
   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 Financial Information; and
   d. The requirements of Section 26 of the Companies Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, the ICDR Regulations and the Guidance Note in connection with the Offer.

4. These Restated Financial Information have been compiled by the management from:

a. The audited special purpose interim Indian Accounting Standards (the "**Ind AS**") financial statements of the Company, as at and for the six month period ended 30 September 2020 and the audited interim Indian Accounting Standards financial statements of the Company, as at and for the six month period ended 30 September 2019, prepared in accordance with Ind AS 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act and other accounting principles generally accepted in India (collectively, the "**Interim Ind AS Financial Statements**"), which have been approved by the Board at their meetings held on 13 November 2020 and 18 November 2019 respectively.

b. The audited financial statements of the Company, as at and for the year ended 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") specified under Section 133 of the Companies 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 at their meeting held on 26 May 2020.

c. The Restated Financial Information also contains the proforma Ind AS financial information as at and for the years ended 31 March 2019 and 31 March 2018. The proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian generally accepted accounting principles (the "**Indian GAAP**") financial statements as at and for the years ended 31 March 2019 and 31 March 2018, which have been approved by the Board at their meeting held on 13 May 2019 and 28 May 2018 respectively, as described in Annexure 5, note 1.1 to the Restated Financial Information.

5. For the purpose of our examination, we have relied on:

a. Auditors' reports issued by us, dated 13 November 2020, 18 November 2019, 26 May 2020, 13 May 2019 and 29 May 2018 on the special purpose interim Indian Accounting Standards financial statements as at and for the six month period ended 30 September 2020, on the interim Indian Accounting Standards financial statements as at and for the six month period ended 30 September 2019 and as at and for the years ended 31 March 2020, 31 March 2019 and 31 March 2018 respectively, as referred in Paragraph 4 above.

6. The audit reports on the special purpose interim financial statements as at and for the six month period ended 30 September 2020 and the financial statements as at and for the year ended 31 March 2020 issued by us includes following emphasis of matters paragraph;

Six months ended 30 September 2020

Emphasis of Matter

We draw attention to note number 38 to the accompanying special purpose interim financial statements, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on the Company's operations and the impact on the appropriateness of the impairment provision recognised towards the loan assets outstanding as at 30 September 2020. Our opinion is not modified in respect of this matter.

Financial year 2019-20

Emphasis of Matter

We draw attention to note 38 to the accompanying financial statements, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on the Company's operations and the impact on the appropriateness of impairment provision recognised towards the loan assets outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated 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 31 March 2020, 31 March 2019 and 31 March 2018 and six months period ended 30 September 2019 to reflect the same accounting treatment as per the accounting policies and grouping's/classifications followed as at and for the six months period ended 30 September 2020;

   b. as of and for the financial years ended 31 March 2019 and 31 March 2018 have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements, as described in Annexure 5, note 1.1 to the Restated Financial Information; and

   c. have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Interim Ind AS Financial Statements and audited financial statements mentioned in paragraph 4 above.

9. 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.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board for inclusion in the, i) ADRHP to be submitted with the Securities and Exchange Board of India (the "**SEBI**"), National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the "**Stock Exchanges**"); ii) RHP and the Prospectus to be submitted with SEBI, Stock Exchanges and ROC in connection with the Offer. 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sudhir N Pillai
Partner
Membership No: 105782

UDIN : 20105782AAABII3971

Place: Mumbai
Date: 18 November 2020

Home First Finance Company India Limited

Annexure 1 - Restated statement of assets and liabilities **(Rs. in millions)**

	Notes	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Assets						
Financial assets						
Cash and cash equivalents	2	2,165.83	2,329.67	1,477.23	1,857.24	230.14
Bank balance other than cash and cash equivalents	3	2,042.77	423.21	743.32	62.59	72.04
Loans	4	29,721.64	26,179.57	30,139.14	21,347.05	13,087.35
Investments	5	2,192.12	2,777.43	1,455.58	1,029.17	-
Other financial assets	6	845.07	477.72	657.29	261.23	49.50
Total financial assets		**36,967.43**	**32,187.60**	**34,472.56**	**24,557.28**	**13,439.03**
Non-financial assets						
Current tax assets (net)	7	15.80	53.19	18.26	10.25	4.66
Deferred tax assets (net)	25	-	-	-	24.83	63.81
Property, plant and equipment	8	169.55	185.95	204.84	167.59	97.62
Capital work-in-progress		-	2.03	-	-	7.88
Intangible assets under development		-	-	-	-	2.61
Other intangible assets	8	3.57	5.15	5.17	6.71	3.50
Other non-financial assets	9	65.61	42.62	95.28	53.39	30.31
Total non-financial assets		**254.53**	**288.94**	**323.55**	**262.77**	**210.39**
Total assets		**37,221.96**	**32,476.54**	**34,796.11**	**24,820.05**	**13,649.42**
Liabilities and equity						
Liabilities						
Financial liabilities						
Payables						
Trade payables	10					
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.06	1.71	4.32	13.58	5.37
Debt securities	11	2,394.58	-	-	-	-
Borrowings (other than debt securities)	12	23,971.20	22,956.31	24,938.05	19,256.41	10,198.76
Other financial liabilities	13	754.70	490.70	353.76	248.23	136.74
Total financial liabilities		**27,120.54**	**23,448.72**	**25,296.13**	**19,518.22**	**10,340.87**
Non-financial liabilities						
Current tax liabilities (net)	7.1	12.07	-	-	-	-
Provisions	14	73.25	47.17	66.39	29.62	18.74
Deferred tax liabilities (net)	25	59.65	20.61	23.07	-	-
Other non-financial liabilities	15	74.55	67.01	74.16	40.81	37.66
Total non-financial liabilities		**219.52**	**134.79**	**163.62**	**70.43**	**56.40**
Total liabilities		**27,340.06**	**23,583.51**	**25,459.75**	**19,588.65**	**10,397.27**
Equity						
Share capital	16	156.79	156.60	156.60	126.68	103.23
Other equity	17	9,725.11	8,736.43	9,179.76	5,104.72	3,148.92
Total equity		**9,881.90**	**8,893.03**	**9,336.36**	**5,231.40**	**3,252.15**
Total liabilities and equity		**37,221.96**	**32,476.54**	**34,796.11**	**24,820.05**	**13,649.42**

The accompanying notes form an integral part of the restated financial information

This is the restated statement of asset and liabilities referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date: 18 November 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No : 01741612
Place: Mumbai
Date: 13 November 2020

Rajagopalan Santhanam
Director
DIN No : 00025669
Place: Mumbai
Date: 13 November 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 November 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 November 2020

Annexure 2 - Restated statement of profit and loss **(Rs. in millions, except per share data)**

	Notes	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations						
Interest income	18	2,074.38	1,603.82	3,547.33	2,319.25	1,299.58
Fees and commission income		12.19	10.99	38.40	33.38	14.45
Net gain on derecognition of financial instruments under amortised cost category		257.63	211.22	371.22	214.76	-
Other operating income	19	27.29	12.90	29.45	31.37	6.89
Total revenue from operations		**2,371.49**	**1,838.93**	**3,986.40**	**2,598.76**	**1,320.92**
Other income	20	60.44	98.80	210.17	110.45	21.45
Total income		**2,431.93**	**1,937.73**	**4,196.57**	**2,709.21**	**1,342.37**
Expenses						
Finance costs	21	1,112.90	918.37	1,938.28	1,265.44	659.64
Impairment on financial instruments	22	164.09	39.46	165.02	73.13	28.74
Employee benefits expense	23	298.01	301.75	611.09	431.77	250.80
Depreciation and amortisation	8	38.99	32.36	72.39	45.77	24.63
Other expenses	24	114.36	142.94	336.96	241.15	135.86
Total expenses		**1,728.35**	**1,434.88**	**3,123.74**	**2,057.26**	**1,099.67**
Profit before tax		703.58	502.85	1,072.83	651.95	242.70
Tax expense:						
- Current tax	25	143.07	89.21	231.90	160.53	120.36
- Deferred tax expense / (income)	25	37.09	46.23	48.44	39.38	(37.62)
- Excess provision for tax of earlier years written back	25	(6.11)	-	-	-	-
		174.05	**135.44**	**280.34**	**199.91**	**82.74**
Profit after tax		**529.53**	**367.41**	**792.49**	**452.04**	**159.96**
Other comprehensive income /(loss) (OCI)						
Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans		(2.05)	(3.12)	(2.14)	(1.37)	0.25
- Income tax relating to items that will not be reclassified to profit or loss		0.51	0.79	0.54	0.40	(0.09)
Other comprehensive income / (loss)		**(1.54)**	**(2.33)**	**(1.60)**	**(0.97)**	**0.16**
Total comprehensive income		**527.99**	**365.08**	**790.89**	**451.07**	**160.12**
Earnings per equity share	26					
Basic earnings per share (Rs.) (Face value - Rs. 2)		6.76	5.33	10.77	7.82	3.10
Diluted earnings per share (Rs.) (Face value - Rs. 2)		6.59	5.21	10.53	7.65	3.02
Face value of equity share (refer note 16 (iii a))		2.00	10.00	2.00	10.00	10.00

The accompanying notes form an integral part of the restated financial information
This is the restated statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date: 18 November 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No : 01741612
Place: Mumbai
Date: 13 November 2020

Rajagopalan Santhanam
Director
DIN No : 00025669
Place: Mumbai
Date: 13 November 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 November 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 November 2020

Home First Finance Company India Limited

Annexure 3 - Restated statement of cash flow

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities					
Profit before tax	703.58	502.85	1,072.83	651.95	242.70
Adjusted for:					
Financial asset measured at amortised cost	(17.03)	62.15	117.41	117.82	88.94
Financial liabilities measured at amortised cost	7.09	(14.66)	(12.14)	(21.73)	(2.86)
Interest accrued but not due on borrowings and debt securities	164.63	127.93	37.37	20.76	16.04
Upfront gain on direct assignment	(173.88)	(164.74)	(258.22)	(194.96)	14.64
Depreciation and amortisation	38.99	32.36	72.39	45.77	24.63
Interest income on bank deposits	(51.23)	(34.57)	(70.17)	(21.64)	(12.28)
Loss on sale of property, plant and equipment (net)	-	0.05	0.05	-	-
Adjustment on financial lease liability	4.36	3.97	9.08	7.12	4.98
Unrealised gain on investments held for trading	(8.58)	(1.73)	1.44	(2.02)	-
Impairment on financial instruments	164.09	39.46	165.02	73.13	28.74
Dividend income	-	-	-	(7.69)	(4.75)
Fair valuation of ESOPs	12.00	15.71	33.23	19.90	27.79
Operating profit before working capital changes	**844.02**	**568.78**	**1,168.29**	**688.41**	**428.57**
Adjustments for working capital:					
- (Increase) / decrease in loans	268.75	(4,932.51)	(9,045.01)	(8,449.16)	(5,311.91)
- (Increase) / decrease in other financial assets	(19.03)	(51.75)	(139.87)	(16.77)	(4.10)
- (Increase) / decrease in other non-financial assets	34.55	13.41	(38.79)	(23.06)	(8.22)
- Increase / (decrease) in trade payables	(4.26)	(11.87)	(9.26)	8.21	(27.56)
- Increase / (decrease) in other financial liabilities	230.60	82.41	(9.87)	41.64	(35.43)
- Increase / (decrease) in other non-financial liabilities	7.21	24.58	5.87	1.66	21.97
- Increase / (decrease) in provisions	4.81	14.43	34.63	9.51	(1.46)
Cash generated from / (used in) operating activities	**1,366.65**	**(4,292.52)**	**(8,034.01)**	**(7,739.56)**	**(4,938.14)**
Income tax paid (net)	(122.43)	(132.15)	(239.91)	(166.12)	(125.86)
Net cash generated from / (used in) operating activities (A)	**1,244.22**	**(4,424.67)**	**(8,273.92)**	**(7,905.68)**	**(5,064.00)**
Cash flows from investing activities:					
Purchase of property, plant and equipment and other intangible assets	(5.66)	(25.76)	(42.34)	(66.51)	(44.20)
Proceeds from sale of property, plant and equipment and other intangible assets	0.03	0.04	0.04	-	-
Purchase of investments	(8,420.10)	(15,327.50)	(28,558.20)	(19,919.50)	-
Proceeds from investments	7,692.14	13,580.97	28,130.35	18,892.35	-
Net proceeds / (investment) in bank deposits	(1,298.54)	(350.58)	(663.34)	7.41	590.00
Interest received on bank deposits	50.32	24.53	52.78	23.68	11.96
Dividend income on investments	-	-	-	7.69	4.75
Net cash generated from / (used in) investing activities (B)	**(1,981.81)**	**(2,098.30)**	**(1,080.71)**	**(1,054.88)**	**562.51**
Cash flows from financing activities:					
Proceeds from issuance of share capital (including share premium)	5.55	3,284.20	3,284.20	1,523.78	0.66
Share issue expenses	-	(3.36)	(3.36)	(15.50)	-
Proceeds of borrowings from banks and financial institutions	1,811.00	5,601.24	10,250.00	10,870.13	6,490.13
Repayment of borrowings from banks and financial institutions	(2,790.32)	(1,886.68)	(4,556.25)	(1,790.80)	(2,841.79)
Proceeds from debt securities	2,400.00	-	-	492.49	-
Repayment of debt securities	-	-	-	(492.49)	-
Proceeds / (repayment) of loans repayable on demand	(0.04)	-	0.03	0.05	(77.17)
Net cash generated from financing activities (C)	**1,426.19**	**6,995.40**	**8,974.62**	**10,587.66**	**3,571.83**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**688.60**	**472.43**	**(380.01)**	**1,627.10**	**(929.66)**
Cash and cash equivalents at the beginning of the period / year	1,477.23	1,857.24	1,857.24	230.14	1,159.80
Cash and cash equivalents at the end of the period / year	**2,165.83**	**2,329.67**	**1,477.23**	**1,857.24**	**230.14**
Components of cash and cash equivalents:					
Cash on hand	0.18	0.35	0.22	0.61	0.05
Balances with banks					
- with banks in current accounts	1,581.47	1,058.36	131.11	1,856.00	229.45
- held as wallet money	0.72	0.96	0.90	0.63	0.64
- deposits with original maturity of 3 months or less	583.46	1,270.00	1,345.00	-	-
Cash and cash equivalents	**2,165.83**	**2,329.67**	**1,477.23**	**1,857.24**	**230.14**

Annexure 3 - Restated statement of cash flow (cont…)

Changes in liabilities arising from financing activities **(Rs. in millions)**

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Opening balance (Borrowings and debt securities)	24,938.05	19,256.41	19,256.41	10,198.76	6,630.45
Proceeds from borrowings	1,811.00	5,601.24	10,250.00	10,870.13	6,490.13
Proceeds from debt securities	2,400.00	-	-	492.49	-
Repayments of borrowings	(2,790.32)	(1,886.68)	(4,556.25)	(1,790.80)	(2,841.79)
Repayments of debt securities	-	-	-	(492.49)	-
Proceeds / (repayment) of loans repayable on demand	(0.04)	-	0.03	0.05	(77.17)
Others	7.09	(14.66)	(12.14)	(21.73)	(2.86)
Closing balance (Borrowings and debt securities)	**26,365.78**	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**

Note: Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".

The accompanying notes form an integral part of the restated financial information
This is the restated statement of cash flow referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

For and on behalf of the Board of Directors

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date: 18 November 2020

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No : 01741612
Place: Mumbai
Date: 13 November 2020

Rajagopalan Santhanam
Director
DIN No : 00025669
Place: Mumbai
Date: 13 November 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 November 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 November 2020

Home First Finance Company India Limited

Annexure 4 - Statement of changes in equity

Share capital (refer note 16) **(Rs. in millions)**

	Equity share capital	
	No. of shares	**Amount**
Balance at 1 April 2017	**10,320,531**	**103.21**
Changes in share capital during the year	2,800	0.02
Balance at 31 March 2018	**10,323,331**	**103.23**
Changes in share capital during the year	2,344,567	23.45
Balance at 31 March 2019	**12,667,898**	**126.68**
Changes in equity share capital during the half year	2,991,645	29.92
Balance as at 30 September 2019	**15,659,543**	**156.60**
Changes in share capital during the year*	2,991,645	29.92
Increase in number of shares on account of sub division (refer note 16 (iii a))	62,638,172	-
Balance at 31 March 2020	**78,297,715**	**156.60**
Changes in equity share capital during the half year	95,180	0.19
Balance as at 30 September 2020	**78,392,895**	**156.79**

* The balances/amounts represent the change during the year ended 31 March 2020

Other equity (refer note 17) **(Rs. in millions)**

	Reserves and surplus				
	Statutory reserves	**Securities premium**	**Stock option outstanding account**	**Retained earnings**	**Total**
Balance as at 1 April 2017	**42.19**	**2,802.46**	**33.52**	**82.20**	**2,960.37**
Profit for the year	-	-	-	159.96	159.96
Other comprehensive income/(loss) for the year	-	-	-	0.16	0.16
Transfer to statutory reserve from retained earnings	52.00	-	-	(52.00)	-
Exercise of stock options outstanding	-	0.18	(0.18)	-	-
Premium received on allotment of equity shares	-	0.64	-	-	0.64
Stock options lapsed	-	-	(0.38)	0.38	-
Expenses on employee stock options scheme	-	-	27.79	-	27.79
Balance as at 31 March 2018	**94.19**	**2,803.28**	**60.75**	**190.70**	**3,148.92**
Profit for the year	-	-	-	452.04	452.04
Other comprehensive income/(loss) for the year	-	-	-	(0.97)	(0.97)
Expenses on employee stock options scheme	-	-	19.90	-	19.90
Transfer to statutory reserve from retained earnings	85.00	-	-	(85.00)	-
Exercise of stock options outstanding	-	6.46	(6.46)	-	-
Premium received on allotment of equity shares	-	1,500.33	-	-	1,500.33
Share issue expense	-	(15.50)	-	-	(15.50)
Stock options lapsed	-	-	(1.85)	1.85	-
Balance as at 31 March 2019	**179.19**	**4,294.57**	**72.34**	**558.62**	**5,104.72**
Profit for the for the half year ended 30 September 2019	-	-	-	367.41	367.41
Other comprehensive income/(loss) for the half year ended 30 September 2019	-	-	-	(2.33)	(2.33)
Expenses on employee stock options scheme for the half year ended 30 September 2019	-	-	15.71	-	15.71
Transfer to statutory reserve from retained earnings	75.00	-	-	(75.00)	-
Exercise of stock options outstanding	-	4.73	(4.73)	-	-
Premium received on allotment of equity shares	-	3,254.28	-	-	3,254.28
Share issue expense	-	(3.36)	-	-	(3.36)
Balance as at 30 September 2019	**254.19**	**7,550.22**	**83.32**	**848.70**	**8,736.43**
Profit for the year	-	-	-	792.49	792.49
Other comprehensive income/(loss) for the year	-	-	-	(1.60)	(1.60)
Expenses on employee stock options scheme	-	-	33.23	-	33.23
Transfer to statutory reserve from retained earnings	162.35	-	-	(162.35)	-
Exercise of stock options outstanding	-	4.73	(4.73)	-	-
Premium received on allotment of equity shares	-	3,254.28	-	-	3,254.28
Share issue expense	-	(3.36)	-	-	(3.36)
Balance as at 31 March 2020*	**341.54**	**7,550.22**	**100.84**	**1,187.16**	**9,179.76**
Profit for the for the half year ended 30 September 2020	-	-	-	529.53	529.53
Other comprehensive income/(loss) for the half year ended 30 September 2020	-	-	-	(1.54)	(1.54)
Expenses on employee stock options scheme for the half year ended 30 September 2020	-	-	12.00	-	12.00
Transfer to statutory reserve from retained earnings	105.96	-	-	(105.96)	-
Exercise of stock options outstanding	-	1.59	(1.59)	-	-
Stock options lapsed	-	-	(0.50)	0.50	-
Premium received on allotment of equity shares	-	5.36	-	-	5.36
Balance as at 30 September 2020	**447.50**	**7,557.17**	**110.75**	**1,609.69**	**9,725.11**

* The balances/amounts represent the change during the year ended 31 March 2020

The accompanying notes form an integral part of the restated financial information
This is the restated statement of changes in equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date: 18 November 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No : 01741612
Place: Mumbai
Date: 13 November 2020

Rajagopalan Santhanam
Director
DIN No : 00025669
Place: Mumbai
Date: 13 November 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 November 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 November 2020

Annexure 5- Summary of Significant accounting policies and other explanatory information

Company information

Home First Finance Company India Limited (the 'Company') is a Housing Finance Company founded on 3 February 2010 with offices across various cities in India. It's registered and corporate office is located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company obtained its license to carry on the business of a housing finance institution from National Housing Bank ('NHB') on 11 August 2010. The Company was converted to a public limited Company with effect from 14 March 2018.

The Company is primarily engaged in the business of lending of housing loans, loans for the purpose of purchasing commercial property, loan against property and construction finance.

1. Summary of significant accounting policies

1.1 Basis of preparation of restated financial information

The restated financial information comprise of the restated statement of assets and liabilities as at 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018, the restated Ind AS statement of profit and loss (including Other Comprehensive Income), the restated Ind AS statement of cash flows and the restated Ind AS statement of changes in equity for six month period ended 30 September 2020 and 30 September 2019 and for the year ended 31 March 2020, 31 March 2019 and 31 March 2018 the statement of notes to the restated financial information (hereinafter collectively referred to as "restated financial information").

The restated financial information for the years ended 31 March 2019 and 31 March 2018 has been prepared on Proforma basis (i.e. "Proforma Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by the Institute of Chartered Accountants of India ("ICAI"). For the purpose of Proforma Ind AS financial information for the year ended 31 March 2019 and 31 March 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2018. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to the Proforma Ind AS financial information as of and for the years ended 31 March 2019 and 31 March 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2018).

Restated Financial Information have been compiled from:

- the audited special purpose interim Indian Accounting Standards (the "Ind AS") financial statements of the Company, as at and for the six month period ended 30 September 2020 and the audited interim Indian Accounting Standards financial statements of the Company, as at and for the six month period ended 30 September 2019, prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act and other accounting principles generally accepted in India (collectively, the "Interim Ind AS Financial Statements") which have been approved by the Board at their meetings held on 13 November 2020 and 18 November 2019 respectively;
- the audited financial statements of the Company, as at and for the year ended 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") specified under Section 133 of the Companies 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 at their meeting held on 26 May 2020;
- the proforma Ind AS financial information as at and for the years ended 31 March 2019 and 31 March 2018 which have been prepared by making Ind AS adjustments to the audited Indian generally accepted accounting principles (the "Indian GAAP") financial statements as at and for the years ended 31 March 2019 and 31 March 2018 which were prepared under the previous generally accepted accounting principles followed in India. ("Previous GAAP or Indian GAAP")

Annexure 5- Summary of Significant accounting policies and other explanatory information

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of restated financial information under Accounting Standards notified under Previous GAAP to Ind AS of restated balance sheet as at 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018 and of the restated Statement of profit and loss and other comprehensive income for six month period ended 30 September 2020 and 30 September 2019 and year ended 31 March 2020, 31 March 2019 and 31 March 2018. Refer note 41(C) and note 41(D) in Annexure 6 for the reconciliation.

The restated financial information has been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the "Stock Exchanges") in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Company (referred to as the "Issue"), in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992; and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time (the "Guidance Note").

The restated financial information were approved by the Company's Board of Directors and authorised for issue on 13 November 2020.

As required by Division III issued under Schedule III of the act, the Company has presented the assets and liabilities in the balance sheet in the order of liquidity.

The restated financial information is presented in Rs in millions and all values are rounded to the nearest millions, expect where otherwise indicated.

Basis of measurement

The restated financial information has been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

1.2 Use of estimates

The preparation of financial information requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of these estimates include useful lives of property, plant and equipment, expected credit loss allowance, future obligations under employee retirement benefit plans, income taxes, business model assessment, share-based payments expenses, determining lease parameters etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Annexure 5- Summary of Significant accounting policies and other explanatory information

i) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how Company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principle and interest (‘the ‘SPPI criterion’)."

ii) Effective interest rate method

The Company’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 and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company’s base rate and other fee income/expense that are integral parts of the instrument.

iii) Income tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

iv) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

v) Impairment of financial assets:

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company’s Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

The Company’s criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of Probability of Default (PD), Loss Given Default

Annexure 5- Summary of Significant accounting policies and other explanatory information

(LGD), a range of unbiased future economic scenarios, estimation of expected lives and estimation of the Exposure At Default (EAD)and assessing significant increases in credit risk.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 4 and 31)

vi) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

vii) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

viii) Leases

The Company 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 Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company 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 Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company 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 Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company revisits 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 specific to the lease being evaluated or for a portfolio of leases with similar characteristics

1.3 Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in the Statement of profit and loss.

Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and

• those measured at amortised cost.

Annexure 5- Summary of Significant accounting policies and other explanatory information

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

Financial instruments at FVTPL/FVOCI - For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. Investments in equity instruments are classified as FVTPL unless the Company irrevocably elects at initial recognition to present subsequent changes in fair value through other comprehensive income for investments in equity instruments which are not held for trading.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial assets and accordingly the measurement principles applicable to the new classification will be applied. During the current financial period and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The measurement of ECL is calculated using three main components:
(i) Probability of Default (PD)
(ii) Loss Given Default (LGD) and
(iii) Exposure At Default (EAD).

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

The Company has provided ECL on the undisbursed loans commitments classified under Stage 1.

Annexure 5- Summary of Significant accounting policies and other explanatory information

Stage 1: 12-months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1.

Stage 2: Life time ECL – not credit impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

Stage 3: Lifetime ECL – credit impaired
Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when the accounts are overdue for more than 30 days Accounts that are overdue for 90 days or more are moved to Stage 3.

Inputs, assumptions and estimation techniques used for estimating ECL: Refer Annexure 6 - note 4.

De-recognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. 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.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit or loss.

On derecognition of a part of financial asset in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit or loss.

Annexure 5- Summary of Significant accounting policies and other explanatory information

Write offs

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

ii) Financial liability

A financial liability is 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 Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or 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 Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value refer Note 29.

Fair value measurements under Ind AS are categorised into a fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities

Annexure 5- Summary of Significant accounting policies and other explanatory information

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.4 Property, plant and equipment and other intangible assets and depreciation /amortisation

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and intangible assets not ready for their intended use before such date is disclosed under Capital work-in-progress.

Depreciation in respect of assets is provided on the straight-line method as per the useful life of the assets. The Company has used the following useful lives to provide depreciation /amortisation on its property, plant and equipment and intangible asset:

Property, plant and equipment	Estimated useful life (In years)
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
Intangible assets	
Computer software	3
Licenses	3
Scoring algorithm	3

Property, plant and equipment purchased/ sold during the year are depreciated on a pro-rata basis.

1.5 Revenue recognition

i) Interest income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as ‘Stage 3’, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset (Gross Value less ECL provision). If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Annexure 5- Summary of Significant accounting policies and other explanatory information

ii) Fee and other revenue

Project appraisal fees is amortised in proportion to the outstanding loan balances and other ancillary fees is recognised on the basis of actual receipt. Display income is accounted on accrual basis.

iii) Dividend income

Dividend are recognised in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

1.6 Taxes on income

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets 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 realised. However, w.e.f. FY 2019-20 the Company elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Accordingly, MAT provisions are not applicable to the Company.

Annexure 5- Summary of Significant accounting policies and other explanatory information

1.7 Leases: Company as a lessee

The Company's leased assets primarily consist of leases for buildings. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

1.8 Foreign currency transactions

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on their settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

1.9 Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

Annexure 5- Summary of Significant accounting policies and other explanatory information

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

1.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

1.12 Commitments

Commitments are future contractual liabilities, classified and disclosed as follows:

a. The estimated amount of contracts remaining to be executed on capital account and not provided for;

b. Undisbursed commitment relating to loans; and

c. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.13 Employee benefits

a) Short term employee benefits:. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

b) Post-employment benefits

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.

The Company's gratuity benefit scheme is an unfunded defined benefit plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. Actuarial gains or losses on such valuation are recognised immediately in the other comprehensive income.

1.14 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in Annexure 6, note 34.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the share based payments reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.16 Share issue expense

Share issue expenses are adjusted from share premium account in terms of section 52 of the Companies Act, 2013.

1.17 Finance costs

Borrowing costs primarily includes interest on amounts borrowed for the revenue operations of the Company. These are expensed to the Statement of profit and loss using the EIR.

2 Cash and cash equivalents

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.18	0.35	0.22	0.61	0.05
Balances with banks in current accounts	1,581.47	1,058.36	131.11	1,856.00	229.45
Balances with banks held as wallet money	0.72	0.96	0.90	0.63	0.64
Deposits with original maturity of 3 months or less	583.46	1,270.00	1,345.00	-	-
	2,165.83	**2,329.67**	**1,477.23**	**1,857.24**	**230.14**

3 Bank balance other than cash and cash equivalents

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Deposits with maturity of more than 3 months but less than 12 months*	1,902.77	350.00	590.35	-	-
Deposits with maturity of more than 12 months*	140.00	73.21	152.97	62.59	72.04
	2,042.77	**423.21**	**743.32**	**62.59**	**72.04**

*Bank deposits of Rs. 103.12 millions (30 September 2019: Rs. 13.17 millions; 31 March 2020: 102.97 millions; 31 March 2019: Rs. 12.59 millions; 31 March 2018: Rs. 12.04 millions) held as security against the bank guarantee. Also, bank deposits of Rs. 50.00 millions (September 2019: Rs. 50.00 millions; 31 March 2020: Rs. 50.00 millions; 31 March 2019: Rs. 50.00 millions; 31 March 2018: Rs. 50.00 millions) held as security against the bank overdraft.

4 Loans

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Secured					
Loans carried at amortised cost					
Term loans (gross)*	30,120.57	26,329.46	30,406.60	21,466.74	13,144.09
Total gross	30,120.57	26,329.46	30,406.60	21,466.74	13,144.09
Less- Impairment loss allowance (refer note 4.1 (a))	(398.93)	(149.89)	(267.46)	(119.69)	(56.74)
Total term loans (net)	**29,721.64**	**26,179.57**	**30,139.14**	**21,347.05**	**13,087.35**

*The term loans are secured by tangible assets. Further, all the term loans are disbursed in India to parties other than public sector.

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4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

(Rs. in millions)

Home loan	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	26,914.67	251.60	298.54	**27,464.81**	19,181.23	188.41	168.30	**19,537.94**	19,181.23	188.41	168.30	**19,537.94**
New assets originated	3,076.61	7.91	6.87	**3,091.39**	7,697.50	11.30	10.48	**7,719.28**	13,953.85	34.56	27.78	**14,016.19**
Assets derecognised or repaid	(3,297.15)	(26.40)	(49.70)	**(3,373.25)**	(3,470.64)	(42.89)	(47.51)	**(3,561.04)**	(5,939.13)	(76.49)	(73.70)	**(6,089.32)**
Transfers from Stage 1	(40.89)	30.07	10.82	-	(185.80)	138.62	47.18	-	(304.78)	217.29	87.49	-
Transfers from Stage 2	144.13	(144.33)	0.20	-	24.99	(121.70)	96.71	-	18.86	(112.86)	94.00	-
Transfers from Stage 3	3.77	2.52	(6.29)	-	4.68	5.76	(10.44)	-	4.64	0.69	(5.33)	-
Gross carrying amount - closing balance	**26,801.14**	**121.37**	**260.44**	**27,182.95**	**23,251.96**	**179.50**	**264.72**	**23,696.18**	**26,914.67**	**251.60**	**298.54**	**27,464.81**

(Rs. in millions)

Home loan	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	12,438.05	96.49	78.71	**12,613.25**	7,498.08	102.37	56.25	**7,656.70**
New assets originated	11,642.09	24.38	20.81	**11,687.28**	6,717.53	12.59	9.99	**6,740.11**
Assets derecognised or repaid	(4,680.05)	(39.68)	(42.86)	**(4,762.59)**	(1,727.36)	(26.09)	(30.11)	**(1,783.56)**
Transfers from Stage 1	(243.93)	156.16	87.77	-	(114.98)	76.73	38.25	-
Transfers from Stage 2	23.45	(48.94)	25.49	-	53.56	(69.11)	15.55	-
Transfers from Stage 3	1.62	-	(1.62)	-	11.22	-	(11.22)	-
Gross carrying amount - closing balance	**19,181.23**	**188.41**	**168.30**	**19,537.94**	**12,438.05**	**96.49**	**78.71**	**12,613.25**

(Rs. in millions)

Home loan	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	115.71	31.89	77.32	**224.92**	42.90	15.75	41.77	**100.42**	42.90	15.75	41.77	**100.42**
New assets originated/ significant increase in credit risk	149.64	11.64	27.63	**188.91**	17.23	11.73	21.01	**49.97**	86.84	28.66	46.48	**161.98**
Assets derecognised or repaid	(41.06)	(3.71)	(18.03)	**(62.80)**	(10.44)	(3.23)	(13.73)	**(27.40)**	(14.90)	(4.35)	(18.23)	**(37.48)**
Transfers from Stage 1	(0.38)	0.26	0.12	-	(1.26)	0.61	0.65	-	(1.82)	1.00	0.82	-
Transfers from Stage 2	17.69	(17.73)	0.04	-	2.01	(9.86)	7.85	-	1.67	(9.29)	7.62	-
Transfers from Stage 3	0.95	0.74	(1.69)	-	1.00	1.10	(2.10)	-	1.02	0.12	(1.14)	-
ECL allowance - closing balance	**242.55**	**23.09**	**85.39**	**351.03**	**51.44**	**16.10**	**55.45**	**122.99**	**115.71**	**31.89**	**77.32**	**224.92**

(Rs. in millions)

Home loan	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	27.75	7.21	16.02	**50.98**	15.88	7.99	9.38	**33.25**
New assets originated/ significant increase in credit risk	25.52	14.46	32.26	**72.24**	15.92	6.48	12.21	**34.61**
Assets derecognised or repaid	(11.75)	(2.84)	(8.21)	**(22.80)**	(9.59)	(2.26)	(5.03)	**(16.88)**
Transfers from Stage 1	(0.86)	0.53	0.33	-	(0.31)	0.19	0.12	-
Transfers from Stage 2	1.69	(3.61)	1.92	-	3.99	(5.19)	1.20	-
Transfers from Stage 3	0.55	-	(0.55)	-	1.86	-	(1.86)	-
ECL allowance - closing balance	**42.90**	**15.75**	**41.77**	**100.42**	**27.75**	**7.21**	**16.02**	**50.98**

Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (cont..):

(Rs. in millions)

Loan against property	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	1,808.90	21.16	4.65	**1,834.71**	843.15	5.26	2.15	**850.56**	843.15	5.26	2.15	**850.56**
New assets originated	144.02	0.38	0.04	**144.44**	638.43	0.13	0.09	**638.65**	1,086.33	0.21	0.22	**1,086.76**
Assets derecognised or repaid	(88.62)	(1.01)	(0.61)	**(90.24)**	(37.59)	(0.32)	-	**(37.91)**	(102.08)	(0.50)	(0.03)	**(102.61)**
Transfers from Stage 1	-	-	-	**-**	(9.02)	8.81	0.21	**-**	(18.91)	17.84	1.07	**-**
Transfers from Stage 2	16.20	(16.20)	-	**-**	1.30	(2.49)	1.19	**-**	-	(1.65)	1.65	**-**
Transfers from Stage 3	1.31	0.43	(1.74)	**-**	-	-	-	**-**	0.41	-	(0.41)	**-**
Gross carrying amount - closing balance	**1,881.81**	**4.76**	**2.34**	**1,888.91**	**1,436.27**	**11.39**	**3.64**	**1,451.30**	**1,808.90**	**21.16**	**4.65**	**1,834.71**

(Rs. in millions)

Loan against property	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	274.57	5.30	1.97	**281.84**	228.76	1.44	-	**230.20**
New assets originated	629.72	0.03	0.18	**629.93**	103.83	0.04	0.13	**104.00**
Assets derecognised or repaid	(59.20)	(2.01)	-	**(61.21)**	(51.99)	(0.37)	-	**(52.36)**
Transfers from Stage 1	(4.84)	4.84	-	**-**	(6.23)	4.39	1.84	**-**
Transfers from Stage 2	2.90	(2.90)	-	**-**	0.20	(0.20)	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Gross carrying amount - closing balance	**843.15**	**5.26**	**2.15**	**850.56**	**274.57**	**5.30**	**1.97**	**281.84**

(Rs. in millions)

Loan against property	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	19.11	1.92	1.38	**22.41**	7.99	0.41	0.63	**9.03**	7.99	0.41	0.63	**9.03**
New assets originated/ significant increase in credit risk	8.39	0.52	0.30	**9.21**	6.21	0.38	0.41	**7.00**	12.28	1.46	0.67	**14.41**
Assets derecognised or repaid	(2.63)	(0.18)	(0.11)	**(2.92)**	(0.45)	(0.02)	-	**(0.47)**	(1.02)	(0.01)	-	**(1.03)**
Transfers from Stage 1	-	-	-	**-**	(0.09)	0.09	-	**-**	(0.21)	0.20	0.01	**-**
Transfers from Stage 2	1.45	(1.45)	-	**-**	0.09	(0.17)	0.08	**-**	-	(0.14)	0.14	**-**
Transfers from Stage 3	0.26	0.10	(0.36)	**-**	-	-	-	**-**	0.07	-	(0.07)	**-**
ECL allowance - closing balance	**26.58**	**0.91**	**1.21**	**28.70**	**13.75**	**0.69**	**1.12**	**15.56**	**19.11**	**1.92**	**1.38**	**22.41**

(Rs. in millions)

Loan against property	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.51	0.39	0.48	**3.38**	2.06	-	-	**2.06**
New assets originated/ significant increase in credit risk	6.06	0.32	0.15	**6.53**	1.00	0.35	0.47	**1.82**
Assets derecognised or repaid	(0.67)	(0.21)	-	**(0.88)**	(0.50)	-	-	**(0.50)**
Transfers from Stage 1	(0.04)	0.04	-	**-**	(0.05)	0.04	0.01	**-**
Transfers from Stage 2	0.13	(0.13)	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**7.99**	**0.41**	**0.63**	**9.03**	**2.51**	**0.39**	**0.48**	**3.38**

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (cont..):

(Rs. in millions)

Commercial loan	**30 September, 2020**				**30 September, 2019**				**31 March, 2020**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount - opening balance	340.46	2.71	1.43	**344.60**	243.27	-	-	**243.27**	243.27	-	-	**243.27**
New assets originated	24.30	0.06	0.08	**24.44**	91.42	0.02	-	**91.44**	136.48	0.02	0.05	**136.55**
Assets derecognised or repaid	(21.39)	-	-	**(21.39)**	(14.74)	-	-	**(14.74)**	(35.21)	(0.01)	-	**(35.22)**
Transfers from Stage 1	-	-	-	**-**	(1.38)	1.38	-	**-**	(4.08)	2.70	1.38	**-**
Transfers from Stage 2	2.02	(2.02)	-	**-**	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Gross carrying amount - closing balance	**345.39**	**0.75**	**1.51**	**347.65**	**318.57**	**1.40**	**-**	**319.97**	**340.46**	**2.71**	**1.43**	**344.60**

(Rs. in millions)

Commercial loan	**31 March, 2019**				**31 March, 2018**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount - opening balance	74.57	-	-	**74.57**	41.08	-	0.99	**42.07**
New assets originated	181.67	-	-	**181.67**	48.02	-	-	**48.02**
Assets derecognised or repaid	(12.97)	-	-	**(12.97)**	(14.53)	-	(0.99)	**(15.52)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Gross carrying amount - closing balance	**243.27**	**-**	**-**	**243.27**	**74.57**	**-**	**-**	**74.57**

(Rs. in millions)

Commercial loan	**30 September, 2020**				**30 September, 2019**				**31 March, 2020**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	3.66	0.31	0.34	**4.31**	2.31	-	-	**2.31**	2.31	-	-	**2.31**
New assets originated/ significant increase in credit risk	1.42	0.06	0.01	**1.49**	0.87	0.15	-	**1.02**	1.73	0.28	0.33	**2.34**
Assets derecognised or repaid	(0.55)	-	-	**(0.55)**	(0.15)	-	-	**(0.15)**	(0.34)	-	-	**(0.34)**
Transfers from Stage 1	-	-	-	**-**	(0.01)	0.01	-	**-**	(0.04)	0.03	0.01	**-**
Transfers from Stage 2	0.21	(0.21)	-	**-**	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**4.74**	**0.16**	**0.35**	**5.25**	**3.02**	**0.16**	**-**	**3.18**	**3.66**	**0.31**	**0.34**	**4.31**

(Rs. in millions)

Commercial loan	**31 March, 2019**				**31 March, 2018**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	0.72	-	-	**0.72**	0.39	-	0.15	**0.54**
New assets originated/ significant increase in credit risk	1.73	-	-	**1.73**	0.46	-	-	**0.46**
Assets derecognised or repaid	(0.14)	-	-	**(0.14)**	(0.13)	-	(0.15)	**(0.28)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**2.31**	**-**	**-**	**2.31**	**0.72**	**-**	**-**	**0.72**

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (cont..):

(Rs. in millions)

Construction finance	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	745.89	5.85	10.74	**762.48**	834.97	-	-	**834.97**	834.97	-	-	**834.97**
New assets originated	25.16	-	0.76	**25.92**	186.66	0.10	-	**186.76**	255.37	0.24	0.11	**255.72**
Assets derecognised or repaid	(87.34)	-	-	**(87.34)**	(159.72)	-	-	**(159.72)**	(328.21)	-	-	**(328.21)**
Transfers from Stage 1	-	-	-	-	(10.63)	10.63	-	-	(16.24)	5.61	10.63	-
Transfers from Stage 2	5.85	(5.85)	-	-	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount - closing balance	**689.56**	**-**	**11.50**	**701.06**	**851.28**	**10.73**	**-**	**862.01**	**745.89**	**5.85**	**10.74**	**762.48**

(Rs. in millions)

Construction finance	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	174.43	-	-	**174.43**	-	-	-	-
New assets originated	689.60	-	-	**689.60**	174.43	-	-	**174.43**
Assets derecognised or repaid	(29.06)	-	-	**(29.06)**	-	-	-	-
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount - closing balance	**834.97**	**-**	**-**	**834.97**	**174.43**	**-**	**-**	**174.43**

(Rs. in millions)

Construction finance	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	13.36	0.28	2.18	**15.82**	7.93	-	-	**7.93**	7.93	-	-	**7.93**
New assets originated/ significant increase in credit risk	4.38	-	0.27	**4.65**	1.75	-	-	**1.75**	7.95	0.23	2.08	**10.26**
Assets derecognised or repaid	(6.52)	-	-	**(6.52)**	(1.52)	-	-	**(1.52)**	(2.37)	-	-	**(2.37)**
Transfers from Stage 1	-	-	-	-	(0.10)	0.10	-	-	(0.15)	0.05	0.10	-
Transfers from Stage 2	0.28	(0.28)	-	-	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**11.50**	**-**	**2.45**	**13.95**	**8.06**	**0.10**	**-**	**8.16**	**13.36**	**0.28**	**2.18**	**15.82**

(Rs. in millions)

Construction finance	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.66	-	-	**1.66**	-	-	-	-
New assets originated/ significant increase in credit risk	6.55	-	-	**6.55**	1.66	-	-	1.66
Assets derecognised or repaid	(0.28)	-	-	**(0.28)**	-	-	-	-
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**7.93**	**-**	**-**	**7.93**	**1.66**	**-**	**-**	1.66

Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

4.1(b) **An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is as follows:**

(Rs. in millions)

Loan commitments	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	5,764.19	58.49	57.94	**5,880.62**	5,705.61	22.80	24.60	**5,753.01**	5,705.61	22.80	24.60	**5,753.01**
New commitments originated	1,962.34	-	-	**1,962.34**	4,541.48	-	-	**4,541.48**	5,022.98	1.14	-	**5,024.12**
Assets derecognised or repaid	(3,165.37)	(1.55)	(17.67)	**(3,184.59)**	(4,195.88)	(2.75)	(1.23)	**(4,199.86)**	(4,881.29)	(5.28)	(9.94)	**(4,896.51)**
Transfers from Stage 1	(0.87)	0.82	0.05	**-**	(23.43)	20.32	3.11	**-**	(83.32)	58.71	24.61	**-**
Transfers from Stage 2	51.56	(51.56)	-	**-**	1.17	(16.56)	15.39	**-**	0.21	(18.88)	18.67	**-**
Transfers from Stage 3	0.79	1.43	(2.22)	**-**	-	0.44	(0.44)	**-**	-	-	-	**-**
Gross carrying amount - closing balance	**4,612.64**	**7.63**	**38.10**	4,658.37	**6,028.95**	**24.25**	**41.43**	6,094.63	**5,764.19**	**58.49**	**57.94**	5,880.62

(Rs. in millions)

Loan commitments	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	3,764.28	8.77	16.30	**3,789.35**	1,916.23	23.67	9.40	**1,949.30**
New commitments originated	5,195.02	-	-	**5,195.02**	3,224.05	0.90	-	**3,224.95**
Assets derecognised or repaid	(3,213.34)	(12.04)	(5.98)	**(3,231.36)**	(1,377.34)	(6.05)	(1.51)	**(1,384.90)**
Transfers from Stage 1	(49.24)	33.07	16.17	**-**	(24.35)	13.05	11.30	**-**
Transfers from Stage 2	4.10	(7.00)	2.90	**-**	19.46	(22.80)	3.34	**-**
Transfers from Stage 3	4.79	-	(4.79)	**-**	6.23	-	(6.23)	**-**
Gross carrying amount - closing balance	**5,705.61**	**22.80**	**24.60**	5,753.01	**3,764.28**	**8.77**	**16.30**	3,789.35

(Rs. in millions)

Loan commitments	30 September, 2020				30 September, 2019				31 March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	9.11	-	-	**9.11**	14.51	-	-	**14.51**	14.51	-	-	**14.51**
New assets originated/ significant increase in credit risk	4.77	-	-	**4.77**	9.95	-	-	**9.95**	7.36	-	-	**7.36**
Assets derecognised or repaid	(4.85)	-	-	**(4.85)**	(9.57)	-	-	**(9.57)**	(12.76)	-	-	**(12.76)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**9.03**	**-**	**-**	9.03	**14.89**	**-**	**-**	14.89	**9.11**	**-**	**-**	9.11

(Rs. in millions)

Loan commitments	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	10.21	-	-	**10.21**	6.47	-	-	**6.47**
New assets originated/ significant increase in credit risk	13.30	-	-	**13.30**	8.79	-	-	**8.79**
Assets derecognised or repaid	(9.00)	-	-	**(9.00)**	(5.05)	-	-	**(5.05)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**14.51**	**-**	**-**	14.51	**10.21**	**-**	**-**	10.21

4.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes.

Definition of default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations in all cases, when the assets becomes more than 90 days past due on its contractual payments. The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss given default

The Company segments its lending products into smaller homogeneous portfolios (home loan, loan against property, commercial loan and construction finance), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, days past due, LTV) as well as borrower characteristics.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis

As explained above, the Company calculates ECLs on collective basis on following asset classes:
- Home loans
- Loan against property
- Commercial loan
- Construction finance

Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral include residential and commercial properties. The collateral presented relates to instruments that are measured at amortised cost.

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Properties (amount of collateral)	65,473.36	57,210.66	65,905.38	45,720.79	23,588.32

Assets possessed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Loan portfolio includes gross loans amounting to Rs. 14.59 millions (30 September 2019: Rs. 26.90 millions; 31 March 2020: 20.66 millions; 31 March 2019: Rs. 31.56 millions, 31 March 2018: Rs. 15.68 millions) against which the Company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against these loan is Rs. 15.17 millions (30 September 2019: Rs. 29.59 millions, 31 March 2020: 24.11 millions; 31 March 2019: Rs. 35.07 millions, 31 March 2018: Rs. 18.66 millions).

5 Investments

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
At fair value through profit and loss					
Unquoted: Mutual funds					
Sundaram money fund	112.27	486.25	-	99.80	-
Kotak liquid fund	201.43	341.75	115.04	336.39	-
SBI liquid fund	37.94	-	-	279.99	-
SBI overnight fund	-	-	50.00	-	-
INVESCO India liquid fund	30.09	120.03	100.04	41.54	-
IDFC cash fund	-	-	40.02	271.45	-
Nippon India mutual fund	159.48	-	100.04	-	-
Tata liquid fund	157.50	346.90	150.06	-	-
UTI liquid plan	154.77	92.80	100.04	-	-
Axis liquid fund	69.09	617.25	150.06	-	-
HSBC cash fund	12.47	483.58	50.02	-	-
L&T liquid fund	27.37	-	100.04	-	-
Mirae cash management fund	121.37	-	100.04	-	-
Baroda liquid fund	48.05	-	150.06	-	-
LIC liquid fund	191.14	-	150.06	-	-
ICICI prudential liquid fund	354.21	150.88	100.06	-	-
Aditya Birla Sunlife Liquid Fund	446.63	137.99	-	-	-
HDFC liquid fund	68.31	-	-	-	-
	2,192.12	**2,777.43**	**1,455.58**	**1,029.17**	**-**
Investment in India	2,192.12	2,777.43	1,455.58	1,029.17	-
Investment outside India	-	-	-	-	-
	2,192.12	**2,777.43**	**1,455.58**	**1,029.17**	**-**

5 Investments (cont…)

	Number of units				
	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unquoted: Mutual funds					
- Sundaram money fund	2,629,162	11,938,532	-	2,532,338	-
- Kotak liquid fund	49,197	87,449	28,655	88,890	-
- SBI liquid fund	11,964	-	-	95,607	-
- SBI overnight fund	-	-	15,367	-	-
- INVESCO India liquid fund	10,817	45,182	36,667	16,148	-
- IDFC cash fund	-	-	16,660	119,765	-
- Nippon India mutual fund	32,200	-	20,625	-	-
- Tata liquid fund	49,267	113,964	47,911	-	-
- UTI liquid plan	46,652	29,333	30,769	-	-
- Axis liquid fund	30,721	288,021	68,074	-	-
- HSBC cash fund	6,184	251,150	25,294	-	-
- L&T liquid fund	9,863	-	36,758	-	-
- Mirae cash management fund	56,816	-	47,758	-	-
- Baroda liquid fund	20,608	-	65,548	-	-
- LIC liquid fund	51,980	-	41,640	-	-
- ICICI prudential liquid fund	1,181,018	528,109	340,582	-	-
- Aditya Birla Sunlife Liquid Fund	1,368,639	443,950	-	-	-
- HDFC Liquid Fund	17,147	-	-	-	-
	5,572,235	**13,725,690**	**822,308**	**2,852,748**	**-**

6 Other financial assets

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Interest receivable strip*	662.02	394.66	488.15	229.92	34.96
Less: provision for expected credit loss	(7.83)	-	(2.29)	-	-
Security deposits	18.03	18.34	18.31	14.20	9.13
Salary advance to employees	12.97	11.92	11.93	8.36	3.39
Other deposits	0.19	0.19	0.29	0.10	0.10
Other receivables**	159.69	52.61	140.90	8.65	1.92
	845.07	**477.72**	**657.29**	**261.23**	**49.50**

* With respect to assignment deals, Company has created an interest receivable strip, with corresponding credit to statement of profit and loss for the year, which has been computed by discounting excess interest spread to present value.

**Other receivables as at 30 September 2020 includes Rs.156.37 millions (project darwin: Rs.153.03 millions and project hercules: Rs.3.34 millions) (30 September 2019: Rs. 17.93 millions, 31 March 2020: Rs. 102.69 millions) pertaining to expenses incurred towards securities offering, which shall be receivable from the selling shareholders once the project is successfully completed.

7 Current tax assets (net)

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Advance tax (net)*	15.80	53.19	18.26	10.25	4.66
	15.80	**53.19**	**18.26**	**10.25**	**4.66**

*Net of provision for tax nil (30 September 2019 Rs. 89.21 millions; 31 March 2020: Rs. 231.90 millions; 31 March 2019: Rs. 160.53 millions; 31 March 2018: Rs. 120.36 millions).

7.1 Current tax liabilities (net)

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for tax*	12.07	-	-	-	-
	12.07	-	-	-	-

*Net of advance tax Rs. 131.00 millions (30 September 2019: nil; 31 March 2020: nil, 31 March 2019: nil; 31 March 2018: nil)

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Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

8 Property, plant and equipment and other intangible assets

(Rs. in millions)

	Property, plant and equipment						Other intangible assets			
	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Right of use building	Total tangible assets	Computer software	Licenses	Scoring algorithm	Total other intangible assets
Gross carrying value										
As at 1 April 2017	**19.74**	**5.09**	**8.47**	**-**	**50.04**	**83.34**	**7.23**	**0.06**	**0.30**	**7.59**
Additions for 2017-18	18.52	2.27	10.11	-	25.51	56.41	2.81	-	-	2.81
Sale/ deletion for 2017-18	-	-	-	-	(2.43)	(2.43)	-	-	-	-
As at 31 March 2018	**38.26**	**7.36**	**18.58**	**-**	**73.12**	**137.32**	**10.04**	**0.06**	**0.30**	**10.40**
Additions for 2018-19	20.72	6.80	14.91	28.59	41.97	112.99	5.96	-	-	5.96
Sale/ deletion for 2018-19	-	-	-	-	(6.77)	(6.77)	-	-	-	-
As at 31 March 2019	**58.98**	**14.16**	**33.49**	**28.59**	**108.32**	**243.54**	**16.00**	**0.06**	**0.30**	**16.36**
Additions for half year September 2019	1.60	0.93	6.39	12.01	28.23	49.16	0.16	-	-	0.16
Sale/ deletion for half year September 2019	(0.12)	(0.03)	-	-	(5.44)	(5.59)	-	-	-	-
As at 30 September 2019	**60.46**	**15.06**	**39.88**	**40.60**	**131.11**	**287.11**	**16.16**	**0.06**	**0.30**	**16.52**
Additions for 2019-20	3.82	2.76	12.45	17.97	69.88	106.88	2.24	-	-	2.24
Sale/ deletion for 2019-20	(0.12)	(0.03)	-	-	(14.15)	(14.30)	-	-	-	-
As at 31 March 2020	**62.68**	**16.89**	**45.94**	**46.56**	**164.05**	**336.12**	**18.24**	**0.06**	**0.30**	**18.60**
Additions for half year September 2020	-	0.24	0.32	0.03	65.25	65.84	0.19	-	-	0.19
Sale/ deletion for half year September 2020	-	-	(0.15)	-	(115.87)	(116.02)	-	-	-	-
As at 30 September 2020	**62.68**	**17.13**	**46.11**	**46.59**	**113.43**	**285.94**	**18.43**	**0.06**	**0.30**	**18.79**
Accumulated depreciation/ amortisation										
As at 1 April 2017	2.75	1.85	4.77	-	9.70	19.07	4.97	0.06	0.30	5.33
Charge for the year 2017-18	3.15	1.16	3.13	-	15.62	23.06	1.57	-	-	1.57
Sale/ deletion for the year 2017-18	-	-	-	-	(2.43)	(2.43)	-	-	-	-
As at 31 March 2018	**5.90**	**3.01**	**7.90**	**-**	**22.89**	**39.70**	**6.54**	**0.06**	**0.30**	**6.90**
Charge for the year 2018-19	4.94	2.00	6.81	4.79	24.48	43.02	2.75	-	-	2.75
Sale/ deletion for the year 2018-19	-	-	-	-	(6.77)	(6.77)	-	-	-	-
As at 31 March 2019	**10.84**	**5.01**	**14.71**	**4.79**	**40.60**	**75.95**	**9.29**	**0.06**	**0.30**	**9.65**
Charge for half year September 2019	2.85	1.27	4.94	6.35	15.23	30.64	1.72	-	-	1.72
Sale/ deletion for half year September 2019	(0.03)	(0.03)	-	-	(5.37)	(5.43)	-	-	-	-
As at 30 September 2019	**13.66**	**6.25**	**19.65**	**11.14**	**50.46**	**101.16**	**11.01**	**0.06**	**0.30**	**11.37**
Charge for the year 2019-20	5.81	2.58	10.29	14.08	35.85	68.61	3.78	-	-	3.78
Sale/ deletion for the year 2019-20	(0.03)	(0.03)	-	-	(13.22)	(13.28)	-	-	-	-
As at 31 March 2020	**16.62**	**7.56**	**25.00**	**18.87**	**63.23**	**131.28**	**13.07**	**0.06**	**0.30**	**13.43**
Charge for half year September 2020	2.93	1.40	5.57	7.89	19.41	37.20	1.79	-	-	1.79
Sale/ deletion for half year September 2020	-	-	(0.12)	-	(51.97)	(52.09)	-	-	-	-
As at 30 September 2020	**19.55**	**8.96**	**30.45**	**26.76**	**30.67**	**116.39**	**14.86**	**0.06**	**0.30**	**15.22**

8 Property, plant and equipment and other intangible assets (Contd..)

(Rs. in millions)

	Property, plant and equipment						Other intangible assets			
	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Right of use building	Total tangible assets	Computer software	Licenses	Scoring algorithm	Total other intangible assets
Net carrying value										
As at 31 March 2018	**32.36**	**4.35**	**10.68**	**-**	**50.23**	**97.62**	**3.50**	**-**	**-**	**3.50**
As at 31 March 2019	**48.14**	**9.15**	**18.78**	**23.80**	**67.72**	**167.59**	**6.71**	**-**	**-**	**6.71**
As at 30 September 2019	**46.80**	**8.81**	**20.23**	**29.46**	**80.65**	**185.95**	**5.15**	**-**	**-**	**5.15**
As at 31 March 2020	**46.06**	**9.33**	**20.94**	**27.69**	**100.82**	**204.84**	**5.17**	**-**	**-**	**5.17**
As at 30 September 2020	**43.13**	**8.17**	**15.66**	**19.83**	**82.76**	**169.55**	**3.57**	**-**	**-**	**3.57**

Note: On conversion to Ind AS, the Company has elected to continue with all its property, plant and equipment and other intangible assets recognised as at 1 April 2018 measured as per the previous Indian GAAP and use the carrying value as the deemed cost of the property, plant and equipment and other intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date 1 April 2018, while preparing the restated schedule for the year ended 31 March 2018.

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9 Other non-financial assets

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Prepayments	41.26	25.75	44.57	45.30	24.87
Advance to creditors	2.44	6.97	38.73	2.59	3.44
Capital advances	10.00	4.66	5.12	2.02	2.00
Balance with government authorities	11.91	5.24	6.86	3.48	-
	65.61	**42.62**	**95.28**	**53.39**	**30.31**

10 Trade payables

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.06	1.71	4.32	13.58	5.37
	0.06	**1.71**	**4.32**	**13.58**	**5.37**

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the period/year end has been made in the financial statements based on information received and available with the Company and has been relied upon by the statutory auditors.

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Principal amount remaining unpaid	-*	-	-	-	-
<u>Interest due thereon</u>					
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period / year	-	-	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-	-
Amount of interest accrued and remaining unpaid at the end of the period / year	-	-	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-	-	-

* Total outstanding dues of micro enterprises and small enterprises as at 30 September 2020 is Rs 1,080 , which is below the rounding off norm adopted by the Company.

11 Debt securities

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
<u>At amortised cost</u>					
Debentures (Secured)	2,394.58	-	-	-	-
	2,394.58	**-**	**-**	**-**	**-**
Debt securities in India	2,394.58	-	-		
Debt securities outside India	-	-	-		
	2,394.58	**-**	**-**	**-**	**-**

Details of redeemable non convertible debentures

(Rs. in millions)

	Redemption date	Rate of interest (p.a.)	Maturity	As at 30 September 2020
				Secured
Series 1	9 June 2023	9.50%	1 - 5 years	450.00
Series 2	16 June 2023	9.50%		250.00
Series 4	21 January 2022	8.50%		500.00
Series 3	23 December 2021	8.50%		1,200.00
Total debt securities				**2,400.00**
Adjustment of unamortised processing fee (EIR)				(5.42)
Total adjusted debt securities				**2,394.58**

The Company had issued 2,400 debentures at a face value of Rs. 1.00 million which are listed on wholesale debt segment of Bombay Stock Exchange; and secured against the first pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation on Company's present and future receivables and book debts, cash and cash equivalents and liquid investments, as may be identified by the Company.

12 Borrowings (other than debt securities)

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Secured					
<u>At amortised cost</u>					
Term loans					
- from banks	16,521.98	17,022.78	17,692.89	13,388.73	7,743.75
- from National Housing Bank (NHB)	6,934.53	5,468.81	6,543.66	5,867.63	2,455.01
- from other parties	514.65	364.67	601.42	-	-
- working capital loan	-	100.00	100.00	-	-
Loans repayable on demand - from banks	0.04	0.05	0.08	0.05	-
	23,971.20	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**
Borrowings in India	23,971.20	22,956.31	24,938.05	19,256.41	10,198.76
Borrowings outside India	-	-	-	-	-
	23,971.20	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**

12 **Borrowings (other than debt securities) (cont….)**

Notes:

(i) All borrowings are secured against the loan assets of the Company.

(ii) The repayment of the borrowing is done in monthly, quarterly, half - yearly and annual instalment as per the sanctioned terms.

(iii) The Company has not made any default in repayment of instalments due over the reporting period.

(iv) Bank guarantees of Rs 90.00 millions and Rs 10.00 millions for term loans from NHB is provided by Axis Bank and Central Bank of India respectively (30 September 2019: Rs. 10 millions, 31 March 2020: Rs.10 millions, 31 March 2019: Rs. 10 millions, 31 March 2018: Rs. 10.00 millions by Central bank of India; and 30 September 2019: Nil, 31 March 2020: Rs. 90 millions, 31 March 2019: Nil, 31 March 2018: Nil by Axis Bank) on behalf of Company to NHB. Total outstanding balance as at 30 September 2020 for such loans is Rs. 905.85 millions (30 September 2019: Rs. 33.04 millions, 31 March 2020: Rs. 1,518.30 millions, 31 March 2019: Rs. 33.89 millions, 1 April 2018: Rs. 37.28 millions).

Terms of repayment of term loans (Rs. in millions)

Rate of interest (p.a.)	Maturity	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
		Secured	Secured	Secured	Secured	Secured
4%-5%	1 - 5 years	1,458.39	1,577.86	1,472.84	1,498.97	565.84
5%-6%		361.00	-	-	-	-
6%-7%		617.43	273.62	252.98	259.94	259.94
7%-8%		3,820.48	103.34	1,092.44	98.17	98.17
8%-9%		11,908.95	7,774.98	13,305.88	5,698.24	6,193.81
9%-10%		3,945.75	9,790.99	6,537.99	7,564.04	1,795.58
10%-11%		424.39	1,134.50	519.43	1,203.55	-
4%-5%	5 -7 years	191.56	319.16	219.12	483.31	238.22
6%-7%		102.05	96.59	39.68	109.42	109.45
7%-8%		459.13	25.82	348.61	30.96	41.22
8%-9%		400.80	468.23	783.28	297.36	307.75
9%-10%		0.49	613.28	23.02	824.64	6.78
10%-11%		-	208.00	-	208.00	-
4%-5%	7-10 years	12.02	107.11	48.89	160.95	267.62
6%-7%		-	9.09	-	33.92	88.62
7%-8%		155.60	5.90	242.40	19.40	29.80
8%-9%		155.20	77.50	106.00	-	-
9%-10%		-	265.50	-	535.13	202.28
10%-11%		-	161.90	-	272.00	10.19
9%-10%	More than 10 years	-	-	-	0.82	4.21
Total borrowings (excluding loans repayable on demand)		**24,013.24**	**23,013.37**	**24,992.56**	**19,298.82**	**10,219.48**
Adjustment of unamortised processing fee (EIR)		(42.08)	(57.11)	(54.59)	(42.46)	(20.72)
Total adjusted borrowings (excluding loans repayable on demand)		**23,971.16**	**22,956.26**	**24,937.97**	**19,256.36**	**10,198.76**

13 **Other financial liabilities**

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on borrowings	189.85	171.36	80.80	43.43	22.67
Interest accrued but not due on debt securities	55.58	-	-	-	-
Lease liability (refer note 36)	93.06	90.07	109.47	75.89	55.74
Payable to Central Bank of India (CBoI) on account of direct assignment	275.64	57.76	84.04	62.02	15.90
Payable to NHB against credit linked subsidy scheme (CLSS)*	36.62	6.44	7.52	1.24	3.28
Employee benefits payable	32.77	21.88	42.55	34.41	20.67
Bank book credit balance	46.50	101.60	-	-	-
Other financial liabilities	24.68	41.59	29.38	31.24	18.48
	754.70	**490.70**	**353.76**	**248.23**	**136.74**

*Payable to NHB against credit linked subsidy scheme (CLSS) includes Rs. 35.29 millions (30 September 2019: Nil, 31 March 2020: Nil, 31 March 2019: Nil, 31 March 2018: Nil) pertaining to CLSS Subsidy received, pending credit in customer accounts. These subsidies shall be credited to customer accounts when all overdues are cleared by respective customers.

14 **Provisions**

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits - Gratuity (refer note 33.6)	16.44	13.15	13.13	8.58	5.63
Provision for corporate social responsibility (refer note 37)	6.82	3.70	-	-	-
Provision for employee benefits - compensated absences (refer note 33 (C))	3.29	-	1.34	-	-
Provision for expected credit loss on undisbursed loan commitment (refer note 4.1 (b))	9.03	14.89	9.11	14.51	10.21
Provision for expenses	37.67	15.43	42.81	6.53	2.90
	73.25	**47.17**	**66.39**	**29.62**	**18.74**

15 **Other non-financial liabilities**

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Deferred income	51.07	32.03	57.89	30.41	28.92
Statutory dues	13.88	34.23	14.20	10.40	8.74
Others	9.60	0.75	2.07	-	-
	74.55	**67.01**	**74.16**	**40.81**	**37.66**

16 Share capital

Details of authorised, issued, subscribed and paid up share capital

	As at 30 September 2020		As at 30 September 2019	
	No. of shares	Amount (Rs. in millions)	No. of shares	Amount (Rs. in millions)
Authorised share capital				
Equity shares of Rs 2 each (30 September 2019: equity shares of Rs 10 each)	125,000,000	250.00	25,000,000	250.00
	125,000,000	**250.00**	**25,000,000**	**250.00**
Issued, subscribed and paid up				
Equity shares of Rs 2 each (30 September 2019: equity shares of Rs 10 each)	78,392,895	156.79	15,659,543	156.60
	78,392,895	**156.79**	**15,659,543**	**156.60**

Details of authorised, issued, subscribed and paid up share capital (cont…)

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (Rs. in millions)	No. of shares	Amount (Rs. in millions)
Authorised share capital				
Equity shares of Rs 2 each (31 March 2019: equity shares of Rs 10 each)	125,000,000	250.00	15,000,000	150.00
1% Series A Compulsorily convertible preference shares of Rs. 10 each*	-	-	-	-
1% Series B Compulsorily convertible preference shares of Rs. 10 each*	-	-	-	-
	125,000,000	**250.00**	**15,000,000**	**150.00**
Issued, subscribed and paid up				
Equity shares of Rs 2 each (31 March 2019: equity shares of Rs 10 each)	78,297,715	156.60	12,667,898	126.68
	78,297,715	**156.60**	**12,667,898**	**126.68**

Details of authorised, issued, subscribed and paid up share capital (cont…)

	As at 31 March 2018	
	No. of shares	Amount (Rs. in millions)
Authorised share capital		
Equity shares of Rs 10 each	10,991,185	109.91
1% Series A Compulsorily convertible preference shares of Rs. 10 each*	1,600,004	16.00
1% Series B Compulsorily convertible preference shares of Rs. 10 each*	2,408,811	24.09
	15,000,000	**150.00**
Issued, subscribed and paid up		
Equity shares of Rs 10 each	10,323,331	103.23
1% Series A Compulsorily convertible preference shares of Rs 10 each	-	-
1% Series B Compulsorily convertible preference shares of Rs 10 each	-	-
	10,323,331	**103.23**

*The Company has reclassified 1,600,004 authorised unissued 1% Series A compulsorily convertible preference shares and 2,408,811 authorised unissued 1% Series B compulsorily convertible preference shares into equity shares of Rs. 10 each on 7 July 2018.

The Company has altered the capital clause of Memorandum of Association during the period for which resolution was passed in general meeting on 12 July 2019 due to which the authorised capital of the Company is increased from 1,50,00,000 equity shares of Rs.10 each to 2,50,00,000 equity shares of Rs.10 each. (post sub division 12,500,000 shares, refer note iii-a).

i. The reconciliation of the number of shares outstanding and the amount of share capital as at 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019, and 31 March 2018 is set out below

Equity shares	As at 30 September 2020		As at 30 September 2019	
	No. of shares	Amount (Rs. in millions)	No. of shares	Amount (Rs. in millions)
Shares outstanding at the beginning of the period	78,297,715	156.60	12,667,898	126.68
Add: Shares issued during the period	95,180	0.19	2,991,645	29.92
Shares outstanding at the end of the period	**78,392,895**	**156.79**	**15,659,543**	**156.60**

Equity shares	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (Rs. in millions)	No. of shares	Amount (Rs. in millions)
Shares outstanding at the beginning of the year	12,667,898	126.68	10,323,331	103.23
Add: Shares issued during the year (prior to subdivision) (also refer note 27.2)	2,991,645	29.92	2,344,567	23.45
Add: Increase in shares on account of subdivision (refer note iii-a)	62,638,172	-	-	-
Shares outstanding at the end of the year	**78,297,715**	**156.60**	**12,667,898**	**126.68**

Equity shares	As at 31 March 2018 No. of shares	Amount (Rs. in millions)
Shares outstanding at the beginning of the year	10,320,531	103.21
Add: Shares issued during the year	2,800	0.02
Shares outstanding at the end of the year	**10,323,331**	**103.23**

ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 30 September 2020		As at 30 September 2019	
	No. of shares	% of holding	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	36,088,770	46.04%	7,177,694	45.84%
Aether (Mauritius) Limited	23,998,045	30.61%	4,785,129	30.56%
Bessemer India Capital Holdings II Limited	12,744,235	16.26%	2,548,847	16.28%
Mr. P S Jayakumar*	-	-	807,555	5.16%

Equity shares	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	35,997,070	45.97%	5,836,059	46.07%
Aether (Mauritius) Limited	23,998,045	30.65%	3,890,706	30.71%
Bessemer India Capital Holdings II Limited	12,744,235	16.28%	2,072,424	16.36%
Mr. P S Jayakumar*	-	-	656,609	5.18%

* Shareholding of Mr. P S Jayakumar has reduced to less than 5% as at 30 September 2020 and 31 March 2020, accordingly it has not been disclosed in the table above.

Equity shares	As at 31 March 2018	
	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	4,428,839	42.90%
Aether (Mauritius) Limited	2,952,559	28.60%
Bessemer India Capital Holdings II Limited	2,072,424	20.08%
Mr. P S Jayakumar	656,609	6.36%

iii. Terms, rights, preferences and restrictions attached to shares

Equity shares:

a) The shareholders, vide a special resolution, have approved sub-division of equity shares of the Company in the ratio of five equity shares of Rs. 2 each against one equity share of Rs. 10 each respectively. Accordingly, 15,659,543 shares of Rs 10 each were sub divided to 78,297,715 shares of Rs 2 each. The requisite approvals for modification of the memorandum and article of association of the Company had been accorded by the shareholders on 30 October 2019 in extraordinary general meeting (EGM).

b) The Company has only one class of equity share having face value of Rs. 2 per share (before sub division Rs 10 per share). Each holder of equity share is entitled to one vote per share. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

Preference shares:

a) Right to dividend: Each '1% Series A Compulsorily convertible preference shares' and '1% Series B Compulsorily convertible preference shares' shall be entitled to annual dividend on each share at the rate of 1% and will be payable when declared by the Board of Directors, prior and in preference to the dividend on the equity shares. The dividends shall not be cumulative in nature. Notwithstanding anything provided above, each Series A and Series B preference shares shall also participate equally with equity shares of the Company, on and as converted basis for all other dividends and declarations made by the Company.

b) Right in case of liquidation: In case of any liquidation event, winding up or dissolution of the Company, merger, or any Company sale, each of the holders of Series A and Series B preference shares shall be entitled to first receive the aggregate of (i) their respective investments in preference shares as on that date; and (ii) an amount being the pro rata share of each holder of the preference shares in the net assets of the Company resulting from the liquidation event based on the then existing shareholding in the Company on a fully diluted basis, prior to any payments being made to any equity shareholders or to any holders of any securities irrespective as to whether other shares are convertible, redeemable or exchangeable as on that date.

c) Conversion ratio: Each '1% Series A Compulsorily convertible preference shares' and '1% Series B Compulsorily convertible preference shares' is converted into 1 equity share of the Company (subject to anti-dilution rights and appropriate adjustment in the event of any stock dividend, stock split, combination, anti-dilution or any other similar recapitalisation).

iv. Issue of bonus shares or buy back of shares

The Company has not issued/ allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 30 September 2020.

v. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company and shares exercised under ESOP, refer note 34.

vi. On 1 October 2020, Orange Clove Investments B.V (an affiliate of Warburg Pincus) entered into an agreement with the existing shareholders and the Company for investment through a combination of secondary sales by existing shareholders and primary fund raise - total comprising 25.64% of shareholding (on post issuance basis). The primary fund raise amounted to Rs. 750 millions. Further, pursuant to the share subscription and purchase agreement (SSPA) and subject to receipt of RBI approval, Orange Clove has agreed to purchase equity shares from Existing Shareholders, aggregating to 5.04% of the paid up share capital of the Company (on a post-issuance basis).

Post acquisition shareholding pattern is listed below:

	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	28,275,370	34.44%
Aether (Mauritius) Limited	18,802,348	22.90%
Bessemer India Capital Holdings II Limited	9,471,942	11.54%
Orange Clove Investments B.V.	21,051,358	25.64%
Others	4,508,091	5.48%

17 Other equity

(Rs. in millions)

	Notes	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Securities premium	17.2	7,557.17	7,550.22	7,550.22	4,294.57	2,803.28
Statutory reserve	17.3	447.50	254.19	341.54	179.19	94.19
Retained earnings	17.4	1,609.69	848.70	1,187.16	558.62	190.70
Stock option outstanding account	17.5	110.75	83.32	100.84	72.34	60.75
		9,725.11	**8,736.43**	**9,179.76**	**5,104.72**	**3,148.92**

(Rs. in millions)

17.1 Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Securities premium					
Opening balance	7,550.22	4,294.57	4,294.57	2,803.28	2,802.46
Add: Premium received on allotment of shares	5.36	3,254.28	3,254.28	1,500.33	0.64
Add: Transferred from employee stock option reserve pursuant to stock options exercised	1.59	4.73	4.73	6.46	0.18
Less: Share issue expenses adjusted in accordance with Section 52 of Companies Act, 2013	-	(3.36)	(3.36)	(15.50)	-
	7,557.17	**7,550.22**	**7,550.22**	**4,294.57**	**2,803.28**
Statutory reserve					
Opening balance	341.54	179.19	179.19	94.19	42.19
Add: Current period / year transfer	105.96	75.00	162.35	85.00	52.00
	447.50	**254.19**	**341.54**	**179.19**	**94.19**
Retained earnings					
Opening balance	1,187.16	558.62	558.62	190.70	82.20
Add: Transferred from statement of profit and loss	527.99	365.08	790.89	451.07	160.12
Less: Transfer to statutory reserve	(105.96)	(75.00)	(162.35)	(85.00)	(52.00)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	0.50	-	-	1.85	0.38
	1,609.69	**848.70**	**1,187.16**	**558.62**	**190.70**
Stock option outstanding account					
Opening balance	100.84	72.34	72.34	60.75	33.52
Add: Charge for the period / year	12.00	15.71	33.23	19.90	27.79
Less: Transferred to retained earnings pursuant to stock options lapsed	(0.50)	-	-	(1.85)	(0.38)
Less: Transferred to securities premium pursuant to stock options exercised	(1.59)	(4.73)	(4.73)	(6.46)	(0.18)
	110.75	**83.32**	**100.84**	**72.34**	**60.75**
	9,725.11	**8,736.43**	**9,179.76**	**5,104.72**	**3,148.92**

17.2 Securities premium account

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, share issue related expenses like underwriting costs etc. in accordance with Sec 52 of the Companies Act 2013.

17.3 Statutory reserve

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the half year ended 30 September 2020, 30 September 2019 and year ended 31 March 2020, 31 March 2019 and 31 March 2018 the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

17.4 Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

17.5 Stock option outstanding account

The stock option outstanding account is used to recognise grant date fair value of options issue to employees under the Company's stock option schemes.

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18 Interest income

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
On financial assets measured at amortised cost					
Interest on term loans	1,981.76	1,548.37	3,424.98	2,289.15	1,274.47
Interest on bank deposits	51.23	34.57	70.17	21.64	12.28
Other interest income	41.39	20.88	52.18	8.46	12.83
	2,074.38	**1,603.82**	**3,547.33**	**2,319.25**	**1,299.58**

19 Other operating income

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Processing fees on credit linked subsidy scheme (CLSS)	8.96	7.30	10.37	25.99	4.00
Gain on modification of financial asset	14.23	0.67	8.46	-	-
Miscellaneous income	4.10	4.93	10.62	5.38	2.89
	27.29	**12.90**	**29.45**	**31.37**	**6.89**

20 Other income

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Display income	-	35.00	87.50	72.91	16.70
Net gain on foreign currency transactions and translations	-	0.04	-	-	-
Dividend income on mutual fund	-	-	-	7.69	4.75
Net gain on financial instruments (investment in mutual funds)	60.27	63.09	121.69	29.22	-
Other non operating income	0.17	0.67	0.98	0.63	-
	60.44	**98.80**	**210.17**	**110.45**	**21.45**

20.1 Total net gain on fair value changes on financial instruments at fair value through profit or loss

Fair value changes:					
-Realised	51.11	59.34	121.11	27.20	-
-Unrealised - MTM gain	9.16	3.75	0.58	2.02	-
Total net gain on fair value changes	**60.27**	**63.09**	**121.69**	**29.22**	**-**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

21 Finance cost

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
On financial liabilities measured at amortised cost					
Interest on borrowings	1,043.52	904.07	1,912.23	1,241.32	642.45
Interest on debt securities	56.27	-	-	7.51	4.66
Interest on lease liability (refer note 36)	4.42	3.99	9.41	7.12	4.98
Bank charges and others	8.69	10.31	16.64	9.49	7.55
	1,112.90	**918.37**	**1,938.28**	**1,265.44**	**659.64**

22 Impairment on financial instruments (measured at amortised cost)

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Impairment loss allowance on loans	131.40	30.57	142.36	67.23	24.63
Write offs on loans	27.15	8.89	20.37	5.90	4.11
Impairment loss allowance on other financial instruments	5.54	-	2.29	-	-
	164.09	**39.46**	**165.02**	**73.13**	**28.74**

23 Employee benefits expense

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	263.41	259.51	517.13	375.76	204.09
Contribution to provident fund (refer note 33 B)	10.57	10.94	21.53	15.42	8.02
Gratuity (refer note 33.4)	1.82	1.53	3.05	2.17	1.85
Compensated absences expenses (refer note 33 C)	1.95	-	1.34	-	-
Expenses on employee stock options scheme (refer note 34)	12.00	15.71	33.23	19.90	27.79
Staff welfare expenses	8.26	14.06	34.81	18.52	9.05
	298.01	**301.75**	**611.09**	**431.77**	**250.80**

24 Others expenses

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	1.55	2.81	5.07	3.14	1.70
Rent (refer note 36)	0.89	0.05	0.23	0.35	0.22
Repairs and maintenance	0.61	0.56	1.21	1.93	0.64
Telephone and communication expense	1.40	1.36	3.26	1.92	1.51
Office administrative expenses	2.69	5.21	11.16	10.65	9.36
Marketing and sales promotion expense	3.23	3.78	13.81	11.79	4.47
Net loss on foreign currency transaction and translation (other than considered as finance cost)	0.17	-	0.35	0.43	0.10
Auditor's remuneration (excluding GST)					
- Statutory audit and certification fees	3.40	2.00	3.80	3.65	2.12
- Tax audit fees	0.20	-	0.20	0.20	0.18
Legal and professional charges (refer note 27.2)	30.46	34.26	95.83	62.42	38.06
Travelling expense	6.30	23.23	48.04	39.63	18.38
Software license fees	24.28	22.56	46.25	31.52	17.57
Technology fees (refer note 27.2)	11.49	14.30	29.59	18.24	11.05
Rates and taxes	10.89	14.94	33.45	24.19	13.34
Loss on modification of financial asset	-	-	-	2.75	4.23
Corporate social responsibility (refer note 37)	6.82	3.70	7.45	4.10	1.85
Miscellaneous expenses	9.98	14.18	37.26	24.24	11.08
	114.36	**142.94**	**336.96**	**241.15**	**135.86**

25 Tax expense

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expense					
Current tax for the period / year	143.07	89.21	231.90	160.53	120.36
	143.07	**89.21**	**231.90**	**160.53**	**120.36**
Deferred taxes (net)					
Change in deferred tax assets	(27.94)	(2.44)	(50.19)	(42.22)	(58.65)
Change in deferred tax liabilities	65.03	48.67	98.63	81.60	21.03
Net deferred tax expense	**37.09**	**46.23**	**48.44**	**39.38**	**(37.62)**
Excess provision for tax of earlier years written back	(6.11)	-	-	-	-
Total income tax expense	**174.05**	**135.44**	**280.34**	**199.91**	**82.74**

25.1 Tax reconciliation

(Rs. in millions)

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax expense	703.58	502.85	1,072.83	651.95	242.70
Income tax rate	25.17%	25.17%	25.17%	29.12%	34.61%
Tax at statutory income tax rate	177.08	126.56	270.01	189.85	83.99
Tax effect of amounts which are not deductible / not taxable in calculating taxable income					
Items disallowed	(23.92)	10.06	(12.08)	(2.37)	(1.62)
Exempt income	-	-	-	(2.24)	(1.64)
Provision for special reserve [Sec 36 (1) (viii) and Sec 36 (1) (viia) of Income tax Act, 1962]	(4.77)	(9.17)	(6.05)	(5.17)	-
Employee stock option plan (ESOP) expense	(2.53)	0.10	(4.23)	-	-
Impact on account of financial assets and other items	33.79	7.10	33.71	19.44	2.10
Tax on other comprehensive income	0.51	0.79	0.54	0.40	(0.09)
Deduction under section 80G	-	-	(1.56)	-	-
Excess provision for tax written back	(6.11)	-	-	-	-
Income tax expense	**174.05**	**135.44**	**280.34**	**199.91**	**82.74**

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25.2 Deferred tax movement related to the following:

(Rs. in millions)

Deferred tax asset / (liability) (net)	As at 30 September 2020	Recognised in restated statement of profit and loss	Recognised in OCI	As at 31 March 2020	Recognised in restated statement of profit and loss	Recognised in OCI	As at 31 March 2019
Deferred tax asset on account of:							
Provision for employee benefits	4.96	(0.81)	(0.51)	3.64	(0.60)	(0.54)	2.50
Expected credit loss	104.29	(34.11)	-	70.18	(31.10)	-	39.08
Corporate social responsibility (CSR)	1.73	(1.73)	-	-	-	-	-
Unamortised processing fee	108.65	4.18	-	112.83	(16.55)	-	96.28
Lease liability	24.06	4.03	-	28.09	(5.99)	-	22.10
Employee stock option plan (ESOP)	16.52	0.50	-	17.02	4.05	-	21.07
	260.21	**(27.94)**	**(0.51)**	**231.76**	**(50.19)**	**(0.54)**	**181.03**
Deferred tax liability on account of:							
Difference between tax depreciation and depreciation charged for the financial reporting	15.73	(6.80)	-	22.53	2.48	-	20.05
Special reserve u/s Sec 36 (1) (viii)	112.63	26.67	-	85.96	33.78	-	52.18
Unamortised borrowing cost	16.86	3.12	-	13.74	(0.41)	-	14.15
Interest income on non performing assets	7.39	(0.10)	-	7.49	3.77	-	3.72
Deduction claimed for provision for bad debts u/s 36(1)(viia)	7.16	-	-	7.16	7.16	-	-
Fair valuation of investment in mutual funds	2.31	2.16	-	0.15	(0.44)	-	0.59
Gain on direct assignment of loans	157.78	39.98	-	117.80	52.29	-	65.51
	319.86	**65.03**	**-**	**254.83**	**98.63**	**-**	**156.20**
Deferred tax charge / (credit) for the period / year	**(59.65)**	**37.09**	**(0.51)**	**(23.07)**	**48.44**	**(0.54)**	**24.83**

(Rs. in millions)

Deferred tax asset / (liability) (net)	As at 30 September 2019	Recognised in restated statement of profit and loss	Recognised in OCI	As at 31 March 2019	Recognised in restated statement of profit and loss	Recognised in OCI	As at 31 March 2018
Deferred tax asset on account of:							
Provision for employee benefits	3.31	(0.02)	(0.79)	2.50	(0.15)	(0.40)	1.95
Expected credit loss	41.47	(2.39)	-	39.08	(16.59)	-	22.49
Corporate social responsibility (CSR)	0.93	(0.93)	-	-	-	-	-
Unamortised processing fee	98.86	(2.58)	-	96.28	(22.63)	-	73.65
Lease liability	22.67	(0.57)	-	22.10	(2.81)	-	19.29
Employee stock option plan (ESOP)	17.02	4.05	-	21.07	(0.04)	-	21.03
	184.26	**(2.44)**	**(0.79)**	**181.03**	**(42.22)**	**(0.40)**	**138.41**
Deferred tax liability on account of:							
Difference between tax depreciation and depreciation charged for the financial reporting	21.67	1.62	-	20.05	1.90	-	18.15
Special reserve	63.97	11.79	-	52.18	19.58	-	32.60
Unamortised borrowing cost	15.00	0.85	-	14.15	4.27	-	9.88
Interest income on non performing assets	5.64	1.92	-	3.72	1.36	-	2.36
Deduction claimed for provision for bad debts u/s 36(1)(viia)	2.46	2.46	-	-	-	-	-
Fair valuation of investment in mutual funds	0.94	0.35	-	0.59	0.59	-	-
Gain on direct assignment of loans	95.19	29.68	-	65.51	53.90	-	11.61
	204.87	**48.67**	**-**	**156.20**	**81.60**	**-**	**74.60**
Deferred tax charge / (credit) for the period / year	**(20.61)**	**46.23**	**(0.79)**	**24.83**	**39.38**	**(0.40)**	**63.81**

(Rs. in millions)

Deferred tax asset / (liability) (net)	As at 31 March 2018	Recognised in restated statement of profit and loss	Recognised in OCI	As at 1 April 2017
Deferred tax asset on account of:				
Provision for employee benefits	1.95	(0.60)	0.09	1.44
Expected credit loss	22.49	(7.84)	-	14.65
Unamortised processing fee	73.65	(36.55)	-	37.10
Lease liability	19.29	(4.23)	-	15.06
Employee stock option plan (ESOP)	21.03	(9.43)	-	11.60
	138.41	**(58.65)**	**0.09**	**79.85**
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	18.15	3.45	-	14.70
Special reserve	32.60	18.00	-	14.60
Unamortised borrowing cost	9.88	3.68	-	6.20
Interest income on non performing assets	2.36	0.96	-	1.40
Gain on direct assignment of loans	11.61	(5.06)	-	16.67
	74.60	**21.03**	**-**	**53.57**
Deferred tax charge / (credit) for the year	**63.81**	**(37.62)**	**0.09**	**26.28**

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26 Earnings per share (EPS)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Net profit after tax attributable to equity holders (Rs. in millions)	529.53	367.41	792.49	452.04	159.96
Weighted average number of equity shares for calculating basic EPS (Face value Rs. 10)	NA	13,774,046	NA	11,556,025	10,320,796
Adjustment for sub division (refer note below)	NA	55,096,184	NA	46,224,100	41,283,184
Weighted average number of equity shares for calculating basic EPS after sub division (Face value Rs. 2)	78,302,953	68,870,230	73,583,973	57,780,125	51,603,980
Diluted effect of outstanding stock options (Face value Rs. 10)	NA	321,553	NA	256,570	268,435
Diluted effect of outstanding stock options (Face value Rs. 2)	2,053,605	NA	1,669,028	NA	NA
Adjustment for sub division (refer note below)	NA	1,286,213	NA	1,026,280	1,073,740
Weighted average number of equity shares for calculating diluted EPS after sub division (Face value Rs. 2)	80,356,558	70,477,996	75,253,001	59,062,975	52,946,155
Earnings per share					
Basic earning per share (Rs.) (Face Value - Rs. 2)	6.76	5.33	10.77	7.82	3.10
Diluted earning per share (Rs.) (Face Value - Rs. 2)	6.59	5.21	10.53	7.65	3.02
Face value per share (Rs.)	2.00	10.00	2.00	10.00	10.00

Notes: (1) The shareholders vide a special resolution have approved sub-division of equity shares of the Company in the ratio of five shares of face value of Rs. 2 each for each existing equity share of the face value of Rs. 10 each. The requisite approvals for modification of the memorandum and article of association of the Company had been accorded by the shareholders on 30 October 2019 in extraordinary general meeting (EGM).
(2) Basic EPS and diluted EPS for half year ended 30 September 2020 and 30 September 2019 represents a six months EPS / diluted EPS.

27 Related party disclosures

Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosure" are given below.

27.1 List of related parties

Nature of relationship	Name of related party
Entity having significant influence	True North Fund V LLP (Formerly known as India Value Fund V LLP with effect from 10 April 2017)
Entity having significant influence	Aether (Mauritius) Limited
Entity having significant influence	True North Managers LLP
Key Management Personnel (KMP)	Mr. Manoj Viswanathan - Managing Director and Chief Executive Officer
Key Management Personnel (KMP)	Ms. Nutan Gaba Patwari - Chief Financial Officer (with effect from 4 March 2019)
Key Management Personnel (KMP)	Ms. Kiran Agarwal Todi - Chief Financial Officer (upto 30 November 2018)
Key Management Personnel (KMP)	Mr. Shreyans Bachhawat - Company Secretary (with effect from 7 September 2017)
Key Management Personnel (KMP)	Ms. Trupti Bolke - Company Secretary (upto 18 April 2017)
Key Management Personnel (KMP)	Mr. Sakti Prasad Ghosh - Independent Director
Key Management Personnel (KMP)	Ms Sujatha Venkatramanan - Independent Director
Key Management Personnel (KMP)	Mr. Deepak Satwalekar - Independent Director (with effect from 23 October 2019)
Key Management Personnel (KMP)	Mr. Rajagopalan Santhanam - Nominee Director
Key Management Personnel (KMP)	Mr. Divya Sehgal - Nominee Director
Key Management Personnel (KMP)	Mr. Maninder Singh Juneja - Nominee Director
Key Management Personnel (KMP)	Mr. Vishal Vijay Gupta - Nominee Director (with effect from 28 February 2018)
Entity under common control	Actify Data Labs Private limited (with effect from 1 January 2018)

27.2 Transactions during the period / year with related parties :

(Rs. in millions)

Transactions with	Nature of transactions	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Mr. Manoj Viswanathan	Remuneration	9.61	7.58	12.10	9.40	8.16
Ms. Nutan Gaba Patwari	Remuneration	7.91	4.85	8.75	1.99	-
Ms. Kiran Agarwal Todi	Remuneration	-	-	-	9.80	6.39
Mr. Shreyans Bachhawat	Remuneration	1.04	1.05	2.09	1.79	0.89
Ms. Kiran Agarwal Todi	Exercise of ESOP	-	-	-	20.03	0.19
Mr. Sakti Prasad Ghosh	Exercise of ESOP	-	6.29	6.29	-	-
Ms Sujatha Venkatramanan	Exercise of ESOP	-	5.70	5.70	-	-
Mr. Sakti Prasad Ghosh	Sitting fees paid	0.70	0.40	1.20	1.10	0.90
Ms. Sujatha Venkatramanan	Sitting fees paid	0.70	0.30	1.10	0.70	0.45
Mr. Deepak Satwalekar	Sitting fees paid	0.30	-	0.30	-	-
True North Fund V LLP	Equity infusion	-	1,497.26	1,497.26	900.00	-
Aether (Mauritius) Limited	Equity infusion	-	998.18	998.18	600.00	-
Mr. Manoj Viswanathan	Equity infusion	-	5.00	5.00	-	-
Ms. Nutan Gaba Patwari	Equity infusion	-	15.00	15.00	-	-
True North Managers LLP	Reimbursement of expenses	4.31	0.25	5.82	5.78	-
Non executive directors (including independent directors)	Provision for commission	1.25	-	5.50	-	-
Actify Data Labs Private Limited	Technology fees	3.44	2.60	3.66	1.00	-
Actify Data Labs Private Limited	Legal and professional fees	-	0.53	3.81	1.50	-

Note: 'The KMPs are covered under the Company's gratuity policy, compensated absence provision and ESOP scheme along with other eligible employees of the Company. Proportionate amount of gratuity expenses, provision for compensated absences and ESOP expenses are not included in the aforementioned disclosures as it cannot be separately ascertained.

27.3 Amount due to / from related parties:

(Rs. in millions)

Particulars	Nature	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Mr. Manoj Viswanathan	Payable	-	0.25	-	0.25	0.43
Ms. Kiran Agarwal Todi	Payable	-	-	-	0.09	0.08
Ms. Nutan Gaba Patwari	Payable	-	-	-	0.11	-
Mr. Sakti Prasad Ghosh	Payable	0.10	-	-	-	-
Ms. Sujatha Venkatramanan	Receivable	-	7.57	-	-	-
Ms. Sujatha Venkatramanan	Payable	0.10	-	-	-	-
Mr. Deepak Satwalekar	Payable	0.10	-	-	-	-
Non executive directors (including independent directors)	Payable	6.75	-	5.50	-	-
Actify Data Labs Pvt Ltd.	Payable	0.61	-	-	-	-
True North Managers LLP	Payable	1.46	-	1.30	5.78	-

28 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The same is done through a mix of either equity and / or combination of short term / long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations. The adequacy of the Company's capital is monitored using, among other measures, that includes the regulations issued by NHB.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Housing finance Companies (National Housing Bank) Directions, 2010 (the "NHB Directions") which currently permits HFCs to borrow up to 14 times of their net owned funds ("NOF").

The Company has complied in full with all its externally imposed capital requirements over the reported period.

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Net total debt including interest accrued but not due (net of cash and cash equivalents) (Rs. in millions)	24,445.38	20,798.00	23,541.62	17,442.60	9,991.29
Total equity (Rs. in millions)	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Net debt to equity ratio	2.47	2.34	2.52	3.33	3.07

Loan covenants

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period / year.
Loan covenants mainly include minimum CRAR of 12%, ratio of total outstanding liability to total net worth to be less than or equal to 12 times.

29 Fair value measurement

29.1 Financial instruments by category

(Rs. in millions)

Particulars	Category	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Financial assets:						
Cash and cash equivalent	Amortised Cost	2,165.83	2,329.67	1,477.23	1,857.24	230.14
Bank balance other than cash and cash equivalents	Amortised Cost	2,042.77	423.21	743.32	62.59	72.04
Loans	Amortised Cost	30,120.57	26,329.46	30,406.60	21,466.74	13,144.09
Less : Impairment loss		(398.93)	(149.89)	(267.46)	(119.69)	(56.74)
Investments	FVTPL	2,192.12	2,777.43	1,455.58	1,029.17	-
Other financial assets	Amortised Cost	845.07	477.72	657.29	261.23	49.50
Total financial assets		**36,967.43**	**32,187.60**	**34,472.56**	**24,557.28**	**13,439.03**
Financial liabilities:						
Trade payables	Amortised Cost	0.06	1.71	4.32	13.58	5.37
Debt Securities	Amortised Cost	2,394.58				
Borrowings (other than debt securities)	Amortised Cost	23,971.20	22,956.31	24,938.05	19,256.41	10,198.76
Other financial liabilities*	Amortised Cost	661.64	400.63	244.29	172.34	81.00
Total financial liabilities		**27,027.48**	**23,358.65**	**25,186.66**	**19,442.33**	**10,285.13**

* Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard - 116 (30 September 2020: Rs. 93.06 millions, 30 September 2019 Rs. 90.07 millions, 31 March 2020: Rs. 109.47 millions, 31 March 2019: Rs. 75.89 millions, 31 March 2018: Rs.55.74 millions)

29.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.
This section explains the judgements and estimates made in determining the fair values of the 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. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

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.

Open ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under 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.

29.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date

(Rs. in millions)

Particulars	Level 2				
	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Financial assets measured at FVTPL					
Investments	2,192.12	2,777.43	1,455.58	1,029.17	-

29.4 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of loans given, interest strip receivable, bank deposits and borrowings represents its fair value. Further, the carrying value of cash and cash equivalents, other bank balances, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.
The above mentioned financial assets and liabilities are classified under level 2 of fair valuation hierarchy.

29.5 Valuation techniques

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

30 Financial risk management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. foreign currency risk, interest risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimise potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

As at 30 September 2020 **(Rs. in millions)**

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	0.06	-	-	-	**0.06**
Debt Securities (refer note (i) below)	-	2,400.00	-	-	**2,400.00**
Borrowings (other than debt securities) (refer note (i) below)	6,341.94	16,194.49	1,476.85	-	**24,013.28**
Other financial liabilities (refer note (ii) below)	661.64	-	-	-	**661.64**
Total	**7,003.64**	**18,594.49**	**1,476.85**	**-**	**27,074.98**

As at 30 September 2019 **(Rs. in millions)**

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	1.71	-	-	-	**1.71**
Borrowings (other than debt securities) (refer note (i) below)	4,867.99	15,787.35	2,358.08	-	**23,013.42**
Other financial liabilities (refer note (ii) below)	400.63	-	-	-	**400.63**
Total	**5,270.33**	**15,787.35**	**2,358.08**	**-**	**23,415.76**

As at 31 March 2020 **(Rs. in millions)**

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	4.32	-	-	-	**4.32**
Borrowings (other than debt securities) (refer note (i) below)	5,468.92	17,712.72	1,811.00	-	**24,992.64**
Other financial liabilities (refer note (ii) below)	244.29	-	-	-	**244.29**
Total	**5,717.53**	**17,712.72**	**1,811.00**	**-**	**25,241.25**

As at 31 March 2019 **(Rs. in millions)**

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	13.58	-	-	-	**13.58**
Borrowings (other than debt securities) (refer note (i) below)	3,203.01	13,119.95	2,975.09	0.82	**19,298.87**
Other financial liabilities (refer note (ii) below)	172.34	-	-	-	**172.34**
Total	**3,388.93**	**13,119.95**	**2,975.09**	**0.82**	**19,484.79**

As at 31 March 2018 **(Rs. in millions)**

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	5.37	-	-	-	**5.37**
Borrowings (other than debt securities) (refer note (i) below)	1,522.97	7,390.37	1,301.93	4.21	**10,219.48**
Other financial liabilities (refer note (ii) below)	81.00	-	-	-	**81.00**
Total	**1,609.34**	**7,390.37**	**1,301.93**	**4.21**	**10,305.85**

Notes:

(i) Debt securities and borrowings (other than debt securities) do not carry adjustment of unamortised processing fee (EIR).

(ii) Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard - 116 (30 September 2020: Rs. 93.06 millions, 30 September 2019: Rs. 90.07 millions, 31 March 2020: Rs. 109.47 millions, 31 March 2019: Rs. 75.89 millions, 31 March 2018: Rs.55.74 millions).

(iii) Amounts repayable on demand are included in 'within 1 year'.

B Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

Foreign currency exposure risk

There were no foreign currency exposure as on 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018.

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Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

(ii) **Interest rate risk**

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seeks to optimise borrowing profile between short-term and long-term loans. The liabilities are categorised into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Exposure to loans and borrowings

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Loans (variable)	30,120.57	26,329.46	30,406.60	21,466.74	13,144.09
Borrowings and debt securities					
Borrowings (variable)	21,563.68	20,394.35	22,788.50	16,512.91	8,444.23
Total borrowings and debt securities	**26,365.78**	**22,956.31**	**24,938.05**	**19,256.41**	**10,198.76**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(Rs. in millions)

Interest rate	Impact on profit before tax				
	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Loans					
Increase by 50 basis points	150.60	131.65	152.03	107.33	65.72
Decrease by 50 basis points	(150.60)	(131.65)	(152.03)	(107.33)	(65.72)
Borrowings and debt securities					
Increase by 50 basis points	(107.82)	(101.97)	(113.94)	(82.56)	(42.22)
Decrease by 50 basis points	107.82	101.97	113.94	82.56	42.22

(iii) **Price risk**

The Company is exposed to price risk from its investment in mutual funds measured at fair value through statement of profit and loss:

(Rs. in millions)

Sensitivity	Impact on profit before tax				
	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Increase by 50 basis points	10.96	13.89	7.28	5.15	-
Decrease by 50 basis points	(10.96)	(13.89)	(7.28)	(5.15)	-

31 Credit risk management

31.1 Credit quality of assets

Credit risk is the risk that the Company will incur a loss because the counterparty might fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due.

The Company manage credit risks by using a set of credit procedures and guidelines, laid down in our credit risk policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically and to ensure compliance with the guidelines of NHB as well as other regulatory bodies.

We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a customer relationship manager and customer service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices.

Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount. (Also refer note 4 - Loans for detailed disclosure on gross carrying value and ECL amount on loans.)

(Rs. in millions)

Loans	As at 30 September 2020				As at 30 September 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Home loan	26,801.14	121.37	260.44	**27,182.95**	23,251.96	179.50	264.72	**23,696.18**
Loan against property	1,881.81	4.76	2.34	**1,888.91**	1,436.27	11.39	3.64	**1,451.30**
Commercial loan	345.39	0.75	1.51	**347.65**	318.57	1.40	-	**319.97**
Construction finance	689.56	-	11.50	**701.06**	851.28	10.73	-	**862.01**
Total	**29,717.90**	**126.88**	**275.79**	**30,120.57**	**25,858.08**	**203.02**	**268.36**	**26,329.46**

(Rs. in millions)

Loans	As at 31 March 2020				As at 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Home loan	26,914.67	251.60	298.54	**27,464.81**	19,181.23	188.41	168.30	**19,537.94**
Loan against property	1,808.90	21.16	4.65	**1,834.71**	843.15	5.26	2.15	**850.56**
Commercial loan	340.46	2.71	1.43	**344.60**	243.27	-	-	**243.27**
Construction finance	745.89	5.85	10.74	**762.48**	834.97	-	-	**834.97**
Total	**29,809.92**	**281.32**	**315.36**	**30,406.60**	**21,102.62**	**193.67**	**170.45**	**21,466.74**

(Rs. in millions)

Loans	As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total
Home loan	12,438.05	96.49	78.71	**12,613.25**
Loan against property	274.57	5.30	1.97	**281.84**
Commercial loan	74.57	-	-	**74.57**
Construction finance	174.43	-	-	**174.43**
Total	**12,961.62**	**101.79**	**80.68**	**13,144.09**

31.1 **Credit quality of assets (cont..)**

(Rs. in millions)

Loans commitments	As at 30 September 2020				As at 30 September 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Home loan	4,254.13	7.63	28.47	**4,290.23**	5,368.71	14.62	41.43	**5,424.76**
Loan against property	118.25	-	-	**118.25**	225.91	-	-	**225.91**
Commercial loan	15.38	-	-	**15.38**	49.84	-	-	**49.84**
Construction finance	224.88	-	9.63	**234.51**	384.49	9.63	-	**394.12**
Total	**4,612.64**	**7.63**	**38.10**	**4,658.37**	**6,028.95**	**24.25**	**41.43**	**6,094.63**

(Rs. in millions)

Loans commitments	As at 31 March 2020				As at 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Home loan	5,387.57	13.49	48.31	**5,449.37**	4,975.38	22.80	24.60	**5,022.78**
Loan against property	146.13	-	-	**146.13**	153.82	-	-	**153.82**
Commercial loan	26.30	-	-	**26.30**	55.82	-	-	**55.82**
Construction finance	204.19	45.00	9.63	**258.82**	520.59	-	-	**520.59**
Total	**5,764.19**	**58.49**	**57.94**	**5,880.62**	**5,705.61**	**22.80**	**24.60**	**5,753.01**

(Rs. in millions)

Loans commitments	As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total
Home loan	3,277.82	8.77	16.30	**3,302.89**
Loan against property	26.89	-	-	**26.89**
Commercial loan	26.57	-	-	**26.57**
Construction finance	433.00	-	-	**433.00**
Total	**3,764.28**	**8.77**	**16.30**	**3,789.35**

Customer type (Rs. in millions)

	As at 30 September 2020				As at 30 September 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Salaried	21,634.51	84.52	131.97	**21,851.00**	18,783.38	94.57	128.67	**19,006.62**
Self employed	8,083.39	42.36	143.82	**8,269.57**	7,074.70	108.45	139.69	**7,322.84**
Total	**29,717.90**	**126.88**	**275.79**	**30,120.57**	**25,858.08**	**203.02**	**268.36**	**26,329.46**

(Rs. in millions)

	As at 31 March 2020				As at 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Salaried	21,726.59	161.98	154.45	**22,043.02**	15,270.94	94.10	86.85	**15,451.89**
Self employed	8,083.33	119.34	160.91	**8,363.58**	5,831.68	99.57	83.60	**6,014.85**
Total	**29,809.92**	**281.32**	**315.36**	**30,406.60**	**21,102.62**	**193.67**	**170.45**	**21,466.74**

(Rs. in millions)

	As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total
Salaried	9,607.81	47.19	30.04	**9,685.04**
Self employed	3,353.81	54.60	50.64	**3,459.05**
Total	**12,961.62**	**101.79**	**80.68**	**13,144.09**

32 **Transfers of assets**

Assignment deal:

The Company has sold some loans measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the period / year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(Rs. in millions)

Loans measured at amortised cost	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Carrying amount of derecognised financial assets as at period/ year ended	7,175.18	4,746.42	5,760.90	2,920.65	374.62
Carrying amount of derecognised financial assets during the period/ year ended	1,843.67	2,139.98	3,611.51	2,755.48	-
Gain from derecognition	257.63	211.22	371.22	214.76	-

33 **Employee benefits**

(A) **Defined benefit obligation**

The Company has an unfunded defined benefit plan i.e., Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days of salary for each year of service.

Contribution to gratuity fund (unfunded scheme)

In accordance with Indian Accounting Standard 19 "Employee benefits", actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
33.1	**Actuarial assumptions**					
	Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Discount rate (% p.a)	5.23%	5.97%	5.21%	6.66%	7.18%
	Rate of salary increase (% p.a)	5.00%	15.00%	10.00%	15.00%	9.00%
	Rate of employee turnover (% p.a)	20.00%	35.00%	35.00%	35.00%	25.00%

(Rs. in millions)

	Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
33.2	**Changes in the present value of defined benefit obligation**					
	Present value of obligation at the beginning of the period / year	13.13	8.58	8.58	5.63	4.28
	Interest expense	0.34	0.29	0.57	0.40	0.29
	Current service cost	1.48	1.24	2.48	1.77	1.35
	Past service cost	-	-	-	-	0.09
	Benefit paid directly by the employer	(0.56)	(0.08)	(0.64)	(0.59)	(0.13)
	Actuarial (gains) / losses on obligations - due to change in demographic assumptions	5.08	-	-	(1.08)	(0.26)
	Actuarial (gains) / losses on obligations - due to change in financial assumptions	(4.14)	0.25	(1.05)	1.29	(0.77)
	Actuarial (gains) / losses on obligations - due to experience	1.11	2.87	3.19	1.16	0.78
	Present value of obligation at the end of the period / year	**16.44**	**13.15**	**13.13**	**8.58**	**5.63**
33.3	**Assets and liabilities recognised in the balance sheet**					
	Present value of the defined benefit obligation at the end of the period / year	(16.44)	(13.15)	(13.13)	(8.58)	(5.63)
	Funded status (deficit)	(16.44)	(13.15)	(13.13)	(8.58)	(5.63)
	Net (liability) / asset recognised in the balance sheet	**(16.44)**	**(13.15)**	**(13.13)**	**(8.58)**	**(5.63)**

33.4 Expenses recognised in the statement of profit and loss

(Rs. in millions)

Particulars	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	1.48	1.24	2.48	1.77	1.35
Past service cost	-	-	-	-	0.09
Net interest expense	0.34	0.29	0.57	0.40	0.29
Expenses recognised in the statement of profit and loss for the period / year *	**1.82**	**1.53**	**3.05**	**2.17**	**1.73**

* Expenses recognised in the statement of profit and loss for year ended 31 March 2018 includes Rs. 0.13 millions as benefit paid considered in the previous year ended 31 March 2017.

33.5 Expenses recognised in the statement of Other comprehensive income (OCI)

(Rs. in millions)

Particulars	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gain) / loss on post employment defined benefit obligation	2.05	3.12	2.14	1.37	(0.25)
Expenses recognised in the statement of OCI	**2.05**	**3.12**	**2.14**	**1.37**	**(0.25)**

33.6 Reconciliation of net asset / (liability) recognised:

(Rs. in millions)

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Opening net liability	13.13	8.58	8.58	5.63	4.28
Expenses recognised in profit and loss at the end of period / year	1.82	1.53	3.05	2.17	1.73
Amount recognised in other comprehensive income	2.05	3.12	2.14	1.37	(0.25)
Benefit paid directly by the employer	(0.56)	(0.08)	(0.64)	(0.59)	(0.13)
Net liability/(asset) recognised in the balance sheet*	**16.44**	**13.15**	**13.13**	**8.58**	**5.63**

* Expenses recognised in the statement of profit and loss for year ended 31 March 2018 includes Rs. 0.13 millions as benefit paid considered in the previous year ended 31 March 2017.

33.7 Sensitivity analysis:

(Rs. in millions)

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Delta effect of +1% change in rate of discounting	(0.72)	(0.36)	(0.34)	(0.24)	(0.20)
Delta effect of -1% change in rate of discounting	0.79	0.38	0.36	0.25	0.21
Delta effect of +1% change in rate of salary increase	0.73	0.31	0.31	0.22	0.20
Delta effect of -1% change in rate of salary increase	(0.70)	(0.30)	(0.30)	(0.21)	(0.19)
Delta effect of +1% change in rate of employee turnover	(0.20)	(0.23)	(0.19)	(0.16)	(0.07)
Delta effect of -1% change in rate of employee turnover	0.20	0.24	0.20	0.17	0.07

33.8 Maturity analysis of projected benefit obligation

(Rs. in millions)

Year	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
1	1.91	2.77	2.85	1.80	0.90
2	1.85	2.43	2.50	1.51	0.92
3	2.12	2.08	2.13	1.39	0.82
4	2.44	1.96	2.03	1.27	0.82
5	2.21	1.79	1.71	1.23	0.79
Sum of years 6 to 10	6.87	3.85	3.38	2.74	2.23
Sum of years 11 and above	4.23	1.02	0.70	0.74	1.20

(B) Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised Rs. 10.57 millions (30 September 2019: Rs. 10.94 millions, 31 March 2020 : Rs. 21.53 millions, 31 March 2019 : Rs. 15.42 millions, and 31 March 2018 : Rs. 8.02 millions) for provident fund contributions in the statement of profit and loss.

(C) Compensated absence expenses

The Company has accounted for provision for compensated absence's from 1 April 2019. An employee is eligible to carry forward a certain number of leaves to the next period from the balance leaves pending utilisation in the current period. Provision for compensated absence for current year is Rs 1.95 millions (30 September 2019: Nil; 31 March 2020: Rs. 1.34 millions).

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34 Employee stock options

34.1 The Company has an Employee Share based payment scheme, under which grants were made as per details provided below:

The Board has granted 581,636 options, convertible into 581,636 equity shares of the Company, under the Employee Stock Option Scheme (ESOP) 2012 and the board resolutions, dated 14 March 2012, 25 March 2013, 19 March 2014, 30 March 2015 and 4 January 2016 which is in accordance with the provisions of the law and guidelines issued by the relevant authority applicable at the date of the grant.

The Company issued 687,548 options vide board resolution dated 28 February 2018 under a new policy termed as ESOP scheme II which is in accordance with the provisions of the law and / or guidelines issued by relevant authority applicable at the date of the grant. The Company has further approved 137,510 options via board resolution dated 13 May 2019 under ESOP scheme II.

Particulars	ESOP I (Scheme 2012)				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved	581,636 options				
No. of options approved (post sub division) (refer note ii below)	2,908,180 options				
No. of options granted	115,000	125,000	170,000	103,136	68,500
No. of options granted (post sub division) (refer note ii below)	575,000	625,000	850,000	515,680	342,500
Date of grant	14 March 2012	25 March 2013	19 March 2014	30 March 2015	4 January 2016
Exercise price per option	Rs. 239.13	Rs. 239.13	Rs. 281.13	Rs. 281.13	Rs. 281.13
Exercise price per option (post sub division) (refer note ii below)	Rs. 47.83	Rs. 47.83	Rs. 56.23	Rs. 56.23	Rs. 56.23

Particulars	ESOP Scheme II			
	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*
No. of options approved	825,058 options*			
No. of options approved (post sub division) (refer note ii below)	4,125,290 options**			
No. of options granted	484,444	58,359	331,700	8,150
No. of options granted (post sub division) (refer note ii below)	2,422,220	291,795	1,658,500	40,750
Date of grant	1 April 2017	1 April 2018	1 April 2019	1 October 2019
Exercise price per option	Rs. 586.21	Rs. 586.05	Rs. 696.48	Rs. 1,116.00
Exercise price per option (post sub division) (refer note ii below)	Rs. 117.24	Rs. 117.21	Rs. 139.30	Rs. 223.20

*57,595 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (49,445 options) and Tranche 4 (8,150 options).
**287,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (247,225 options) and Tranche 4 (40,750 options) (post sub division) (refer note ii below).

34.2 Vesting condition :

ESOP I: Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. Options vest in four instalments - 15% each in first two instalments, 30% in third instalment and balance 40% in the last instalment. All the management options are time based and also exit linked, i.e. they shall vest in four instalments as described above or on exit of promoters/ investors, whichever is earlier.

ESOP I Scheme 2012 (post sub division) (refer note ii below)

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Vesting start period	31 March, 2012	31 March, 2013	31 March, 2014	31 March, 2015	31 March, 2016
1st Year	86,250	93,750	127,500	77,350	51,375
2nd Year	86,250	93,750	127,500	77,350	51,375
3rd Year	172,500	187,500	255,000	154,705	102,750
4th Year	230,000	250,000	340,000	206,275	137,000

ESOP II :

Management option: Vesting will be in two parts- 66% will be performance plus time based which will vest in 6 equal instalments; and 34% will be exit linked.

Non Management option: Vesting will be in 6 equal instalments starting from 1 April 2018. If the grant is after 1 April 2018, then the Vesting will start from 1 April 2019 and so on.

ESOP II (Scheme II) (post sub division) (refer note ii below)

Particulars	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*
Vesting start period	**1 April, 2018**	**1 April, 2019**	**1 April, 2020**	**1 October, 2020**
Management				
1st Year	209,000	27,500	52,250	-
2nd Year	209,000	27,500	52,250	-
3rd Year	209,000	27,500	52,250	-
4th Year	209,000	27,500	52,250	-
5th Year	209,000	27,500	52,250	-
6th Year	209,000	27,500	52,250	-
Exit linked	646,000	85,000	161,500	-
Non- Management				
1st Year	88,775	7,105	201,195	6,930
2nd Year	88,775	7,105	201,195	6,930
3rd Year	88,775	7,105	201,195	6,930
4th Year	88,775	7,105	201,195	6,930
5th Year	88,775	7,105	201,195	6,930
6th Year	78,345	6,269	177,525	6,100

*287,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (247,225 options) and Tranche 4 (40,750 options) (post sub division) (refer note ii below).

34.3 Contractual life

ESOP I: The contractual life (vesting period plus exercise period) ranges from 11 to 14 years i.e. vesting period ranging from 1 to 4 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP II: The contractual life (vesting period plus exercise period) ranges from 11 to 16 years i.e. vesting period ranging from 1 to 6 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

Method of settlement: ESOP I and II is to be settled through
i) issue of equity shares or
ii) the Board may purely at its discretion, subject to the compliance of applicable laws, settle vested options prior to listing of Shares on recognized stock exchange, in cash.

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34.4 Computation of fair value of options granted

Particulars	ESOP I (Scheme 2012)				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post sub division) (refer note ii below) (Amount in Rs.)	47.83	47.83	49.00	56.00	56.00
Exercise price (post sub division) (refer note ii below) (Amount in Rs.)	47.83	47.83	56.23	56.23	56.23
Volatility	37.05%	35.51%	34.95%	34.17%	33.51%
Risk free rate	1st year- 8.06% 2nd year- 7.93% 3rd year- 8.01% 4th year- 8.10%	1st year- 7.73% 2nd year- 7.66% 3rd year- 7.74% 4th year- 7.84%	1st year- 8.66% 2nd year- 8.58% 3rd year- 8.72% 4th year- 8.88%	1st year- 7.88% 2nd year- 7.84% 3rd year- 7.79% 4th year- 7.75%	1st year- 7.05% 2nd year- 7.22% 3rd year- 7.32% 4th year- 7.43%
Dividend yield	-	-	-	-	-
Fair value of options (post sub division) (refer note ii below) (Amount in Rs.)*	1st year- 8.80 2nd year- 13.00 3rd year- 16.60 4th year- 19.60	1st year- 8.40 2nd year- 12.60 3rd year- 16.00 4th year- 19.00	1st year- 5.80 2nd year- 10.20 3rd year- 14.00 4th year- 17.40	1st year- 9.60 2nd year- 14.40 3rd year- 18.20 4th year- 21.60	1st year- 9.20 2nd year- 13.80 3rd year- 17.80 4th year- 21.00

Particulars	ESOP Scheme II			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Share price (post sub division) (refer note ii below) (Amount in Rs.)	117.24	117.21	139.30	222.32
Exercise price (post sub division) (refer note ii below) (Amount in Rs.)	117.24	117.21	139.30	223.20
Volatility	30.00%	30.00%	31.29%	20.88% to 24.47%
Risk free rate	1st year- 6.63% 2nd year- 6.66% 3rd year- 6.79% 4th year- 6.93% 5th year- 7.05% 6th year- 6.92% 7th year- 7.08%	1st year- 6.79% 2nd year- 7.33% 3rd year- 7.57% 4th year- 7.74% 5th year- 7.78% 6th year- 7.89% -	1st year- 6.43% 2nd year- 6.52% 3rd year- 6.66% 4th year- 6.85% 5th year- 6.93% 6th year- 7.17% -	1st year- 5.49% 2nd year- 5.71% 3rd year- 5.92% 4th year- 6.10% 5th year- 6.27% 6th year- 6.42% -
Dividend yield	-	-	-	-
Fair value of option (post sub division) (refer note ii below) (Amount in Rs.)*	1st year- 17.60 2nd year- 26.60 3rd year- 34.20 4th year- 41.00 5th year- 47.00 6th year- 52.00 7th year- 57.00	1st year- 17.80 2nd year- 27.40 3rd year- 35.40 4th year- 42.60 5th year- 48.80 6th year- 54.40 -	1st year- 21.40 2nd year- 32.40 3rd year- 41.40 4th year- 49.60 5th year- 56.60 6th year- 63.60 -	1st year- 27.00 2nd year- 38.80 3rd year- 50.40 4th year- 61.80 5th year- 74.40 6th year- 84.40 -

* The fair value of option has been determined based on Black - Scholes - Merton formula.

34.5 Reconciliation of outstanding stock options:

Particulars (No. of options)	As at 30 September 2020		As at 30 September 2019		As at 31 March 2020	
	ESOP I	ESOP II	ESOP I	ESOP II	ESOP I	ESOP II
Options outstanding at beginning of period / year (refer note ii below)	1,855,505	3,886,636	2,193,005	2,340,740	2,193,005	2,340,740
Options vested at beginning of period / year (refer note ii below)	1,855,505	542,236	2,091,005	253,810	2,091,005	253,810
Number of options granted during the period / year (refer note ii below)	-	-	-	1,658,500	-	1,699,250
Number of options vested during the period / year (refer note ii below)	-	512,223	-	288,426	82,000	288,426
Lapsed (refer note ii below)	7,500	94,932	-	45,505	20,000	153,354
- Forfeited (vested - lapsed) (refer note ii below)	7,500	17,631	-	-	-	-
- Lapsed (unvested - lapsed) (refer note ii below)	-	77,301	-	45,505	20,000	153,354
Exercised (refer note ii below)	91,700	3,480	317,500	-	317,500	-
Options outstanding at end of period / year (refer note ii below)	**1,756,305**	**3,788,224**	**1,875,505**	**3,953,735**	**1,855,505**	**3,886,636**
Options vested and exercisable at end of period / year (refer note ii below)	1,756,305	1,033,348	1,773,505	542,236	1,855,505	542,236
Weighted average exercise price per option of options outstanding (Amount in Rs.) (including impact of sub division) (refer note ii below)	52.88	126.90	53.09	126.27	53.05	127.12
Weighted average remaining contractual life of options	5.90 years	11.43 years	7.34 years	12.56 years	6.82 years	11.92 years

Particulars (No. of options)	As at 31 March 2019		As at 31 March 2018	
	ESOP I	ESOP II	ESOP I	ESOP II
Options outstanding at beginning of year	2,614,930	2,422,220	2,861,305	-
Options vested at beginning of year	2,427,680	-	2,467,055	-
Number of options granted during the year	-	291,795	-	2,422,220
Number of options Vested during the year	76,500	297,765	150,125	-
Lapsed	48,250	337,525	232,375	-
- Forfeited (vested - lapsed)	39,500	8,205	175,500	-
- Lapsed (unvested - lapsed)	8,750	329,320	56,875	-
Exercised	373,675	35,750	14,000	-
Options outstanding at end of year	**2,193,005**	**2,340,740**	**2,614,930**	**2,422,220**
Options vested and exercisable at end of year	2,091,005	253,810	2,427,680	-
Weighted average exercise price per option of options outstanding (Amount in Rs.) (including impact of sub division) (refer note ii below)	52.71	117.24	52.57	117.24
Weighted average remaining contractual life of options	7.69 years	12.69 years	8.76 years	16 years

Notes: (i) Amortisation of option cost for the half year ended 30 September 2020, 30 September 2019 and for year ended 31 March 2020, 31 March 2019, 31 March 2018 are Rs. 12.00 millions, Rs. 15.71 millions, Rs. 33.23 millions, Rs. 19.90 millions and Rs. 27.79 millions respectively.
(ii) The shareholders, vide a special resolution, have approved sub-division of equity shares of the Company in the ratio of five equity shares of Rs. 2 each against one equity share of Rs. 10 each respectively resulting to change in share price and exercise price proportionately. (Refer note 17 (iii-a)).

35 Segment information

35.1 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

35.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue for half year ended 30 September 2020 and 30 September 2019, year ended 31 March 2020, 31 March 2019 and 31 March 2018.
The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

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Annexure 6 - Notes to restated financial information

36 **Lease disclosure**

Where the Company is the lessee:

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 1 year and 9 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Some of the leases for which the lease term is less than 12 months has been accounted as short term leases.

(Rs. in millions)

Lease liability	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Not later than one year	42.16	38.89	46.25	31.93	20.97
Later than one year and not later than five years	59.32	68.02	75.09	53.99	45.05
Later than five years	6.27	6.07	7.36	2.28	-
Total undiscounted lease liabilities	**107.75**	**112.98**	**128.70**	**88.20**	**66.02**
Lease liabilities included in restated statement of assets and liabilities					
Total finance lease liabilities	93.06	90.07	109.47	75.89	55.74

(Rs. in millions)

Amount recognised in the statement of profit and loss account	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Interest on lease liabilities	4.42	3.99	9.41	7.12	4.98
Expenses relating to short term leases	0.89	0.05	0.23	0.35	0.22

(Rs. in millions)

Amount recognised in statement of cashflow	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Total cash outflow for leases	22.20	18.00	42.28	29.28	18.47

37 **Corporate social responsibility expenses**

(Rs. in millions)

Particulars	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
(a) Total amount to be spent for the period /year (including amount unspent in previous year)	6.82	3.70	7.40	4.10	2.93
(b) Total amount spent during the period / year pertaining to previous period / year	-	-	-	-	1.08
(c) Total amount spent during the period / year pertaining to current period / year	-	-	7.45	4.10	1.85
(d) Amount unspent, if any*	6.82	3.70	-	-	-

*Unspent amount disclosed above were not spent by the Company during the period and the provisions are created basis the annual estimate for CSR spend

38 The outbreak of COVID-19, which was declared a global pandemic on 11 March 2020 by the World Health Organisation continues to spread rapidly across the globe and has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities.

To alleviate the lingering impact of COVID-19 pandemic, the Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 in accordance therewith, providing moratorium of three months on the payment of all principal amounts and interest falling due between 01 March 2020 and 31 May 2020. Further, vide Statement on Developmental and Regulatory Policies dated 22 May 2020, RBI extended the moratorium on loan instalments by another three months, i.e., from 01 June 2020 to 31 August 2020. Accordingly, the Company granted moratorium option to its customers for the period 01 March 2020 to 31 August 2020.

The Company has managed its credit risk during this period by monitoring its collections efficiency by timely follow ups with its customers. In addition to effective monitoring of the collections during the pandemic period, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The days past due (DPD) calculation had been kept in suspension for the accounts opting for moratorium at the same level that existed on the date of commencement of their moratorium period, in line with the guidelines issued by RBI on 22 May 2020 through the statement on development and regulatory policies.

Based on the current indicators of future economic conditions, total provision recognised towards COVID-19 impact on the Company's financial assets is Rs. 159.41 millions (Rs. 89.99 millions for half year ended 30 September 2020 and Rs. 69.42 millions for year ended 31 March 2020), in addition to the existing impairment loss allowance.

However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes on account of future economic conditions.

39 The Company has used the principles of prudence in applying judgments, estimates and possible forward looking scenarios to assess and provide for the impact of the COVID-19 pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets by profiling sector in which the customer works, period for which moratorium is availed and Collection risk from such customers, approved by its Board of Directors.

Basis such determination, the Company has recognised provisions as management overlay for specific categories of customers identified and recognised additional provisions for such specific customers.

40 The Government of India, Ministry of Finance vide its notification, dated 23 October 2020, had announced Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months (1 March 2020 to 31 August 2020) to borrowers in specified loan accounts ("the Scheme") as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium was availed or not. This amount needs to be credited to the loan account of such borrowers on or before 5 November 2020. The Company has completed the process within the specified due date as mentioned in the aforementioned scheme and is in process of filing the claim with appropriate authority.

41 **First time adoption of Ind AS**

A **First Ind AS financial statements**

The financial statements for the half year ended 30 September 2020, 30 September 2019 and year ended 31 March 2020, 31 March 2019 and 31 March 2018 is prepared in accordance with requirements of Ind AS for the purpose of restated financial statements. These financial statements have been prepared by making suitable restatement adjustments to the assets and liabilities based on accounting policy consistent with those used at date of transition to Ind AS. These financial statements have been prepared by making Ind AS adjustments, wherever applicable to the audited financial statements. The impact of Ind AS adjustments to the equity as at 31 March 2018 and 31 March 2019 and on other comprehensive income for the year ended 31 March 2018 and 31 March 2019 has been explained as under.

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance is as follows:

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemption and mandatory exemption applied in the transition from Indian GAAP to Ind AS. The Company has applied the following exemptions / exceptions.

Mandatory exceptions applied

(i) **Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) De-recognition of financial assets and 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 de-recognition 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 derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has complied with the same.

(iv) Impairment of financial assets

Ind AS 101 provides relaxation from applying the impairment related requirements of Ind AS 109 retrospectively. At the date of transition, it requires an entity to use 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 and compare that to the credit risk at the date of transition to Ind AS or recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognised, if at the date of transition to Ind AS, determination of credit risk involves undue cost or effort. The Company has elected to apply Ind AS 109 prospectively from the date of transition to Ind AS.

B First time adoption reconciliations

Equity reconciliation: **(Rs. in millions)**

Particulars	Notes	Equity as at 30 September 2020	Equity as at 30 September 2019	Equity as at 31 March 2020	Equity as at 31 March 2019	Equity as at 31 March 2018
Equity as per Indian GAAP (A)					5,261.72	3,331.06
Ind AS adjustments						
Impact of EIR of borrowings measured at amortised cost	B.1				48.60	28.57
Impact of EIR of loans measured at amortised cost	B.1				(317.86)	(206.01)
Impact on account of provision for expected credit loss on financial assets	B.2				(26.28)	(5.78)
Fair valuation of investment in mutual funds	B.3				2.02	-
Recognition of interest only strip receivable on assigned loans	B.4				230.74	38.47
Impact on account of lease accounting as per Ind AS 116	B.6				(3.86)	(3.11)
Deferred tax on above adjustments	B.8				31.53	58.99
Total adjustments					**(35.11)**	**(88.87)**
Equity as per Ind AS (A)		**9,879.75**	**8,891.03**	**9,334.26**	**5,226.61**	**3,242.19**
Other material adjustments						
Direct assignments	B.9	(5.78)	(6.00)	(6.00)	(5.82)	(4.93)
ECL on DA Interest strip	B.9	0.06	-	0.02	-	-
Deferred tax on restatement adjustments	B.8	7.87	8.00	8.08	10.61	14.89
		2.15	**2.00**	**2.10**	**4.79**	**9.96**
Equity as per restated Ind AS (A)		**9,881.90**	**8,893.03**	**9,336.36**	**5,231.40**	**3,252.15**

Reconciliation of total comprehensive income **(Rs. in millions)**

Particulars	Notes	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Total net profit after tax as per Indian GAAP					422.38	252.02
Ind AS adjustments						
Impact of EIR of borrowings measured at amortised cost	B.1				20.03	10.71
Impact of EIR of loans measured at amortised cost	B.1				(111.86)	(102.88)
Impact on account of provision for expected credit loss on financial assets	B.2				(20.51)	(4.35)
Amortisation of option cost for equity settled ESOP's	B.5				(19.87)	(27.79)
Fair valuation of investment in mutual funds	B.3				2.02	-
Gain on direct assignment of loans	B.4				192.27	(14.64)
Impact on account of lease accounting as per Ind AS 116	B.6				(0.74)	(1.25)
Remeasurement of gains / (losses) on defined benefit plans	B.7				1.37	(0.25)
Deferred tax on above adjustments	B.8				(27.85)	48.39
Total adjustments					**34.86**	**(92.06)**
Other Comprehensive income						
Remeasurement of gains/ (losses) on defined benefit plans	B.7				(1.37)	0.25
Deferred tax on above adjustment	B.8				0.40	(0.09)
Total					**(0.97)**	**0.16**
Total comprehensive income as per Ind AS		**527.94**	**367.87**	**793.92**	**456.27**	**160.12**
Other material adjustments						
Direct assignments	B.9	0.22	(0.19)	(0.18)	(0.89)	-
Restatement of vested ESOPs	B.10	-	-	(0.34)	(0.03)	-
ECL on DA Interest strip	B.9	0.04	-	0.02	-	-
Deferred tax on above	B.8	(0.21)	(2.60)	(2.53)	(4.28)	-
Total		**0.05**	**(2.79)**	**(3.03)**	**(5.20)**	**-**
Total comprehensive income under restated Ind AS		**527.99**	**365.08**	**790.89**	**451.07**	**160.12**

Explanations to reconciliations

B.1 Interest income and expense measured using effective interest method

Borrowings

Under Indian GAAP, the transaction costs related to borrowings were recognised upfront on disbursal in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the statement of profit and loss.

Loans

Under Indian GAAP, origination fees was recognised on cash basis and transaction cost was recognised on accrual basis upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method. Under Indian GAAP, interest income on non performing assets (i.e. loans that are 90 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

B.2 Impairment allowance for expected credit loss

Under Indian GAAP, the Company has created provision for loans based on the Guidelines on prudential norms issued by National Housing Bank. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL).

B.3 Fair valuation of investment in mutual funds

Under Indian GAAP, investment in mutual funds was carried at lower of cost or net realisable value. Under Ind AS, these investments are measured at FVTPL.

B.4 Recognition of interest only strip receivable on assigned loans

Under Indian GAAP, gain/(loss) on account of assignment deals was recognised as and when due. Under Ind AS, gain/(loss) on account of assignment is recognised on the date of derecognition. Accordingly, Company has created an Interest only strip receivable with corresponding credit to the statement of profit and loss for the year/retained earnings, which has been computed by discounting Excess Interest Spread (EIS) to present value. Necessary adjustment with respect to credit risk has also been made.

B.5 Share based payments

Under Indian GAAP, the Company recognised only the intrinsic value for the share based payments plans as an expense. Ind AS requires the fair value of the stock options to be determined using an appropriate pricing model recognised over the vesting year. An additional expense has been recognised in the statement of profit or loss for year ended 31 March 2019 and 31 March 2018. Further on account of above adjustment, an amount of Rs 22.55 millions has been transferred from retained earnings to ESOP reserve as at 1 April 2018, net impact of such adjustment on equity is nil.

B.6 Lease accounting

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

B.7 Remeasurement of employee benefits

Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

B.8 Deferred tax

Under the Indian GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

Explanations to restatement adjustments

B.9 Restatement adjustment relating to direct assignment transaction

In audited financial statements, the Company has done adjustment related to direct assignment transaction prospectively i.e. transactions occurring on or after the date of transition. For the purpose of Restated Ind AS Financial Information, the Company has created an Interest only strip receivable with corresponding credit to the statement of profit and loss for the year/retained earnings, by discounting Excess Interest Spread (EIS) to present value as on 1 April 2016. Necessary adjustment with respect to credit risk has also been made.

Correspondingly, expected credit loss calculated on the interest strip balance as per the restated accounts is different vis a vis the ECL calculated on the interest strip as per audited financial statements.

B.10 Restatement adjustment relating to Share based payments

In audited financial statements, the Company has availed optional exemption under Ind AS 101 and has not made any adjustments for options vested before the date of transition. For the purpose of Restated Ind AS Financial Information, the Company has fair valued all options (unvested and vested) outstanding as of the reporting date.

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Annexure 6 - Notes to restated financial information
Reconciliation between previous GAAP and Ind AS

C Effect of Ind AS adoption on the balance sheet

(a) Reconciliation of Balance sheet as at 31 March 2018 (Rs. in millions)

	Notes	Regrouped IGAAP	Ind AS adjustments	Proforma Ind AS	Restatement adjustment	Restated Ind AS
Assets						
Financial assets						
Cash and cash equivalents		230.14	-	230.14	-	230.14
Bank balance other than cash and cash equivalents		72.04	-	72.04	-	72.04
Loans	B.1, B.2	13,264.27	(176.92)	13,087.35	-	13,087.35
Investments	B.3	-	-	-	-	-
Other financial assets	B.4, B.9	14.55	39.88	54.43	(4.93)	49.50
Total financial assets		**13,581.00**	**(137.04)**	**13,443.96**	**(4.93)**	**13,439.03**
Non-financial assets						
Current tax assets (net)		4.66	-	4.66	-	4.66
Deferred tax assets (net)	B.8	(10.09)	59.01	48.92	14.89	63.81
Property, plant and equipment	B.6	47.40	50.22	97.62	-	97.62
Capital work-in-progress		7.88	-	7.88	-	7.88
Intangible assets under development		2.61	-	2.61	-	2.61
Other intangible assets		3.50	-	3.50	-	3.50
Other non-financial assets	B.1	22.46	7.85	30.31	-	30.31
Total non financial assets		**78.42**	**117.08**	**195.50**	**14.89**	**210.39**
Total assets		**13,659.42**	**(19.96)**	**13,639.46**	**9.96**	**13,649.42**
Liabilities and equity						
Liabilities						
Financial liabilities						
Payables						
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5.37	-	5.37	-	5.37
Borrowings (other than debt securities)	B.1	10,219.45	(20.69)	10,198.76	-	10,198.76
Other financial liabilities	B.6	83.87	52.87	136.74	-	136.74
Total financial liabilities		**10,308.69**	**32.18**	**10,340.87**	**-**	**10,340.87**
Non-financial liabilities						
Deferred tax liabilities (net)		-	-	-	-	
Provisions	B.2	10.92	7.82	18.74	-	18.74
Other non-financial liabilities	B.1	8.75	28.91	37.66	-	37.66
Total non financial liabilities		**19.67**	**36.73**	**56.40**	**-**	**56.40**
Total liabilities		**10,328.36**	**68.91**	**10,397.27**	**-**	**10,397.27**
Equity						
Equity share capital		103.23	-	103.23	-	103.23
Other equity	B.1 to B.10	3,227.83	(88.87)	3,138.96	9.96	3,148.92
Total equity		**3,331.06**	**(88.87)**	**3,242.19**	**9.96**	**3,252.15**
Total liabilities and equity		**13,659.42**	**(19.96)**	**13,639.46**	**9.96**	**13,649.42**

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Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

(b) Reconciliation of Balance sheet as at 31 March 2019 (Rs. in millions)

	Notes	Regrouped IGAAP	Ind AS adjustments	Proforma Ind AS	Restatement adjustment	Restated Ind AS
Assets						
Financial assets						
Cash and cash equivalents		1,857.24	-	1,857.24	-	1,857.24
Bank balance other than cash and cash equivalents		62.59	-	62.59	-	62.59
Loans	B.1, B.2	21,664.42	(317.37)	21,347.05	-	21,347.05
Investments	B.3	1,027.16	2.01	1,029.17	-	1,029.17
Other financial assets	B.4, B.9	31.28	235.77	267.05	(5.82)	261.23
Total financial assets		**24,642.69**	**(79.59)**	**24,563.10**	**(5.82)**	**24,557.28**
Non-financial assets						
Current tax assets (net)		10.25	-	10.25	-	10.25
Deferred tax assets (net)	B.8	(17.31)	31.53	14.22	10.61	24.83
Property, plant and equipment	B.6	99.88	67.71	167.59	-	167.59
Other intangible assets		6.71	-	6.71	-	6.71
Other non-financial assets	B.1	47.23	6.16	53.39	-	53.39
Total non financial assets		**146.76**	**105.40**	**252.16**	**10.61**	**262.77**
Total assets		**24,789.45**	**25.81**	**24,815.26**	**4.79**	**24,820.05**
Liabilities and equity						
Liabilities						
Financial liabilities						
Payables						
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises						
- Total outstanding dues of creditors other than micro enterprises and small enterprises		13.58	-	13.58	-	13.58
Borrowings (other than debt securities)	B.1	19,298.86	(42.45)	19,256.41	-	19,256.41
Other financial liabilities	B.6	185.47	62.76	248.23	-	248.23
Total financial liabilities		**19,497.91**	**20.31**	**19,518.22**	**-**	**19,518.22**
Non-financial Liabilities						
Provisions	B.2	19.42	10.20	29.62	-	29.62
Other non-financial liabilities	B.1	10.40	30.41	40.81	-	40.81
Total non-financial liabilities		**29.82**	**40.61**	**70.43**	**-**	**70.43**
Total liabilities		**19,527.73**	**60.92**	**19,588.65**	**-**	**19,588.65**
Equity						
Equity share capital		126.68	-	126.68	-	126.68
Other equity	B.1 to B.10	5,135.04	(35.11)	5,099.93	4.79	5,104.72
Total equity		**5,261.72**	**(35.11)**	**5,226.61**	**4.79**	**5,231.40**
Total liabilities and equity		**24,789.45**	**25.81**	**24,815.26**	**4.79**	**24,820.05**

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(c) Reconciliation of Balance sheet as at 30 September 2019 **(Rs. in millions)**

	Notes	Regrouped Ind AS	Restatement adjustment	Restated Ind AS
Assets				
Financial assets				
Cash and cash equivalents		2,329.67	-	2,329.67
Bank balance other than cash and cash equivalents		423.21	-	423.21
Loans		26,179.57	-	26,179.57
Investments		2,777.43	-	2,777.43
Other financial assets	B.9	483.72	(6.00)	477.72
Total financial assets		**32,193.60**	**(6.00)**	**32,187.60**
Non-financial assets				
Current tax assets (net)		53.19	-	53.19
Property, plant and equipment		185.95	-	185.95
Capital work-in-progress		2.03	-	2.03
Other intangible assets		5.15	-	5.15
Other non-financial assets		42.62	-	42.62
Total non financial assets		**288.94**	**-**	**288.94**
Total assets		**32,482.54**	**(6.00)**	**32,476.54**
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1.71	-	1.71
Borrowings (other than debt securities)		22,956.31	-	22,956.31
Other financial liabilities		490.70	-	490.70
Total financial liabilities		**23,448.72**	**-**	**23,448.72**
Non-financial liabilities				
Deferred tax liabilities (net)	B.8	28.61	(8.00)	20.61
Provisions		47.17	-	47.17
Other non-financial liabilities		67.01	-	67.01
Total non financial liabilities		**142.79**	**(8.00)**	**134.79**
Total liabilities		**23,591.51**	**(8.00)**	**23,583.51**
Equity				
Equity share capital		156.60	-	156.60
Other equity	B.8 to B.10	8,734.43	2.00	8,736.43
Total equity		**8,891.03**	**2.00**	**8,893.03**
Total liabilities and equity		**32,482.54**	**(6.00)**	**32,476.54**

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(d) Reconciliation of Balance sheet as at 31 March 2020 **(Rs. in millions)**

	Notes	Ind AS	Restatement adjustment	Restated Ind AS
Assets				
Financial assets				
Cash and cash equivalents		1,477.23	-	1,477.23
Bank balance other than cash and cash equivalents		743.32	-	743.32
Loans		30,139.14	-	30,139.14
Investments		1,455.58	-	1,455.58
Other financial assets	B.9	663.27	(5.98)	657.29
Total financial assets		**34,478.54**	**(5.98)**	**34,472.56**
Non-financial assets				
Current tax assets (net)		18.26	-	18.26
Property, plant and equipment		204.84	-	204.84
Other intangible assets		5.17	-	5.17
Other non-financial assets		95.28	-	95.28
Total non financial assets		**323.55**	**-**	**323.55**
Total assets		**34,802.09**	**(5.98)**	**34,796.11**
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.32	-	4.32
Borrowings (other than debt securities)		24,938.05	-	24,938.05
Other financial liabilities		353.76	-	353.76
Total financial liabilities		**25,296.13**	**-**	**25,296.13**
Non-financial Liabilities				
Deferred tax liabilities (net)	B.8	31.15	(8.08)	23.07
Provisions		66.39	-	66.39
Other non-financial liabilities		74.16	-	74.16
Total non-financial liabilities		**171.70**	**(8.08)**	**163.62**
Total liabilities		**25,467.83**	**(8.08)**	**25,459.75**
Equity				
Equity share capital		156.60	-	156.60
Other equity	B.8 to B.10	9,177.66	2.10	9,179.76
Total equity		**9,334.26**	**2.10**	**9,336.36**
Total liabilities and equity		**34,802.09**	**(5.98)**	**34,796.11**

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Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

(e) Reconciliation of Balance sheet as at 30 September 2020 (Rs. in millions)

	Notes	Ind AS	Restatement adjustment	Restated Ind AS
Assets				
Financial assets				
Cash and cash equivalents		2,165.83	-	2,165.83
Bank balance other than cash and cash equivalents		2,042.77	-	2,042.77
Loans		29,721.64	-	29,721.64
Investments		2,192.12	-	2,192.12
Other financial assets	B.9	850.79	(5.72)	845.07
Total financial assets		**36,973.15**	**(5.72)**	**36,967.43**
Non-financial assets				
Current tax assets (net)		15.80	-	15.80
Property, plant and equipment		169.55	-	169.55
Other intangible assets		3.57	-	3.57
Other non-financial assets		65.61	-	65.61
Total non financial assets		**254.53**	**-**	**254.53**
Total assets		**37,227.68**	**(5.72)**	**37,221.96**
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.06	-	0.06
Debt securities		2,394.58	-	2,394.58
Borrowings (other than debt securities)		23,971.20	-	23,971.20
Other financial liabilities		754.70	-	754.70
Total financial liabilities		**27,120.54**	**-**	**27,120.54**
Non-financial liabilities				
Current tax liabilities (net)		12.07	-	12.07
Deferred tax liabilities (net)	B.8	67.52	(7.87)	59.65
Provisions		73.25	-	73.25
Other non-financial liabilities		74.55	-	74.55
Total non financial liabilities		**227.39**	**(7.87)**	**219.52**
Total liabilities		**27,347.93**	**(7.87)**	**27,340.06**
Equity				
Equity share capital		156.79	-	156.79
Other equity	B.8 to B.10	9,722.96	2.15	9,725.11
Total equity		**9,879.75**	**2.15**	**9,881.90**
Total liabilities and equity		**37,227.68**	**(5.72)**	**37,221.96**

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Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

D Effect of Ind AS adoption on the statement of profit and loss

(a) Statement of profit and loss for year ended 31 March 2018 (Rs. in millions)

	Notes	Regrouped IGAAP	Ind AS adjustments	Proforma Ind AS	Restatement adjustment	Restated Ind AS
Revenue from operations						
Interest income	B.1, B.2, B.4	1,294.37	5.21	1,299.58	-	1,299.58
Fees and commission income	B.1	140.20	(125.75)	14.45	-	14.45
Net gain on derecognition of financial instruments under amortised cost category	B.4	-	-	-	-	-
Other operating income	B.1,B.4	6.83	0.06	6.89	-	6.89
Total revenue from operations		**1,441.40**	**(120.48)**	**1,320.92**	**-**	**1,320.92**
Other income		21.45	-	21.45	-	21.45
Total income		**1,462.85**	**(120.48)**	**1,342.37**	**-**	**1,342.37**
Expenses						
Finance costs	B.1, B.6	665.37	(5.73)	659.64	-	659.64
Impairment on financial instruments	B.2	24.39	4.35	28.74	-	28.74
Employee benefits expenses	B.5, B.7	222.76	28.04	250.80	-	250.80
Depreciation and amortisation	B.6	9.01	15.62	24.63	-	24.63
Other expenses	B.6	158.14	(22.28)	135.86	-	135.86
Total expenses		**1,079.67**	**20.00**	**1,099.67**	**-**	**1,099.67**
Profit before tax		**383.18**	**(140.48)**	**242.70**	**-**	**242.70**
Tax expense:						
- Current tax		120.36	-	120.36	-	120.36
- Deferred tax expense / (income)	B.8	10.80	(48.42)	(37.62)	-	(37.62)
		131.16	**(48.42)**	**82.74**	**-**	**82.74**
Profit after tax		**252.02**	**(92.06)**	**159.96**	**-**	**159.96**
Other comprehensive income / (loss) (OCI)						
Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	B.7	-	0.25	0.25	-	0.25
- Income tax relating to items that will not be reclassified to profit or loss	B.8	-	(0.09)	(0.09)	-	(0.09)
Other comprehensive income / (loss)		**-**	**0.16**	**0.16**	**-**	**0.16**
Total comprehensive income		**252.02**	**(91.90)**	**160.12**	**-**	**160.12**

(b) Statement of profit and loss for year ended 31 March 2019 (Rs. in millions)

	Notes	Regrouped IGAAP	Ind AS adjustments	Proforma Ind AS	Restatement adjustment	Restated Ind AS
Revenue from operations						
Interest income	B.1, B.2, B.4,B.9	2,241.92	78.36	2,320.28	(1.03)	2,319.25
Fees and commission income	B.1	271.73	(238.35)	33.38	-	33.38
Net gain on derecognition of financial instruments under amortised cost category	B.4	-	214.76	214.76	-	214.76
Other operating income	B.1,B.4	31.29	0.08	31.37	-	31.37
Total revenue from operations		**2,544.94**	**54.85**	**2,599.79**	**(1.03)**	**2,598.76**
Other income		108.43	2.02	110.45	-	110.45
Total income		**2,653.37**	**56.87**	**2,710.24**	**(1.03)**	**2,709.21**
Expenses						
Finance costs	B.1, B.6	1,278.34	(12.90)	1,265.44	-	1,265.44
Impairment on financial instruments	B.2	52.63	20.50	73.13	-	73.13
Employee benefits expenses	B.5, B.7, B.10	413.26	18.48	431.74	0.03	431.77
Depreciation and amortisation	B.6	21.28	24.49	45.77	-	45.77
Others expenses	B.6, B.9	297.72	(56.43)	241.29	(0.14)	241.15
Total expenses		**2,063.23**	**(5.86)**	**2,057.37**	**(0.11)**	**2,057.26**
Profit before tax		**590.14**	**62.73**	**652.87**	**(0.92)**	**651.95**
Tax expense:						
- Current tax		160.53	-	160.53	-	160.53
- Deferred tax expense	B.8	7.23	27.87	35.10	4.28	39.38
		167.76	**27.87**	**195.63**	**4.28**	**199.91**
Profit after tax		**422.38**	**34.86**	**457.24**	**(5.20)**	**452.04**
Other comprehensive income / (loss) (OCI)						
Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	B.7	-	(1.37)	(1.37)	-	(1.37)
- Income tax relating to items that will not be reclassified to profit or loss	B.8	-	0.40	0.40	-	0.40
Other comprehensive income / (loss)		**-**	**(0.97)**	**(0.97)**	**-**	**(0.97)**
Total comprehensive income		**422.38**	**33.89**	**456.27**	**(5.20)**	**451.07**

Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

(c) Statement of profit and loss for period ended 30 September 2019 (Rs. in millions)

	Notes	Ind AS	Restatement adjustment	Restated Ind AS
Revenue from operations				
Interest income	B.9	1,604.36	(0.54)	1,603.82
Fees and commission income		10.99	-	10.99
Net gain on derecognition of financial instruments under amortised cost category		211.22	-	211.22
Other operating income	B.9	12.55	0.35	12.90
Total revenue from operations		**1,839.12**	**(0.19)**	**1,838.93**
Other income		98.80	-	98.80
Total income		**1,937.92**	**(0.19)**	**1,937.73**
Expenses				
Finance costs		918.37	-	918.37
Impairment on financial instruments		39.46	-	39.46
Employee benefits expenses		301.75	-	301.75
Depreciation and amortisation		32.36	-	32.36
Other expenses		142.94	-	142.94
Total expenses		**1,434.88**	**-**	**1,434.88**
Profit before tax		**503.04**	**(0.19)**	**502.85**
Tax expense:				
- Current tax		89.21	-	89.21
- Deferred tax expense	B.8	43.63	2.60	46.23
		132.84	**2.60**	**135.44**
Profit after tax		**370.20**	**(2.79)**	**367.41**
Other comprehensive income / (loss) (OCI)				
Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans		(3.12)	-	(3.12)
- Income tax relating to items that will not be reclassified to profit or loss		0.79	-	0.79
Other comprehensive income / (loss)		**(2.33)**	**-**	**(2.33)**
Total comprehensive income		**367.87**	**(2.79)**	**365.08**

(d) Statement of profit and loss for year ended 31 March 2020 (Rs. in millions)

	Notes	Ind AS	Restatement adjustment	Restated Ind AS
Revenue from operations				
Interest income	B.9	3,548.39	(1.06)	3,547.33
Fees and commission income		38.40	-	38.40
Net gain on derecognition of financial instruments under amortised cost category		371.22	-	371.22
Other operating income	B.9	28.57	0.88	29.45
Total revenue from operations		**3,986.58**	**(0.18)**	**3,986.40**
Other income		210.17	-	210.17
Total income		**4,196.75**	**(0.18)**	**4,196.57**
Expenses				
Finance costs		1,938.28	-	1,938.28
Impairment on financial instruments	B.9	165.04	(0.02)	165.02
Employee benefits expenses	B.10	610.75	0.34	611.09
Depreciation and amortisation		72.39	-	72.39
Others expenses		336.96	-	336.96
Total expenses		**3,123.42**	**0.32**	**3,123.74**
Profit before tax		**1,073.33**	**(0.50)**	**1,072.83**
Tax expense:				
- Current tax		231.90	-	231.90
- Deferred tax expense	B.8	45.91	2.53	48.44
		277.81	**2.53**	**280.34**
Profit after tax		**795.52**	**(3.03)**	**792.49**
Other comprehensive income / (loss) (OCI)				
Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans		(2.14)	-	(2.14)
- Income tax relating to items that will not be reclassified to profit or loss		0.54	-	0.54
Other comprehensive income / (loss)		**(1.60)**	**-**	**(1.60)**
Total comprehensive income		**793.92**	**(3.03)**	**790.89**

Home First Finance Company India Limited

Annexure 6 - Notes to restated financial information

(e) Statement of profit and loss for period ended 30 September 2020 **(Rs. in millions)**

	Notes	Ind AS	Restatement adjustment	Restated Ind AS
Revenue from operations				
Interest income	B.9	2,074.89	(0.51)	2,074.38
Fees and commission income		12.19	-	12.19
Net gain on derecognition of financial instruments under amortised cost category		257.63	-	257.63
Other operating income	B.9	26.56	0.73	27.29
Total revenue from operations		**2,371.27**	**0.22**	**2,371.49**
Other income		60.44	-	60.44
Total income		**2,431.71**	**0.22**	**2,431.93**
Expenses				
Finance costs		1,112.90	-	1,112.90
Impairment on financial instruments	B.9	164.13	(0.04)	164.09
Employee benefits expenses		298.01	-	298.01
Depreciation and amortisation		38.99	-	38.99
Other expenses		114.36	-	114.36
Total expenses		**1,728.39**	**(0.04)**	**1,728.35**
Profit before tax		**703.32**	**0.26**	**703.58**
Tax expense:				
- Current tax		143.07	-	143.07
- Deferred tax expense	B.8	36.88	0.21	37.09
- Excess provision for tax for earlier years written back		(6.11)	-	(6.11)
		173.84	**0.21**	**174.05**
Profit after tax		**529.48**	**0.05**	**529.53**
Other comprehensive income / (loss) (OCI)				
Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans		(2.05)	-	(2.05)
- Income tax relating to items that will not be reclassified to profit or loss		0.51	-	0.51
Other comprehensive income / (loss)		**(1.54)**	**-**	**(1.54)**
Total comprehensive income		**527.94**	**0.05**	**527.99**

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42 Maturity analysis of assets and liabilities

(Rs. in millions)

Assets	As at 30 September 2020			As at 30 September 2019			As at 31 March 2020		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets									
Cash and cash equivalents	2,165.83	-	2,165.83	2,329.67	-	2,329.67	1,477.23	-	1,477.23
Other bank balance	1,902.77	140.00	2,042.77	350.00	73.21	423.21	590.35	152.97	743.32
Loans	922.01	28,799.63	29,721.64	701.31	25,478.26	26,179.57	787.26	29,351.88	30,139.14
Investments	2,192.12	-	2,192.12	2,777.43	-	2,777.43	1,455.58	-	1,455.58
Other financial assets	372.53	472.54	845.07	232.14	245.58	477.72	301.44	355.85	657.29
Non-financial assets									
Current tax assets (net)	-	15.80	15.80	-	53.19	53.19	-	18.26	18.26
Deferred tax asset (net)	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	169.55	169.55	-	185.95	185.95	-	204.84	204.84
Capital work-in-progress	-	-	-	-	2.03	2.03	-	-	-
Other intangible assets	-	3.57	3.57	-	5.15	5.15	-	5.17	5.17
Other non-financial assets	51.98	13.63	65.61	33.87	8.75	42.62	86.20	9.08	95.28
Total assets	**7,607.24**	**29,614.72**	**37,221.96**	**6,424.42**	**26,052.12**	**32,476.54**	**4,698.06**	**30,098.05**	**34,796.11**
Liabilities									
Financial liabilities									
Trade payables	0.06	-	0.06	1.71	-	1.71	4.32	-	4.32
Debt securities	-	2,394.58	2,394.58	-	-	-	-	-	-
Borrowings (Other than debt securities)	6,329.98	17,641.22	23,971.20	4,854.80	18,101.51	22,956.31	5,455.38	19,482.67	24,938.05
Other financial liabilities	703.80	50.90	754.70	439.52	51.18	490.70	290.54	63.22	353.76
Non-financial liabilities									
Current tax liabilities (net)	12.07	-	12.07						
Deferred tax liability (net)	-	59.65	59.65	-	20.61	20.61	-	23.07	23.07
Provisions	47.20	26.05	73.25	21.90	25.27	47.17	46.09	20.30	66.39
Other non-financial liabilities	74.55	-	74.55	67.01	-	67.01	74.16	-	74.16
Total liabilities	**7,167.66**	**20,172.40**	**27,340.06**	**5,384.94**	**18,198.57**	**23,583.51**	**5,870.49**	**19,589.26**	**25,459.75**
Net	**439.58**	**9,442.32**	**9,881.90**	**1,039.48**	**7,853.55**	**8,893.03**	**(1,172.43)**	**10,508.79**	**9,336.36**

(Rs. in millions)

Assets	As at 31 March 2019			As at 31 March 2018		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	1,857.24	-	1,857.24	230.14	-	230.14
Other bank balance	-	62.59	62.59	-	72.04	72.04
Loans	573.88	20,773.17	21,347.05	343.79	12,743.56	13,087.35
Investments	1,029.17	-	1,029.17	-	-	-
Other financial assets	113.17	148.06	261.23	22.28	27.22	49.50
Non-financial assets						
Current tax assets (net)	-	10.25	10.25	-	4.66	4.66
Deferred tax asset (net)	-	24.83	24.83	-	63.81	63.81
Property, plant and equipment	-	167.59	167.59	-	97.62	97.62
Capital work-in-progress	-	-	-	-	7.88	7.88
Intangible assets under development	-	-	-	-	2.61	2.61
Other intangible assets	-	6.71	6.71	-	3.50	3.50
Other non-financial assets	48.02	5.37	53.39	27.66	2.65	30.31
Total assets	**3,621.48**	**21,198.57**	**24,820.05**	**623.87**	**13,025.55**	**13,649.42**
Liabilities						
Financial liabilities						
Trade payables	13.58	-	13.58	5.37	-	5.37
Borrowings (other than debt securities)	3,194.65	16,061.76	19,256.41	1,519.01	8,679.75	10,198.76
Other financial liabilities	204.26	43.97	248.23	102.57	34.17	136.74
Non-financial liabilities						
Provisions	8.33	21.29	29.62	3.79	14.95	18.74
Other non-financial liabilities	40.81	-	40.81	37.66	-	37.66
Total liabilities	**3,461.63**	**16,127.02**	**19,588.65**	**1,668.40**	**8,728.87**	**10,397.27**
Net	**159.85**	**5,071.55**	**5,231.40**	**(1,044.53)**	**4,296.68**	**3,252.15**

Annexure 6 - Notes to restated financial information

Disclosures required by the NHB vide Policy no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated 11 October 2010

43 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio:

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i) CRAR (%)	51.65%	47.55%	48.99%	38.50%	43.02%
ii) CRAR – Tier I Capital (%)	50.40%	46.81%	47.74%	37.73%	42.25%
iii) CRAR – Tier II Capital (%)	1.25%	0.74%	1.25%	0.77%	0.77%
iv) Amount of subordinated debt raised as Tier - II capital	-	-	-	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-	-	-	-

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under NHB guidelines:

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i) CRAR (%)	51.75%	47.46%	48.80%	38.01%	42.59%
ii) CRAR – Tier I Capital (%)	51.11%	46.85%	48.03%	37.42%	41.90%
iii) CRAR – Tier II Capital (%)	0.64%	0.61%	0.77%	0.59%	0.69%
iv) Amount of subordinated debt raised as Tier - II capital	-	-	-	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-	-	-	-

44 Reserve fund under section 29C of NHB Act, 1987

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the period / year					
a) Statutory reserve u/s 29C of NHB Act, 1987	25.20	0.71	0.71	0.71	0.71
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	316.34	178.48	178.48	93.48	41.48
	341.54	**179.19**	**179.19**	**94.19**	**42.19**
Addition/ Appropriation/ Withdrawal during the period / year					
Add:					
a) Amount transferred u/s 29C of NHB Act, 1987	8.18	10.37	24.49	-	-
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	97.78	64.63	137.86	85.00	52.00
Less:					
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-	-	-	-
b) Amount withdrawn from 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	-	-	-	-	-
Balance at the end of the period / year					
a) Statutory Reserve u/s 29C of NHB Act, 1987	33.38	11.08	25.20	0.71	0.71
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	414.12	243.11	316.34	178.48	93.48
Total	**447.50**	**254.19**	**341.54**	**179.19**	**94.19**

45 Investments

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Value of investments					
i) Gross value of investments					
(a) In India	2,192.12	2,777.43	1,455.58	1,029.17	-
(b) Outside India	-	-	-	-	-
ii) Provision for depreciation					
(a) In India	-	-	-	-	-
(b) Outside India	-	-	-	-	-
iii) Net value of investments					
(a) In India	2,192.12	2,777.43	1,455.58	1,029.17	-
(b) Outside India	-	-	-	-	-
Movement of provision held towards depreciation on investments					
i) Opening balance	-	-	-	-	-
ii) Add: Provision made during the year / period	-	-	-	-	-
iii) Less: write off / written back of excess provision during the year / period	-	-	-	-	-
iv) Closing balance	-	-	-	-	-

The following table sets forth, for the periods indicated, the details of investment under NHB guidelines

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Value of investments					
i) Gross value of investments					
(a) In India	2,182.96	2,773.68	1,455.00	1,027.15	-
(b) Outside India	-	-	-	-	-
ii) Provision for depreciation					
(a) In India	-	-	-	-	-
(b) Outside India	-	-	-	-	-
iii) Net value of investments					
(a) In India	2,182.96	2,773.68	1,455.00	1,027.15	-
(b) Outside India	-	-	-	-	-

45 Investments (cont…)

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Movement of provision held towards depreciation on investments					
i) Opening balance	-	-	-	-	-
ii) Add: Provision made during the year / period	-	-	-	-	-
iii) Less: write off / written back of excess provision during the year / period	-	-	-	-	-
iv) Closing balance	-	-	-	-	-

46 Derivatives

The following additional disclosures have been given in terms of the Notification No. NHB(ND)/DRS/REG/MC-07/2018 dated 2 July 2018 issued by the National Housing bank

46.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i) The notional principal of swap agreements	-	-	-	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-	-	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-	-	-	-
iv) Concentration of credit risk arising from the swaps	-	-	-	-	-
v) The fair value of the swap book	-	-	-	-	-

46.2 Exchange traded interest rate (IR) derivative

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i) Notional principal amount of exchange traded IR derivatives undertaken during the period / year (instrument-wise)	-	-	-	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding (instrument-wise)	-	-	-	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-	-	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-	-	-	-

46.3 Disclosures on Risk Exposure in Derivatives : Not applicable

A. Qualitative Disclosure

Since the Company has not involved in derivatives transactions, risk management policy of the Company does not cover any such disclosure

B. Quantitative Disclosure

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i) Derivatives (Notional Principal Amount)	-	-	-	-	-
ii) Marked to Market Positions [1]	-	-	-	-	-
(a) Assets (+)	-	-	-	-	-
(a) Liability (-)	-	-	-	-	-
iii) Credit Exposure [2]	-	-	-	-	-
iv) Unhedged Exposures	-	-	-	-	-

47 Securitisation

The following additional disclosures have been given in terms of the Notification No. NHB(ND)/DRS/REG/MC-07/2018 dated 2 July 2018 issued by the National Housing bank

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(1) No of SPVs sponsored by the HFC for securitisation transactions	-	-	-	-	-
(2) Total amount of securitised assets as per books of the SPVs sponsored	-	-	-	-	-
(3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sh	-	-	-	-	-
(I) Off-balance sheet exposures towards Credit Enhancements	-	-	-	-	-
(II) On-balance sheet exposures towards Credit Enhancements	-	-	-	-	-
(4) Amount of exposures to securitisation transactions other than MRR	-	-	-	-	-
(I) Off-balance sheet exposures towards Credit Enhancements	-	-	-	-	-
(a) Exposure to own securitisations	-	-	-	-	-
(b) Exposure to third party securitisations	-	-	-	-	-
(II) On-balance sheet exposures towards Credit Enhancements	-	-	-	-	-
(a) Exposure to own securitisations	-	-	-	-	-
(b) Exposure to third party securitisations	-	-	-	-	-

47.1 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(i) No. of accounts	-	-	-	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC (Rs. in millions)	-	-	-	-	-
(iii) Aggregate consideration (Rs. in millions)	-	-	-	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years (Rs. in millions)	-	-	-	-	-
(v) Aggregate gain / loss over net book value (Rs. in millions)	-	-	-	-	-

47.2 Details of assignment transactions

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(i) Number of accounts	18,743	9,464	11,672	5,178	532
(ii) Aggregate value (net of provisions) of accounts assigned* (Rs in millions)	7,175.18	4,746.42	5,760.90	2,920.65	374.62
(iii) Aggregate consideration (Rs in millions)	8,940.08	5,624.87	7,096.41	3,462.82	729.41
(iv) Additional consideration realised in respect of accounts transferred in earlier years (Rs in millions)	-	-	-	-	-
(v) Aggregate gain / loss over net book value (Rs in millions)	-	-	-	-	-

* The aggregate value excludes minimum retention ratio (MRR) retained by the Company

47.3 Details of Non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(i) No. of accounts purchased during the period / year	-	-	-	-	-
(ii) Aggregate outstanding (Rs. in millions)	-	-	-	-	-
(a) Of these, number of accounts restructured during the year	-	-	-	-	-
(b) Aggregate outstanding (Rs. in millions)	-	-	-	-	-

B. Details of non-performing financial assets sold:

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(i) No. of accounts purchased during the period / year	-	-	-	-	-
(ii) Aggregate outstanding (Rs. in millions)	-	-	-	-	-
(iii) Aggregate consideration received (Rs. in millions)	-	-	-	-	-

48 Gold loan

The Company does not provide any loans on collateral of gold and gold jewelleries.

49 Exposure

49.1 Exposure to real estate sector

(Rs in millions)

Category	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
A) Direct exposure					
(i) Residential mortgages					
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	29,590.48	25,126.49	29,281.53	20,378.80	12,890.94
Individual housing loans up to Rs.1.5 millions (included in above)	23,557.84	19,081.10	22,621.36	15,451.02	10,160.23
(ii) Commercial real estate					
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	530.09	1,202.97	1,125.07	1,087.94	253.15
(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures					
a) Residential	Nil	Nil	Nil	Nil	Nil
b) Commercial real estate	Nil	Nil	Nil	Nil	Nil
B) Indirect exposure					
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil	Nil	Nil	Nil

49.2 Exposure to capital market

(Rs in millions)

Category	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil	Nil	Nil	Nil
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil	Nil	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil	Nil	Nil	Nil
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil	Nil	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of	Nil	Nil	Nil	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in	Nil	Nil	Nil	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues	Nil	Nil	Nil	Nil	Nil
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil	Nil	Nil	Nil
Total exposure to capital market	Nil	Nil	Nil	Nil	Nil

49.3 Details of financing of parent company products: Not Applicable (30 September 2019: NA, 31 March 2020: NA, 31 March 2019: NA, 31 March 2018: NA)

49.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded single or group borrower exposure limit during half year ended 30 September 2020 and 30 September 2019 and year ended 31 March 2020, 31 March 2019 and 31 March 2018.

49.5 Unsecured advances

During half year ended 30 September 2020 and 30 September 2019 and year ended 31 March 2020, 31 March 2019 and 31 March 2018 there are no unsecured advances against intangible securities such as rights, licenses, authority as collateral security.

50 Miscellaneous

50.1 Disclosure of penalties imposed by NHB and other regulators

During half year ended 30 September 2020, the Company has paid penalty of Rs 0.01 millions levied by NHB for non-compliance with the provisions of paragraph 28 of the Housing Finance Companies (NHB) Directions, 2010.
During half year ended 30 September 2019, the Company has paid penalty of Rs 0.01 millions levied by NHB for non-compliance of provision of paragraph 2(1) (zg) and paragraph 30 of the Housing Finance Companies (NHB) Directions, 2010. (31 March 2020: 0.01 millions, 31 March 2019: Nil, 31 March 2018: Nil)

50.2 Rating assigned by credit rating agency and migration of rating during the year

As at 30 September 2020

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As at 30 September 2019

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As at 31 March 2020

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As at 31 March 2019

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

50.2 Rating assigned by credit rating agency and migration of rating during the year (cont….)

As at 31 March 2018

Instrument	Rating	Rating agency	Comments
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

51 Provisions and commitments

51.1 Break up of 'provisions and contingencies' shown under the head expenditure in statement of profit and loss **(Rs in millions)**

	For the period 1 April 2020 to 30 September 2020	For the period 1 April 2019 to 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
(i) Provisions for depreciation on investment	-	-	-	-	-
(ii) Provision made towards income tax	143.07	89.21	231.90	160.53	120.36
(iii) Provision towards non performing assets (NPA)	0.89	14.17	38.82	25.79	6.94
(iv) Provision for standard assets					
-Commercial real estate	(1.56)	0.09	1.57	1.59	-
-Commercial real estate - RH	1.37	0.14	4.14	4.69	1.66
-Others	130.78	15.79	103.23	30.86	12.29
(v) Other Provisions and Contingencies - Provision for gratuity and compensated absences (including Other Comprehensive Income)	5.82	4.65	6.53	3.54	1.60

51.2 Break up of loan and advances and provisions thereon

(Rs in millions)

	Housing loan				
	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Standard assets					
a) Total outstanding amount	26,799.79	23,770.95	27,338.58	19,797.08	12,647.90
b) Provisions made	267.50	72.18	154.64	63.79	36.26
Sub - Standard assets					
a) Total outstanding amount	47.35	211.52	208.62	133.37	61.64
b) Provisions made	11.79	42.27	49.98	28.75	12.33
Doubtful assets – Category-I					
a) Total outstanding amount	171.52	40.61	83.57	23.32	15.92
b) Provisions made	59.69	9.50	24.41	6.54	3.44
Doubtful assets – Category-II					
a) Total outstanding amount	19.88	12.25	16.52	11.37	0.63
b) Provisions made	8.61	3.62	5.01	6.42	0.09
Doubtful assets – Category-III					
a) Total outstanding amount	0.51	-	-	-	-
b) Provisions made	0.08	-	-	-	-
Loss assets					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Total					
a) Total outstanding amount	**27,039.05**	**24,035.33**	**27,647.29**	**19,965.14**	**12,726.09**
b) Provisions made	**347.67**	**127.57**	**234.04**	**105.50**	**52.12**

(Rs in millions)

	Non housing loan				
	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Standard assets					
a) Total outstanding amount	3,075.88	2,290.15	2,752.66	1,499.21	415.51
b) Provisions made	49.32	21.14	31.59	13.50	3.98
Sub - Standard assets					
a) Total outstanding amount	3.76	1.80	4.84	0.24	2.49
b) Provisions made	0.84	0.33	1.05	0.06	0.64
Doubtful assets – Category-I					
a) Total outstanding amount	0.17	0.43	-	2.15	-
b) Provisions made	0.03	0.07	-	0.63	-
Doubtful assets – Category-II					
a) Total outstanding amount	1.71	1.75	1.81	-	-
b) Provisions made	1.07	0.78	0.78	-	-
Doubtful assets – Category-III					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Loss assets					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Total					
a) Total outstanding amount	**3,081.52**	**2,294.13**	**2,759.31**	**1,501.60**	**418.00**
b) Provisions made	**51.26**	**22.32**	**33.42**	**14.19**	**4.62**

The following table sets forth, for the periods indicated, the details of loans and advances under NHB guidelines

(Rs in millions)

	Housing loan				
	As at 30 September 2020*	As at 30 September 2019	As at 31 March 2020*	As at 31 March 2019	As at 31 March 2018
Standard assets					
a) Total outstanding amount	27,134.35	23,839.98	27,681.19	19,850.86	12,691.08
b) Provisions made	106.78	70.35	79.14	61.65	44.32
Sub - Standard assets					
a) Total outstanding amount	44.19	199.86	195.09	126.73	58.86
b) Provisions made	7.36	32.33	33.93	23.14	10.14
Doubtful assets – Category-I					
a) Total outstanding amount	151.89	35.12	73.61	20.42	13.63
b) Provisions made	57.30	10.30	23.12	6.92	3.92
Doubtful assets – Category-II					
a) Total outstanding amount	16.70	9.86	13.37	10.15	0.48
b) Provisions made	8.62	4.53	6.11	7.02	0.19
Doubtful assets – Category-III					
a) Total outstanding amount	0.34	-	-	-	-
b) Provisions made	0.34	-	-	-	-
Loss assets					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Total					
a) Total outstanding amount	**27,347.47**	**24,084.82**	**27,963.26**	**20,008.16**	**12,764.05**
b) Provisions made	**180.40**	**117.51**	**142.30**	**98.73**	**58.57**

(Rs in millions)

	Non housing loan				
	As at 30 September 2020*	As at 30 September 2019	As at 31 March 2020*	As at 31 March 2019	As at 31 March 2018
Standard assets					
a) Total outstanding amount	3,119.22	2,299.08	2,797.97	1,504.83	418.23
b) Provisions made	18.04	12.21	14.52	8.53	2.11
Sub - Standard assets					
a) Total outstanding amount	3.50	1.70	4.52	0.24	2.43
b) Provisions made	0.52	0.26	0.68	0.06	0.51
Doubtful assets – Category-I					
a) Total outstanding amount	0.14	0.34	-	1.85	-
b) Provisions made	0.04	0.09	-	0.61	-
Doubtful assets – Category-II					
a) Total outstanding amount	1.50	1.50	1.50	-	-
b) Provisions made	1.04	0.75	0.75	-	-
Doubtful assets – Category-III					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Loss assets					
a) Total outstanding amount	-	-	-	-	-
b) Provisions made	-	-	-	-	-
Total					
a) Total outstanding amount	**3,124.36**	**2,302.62**	**2,803.99**	**1,506.92**	**420.66**
b) Provisions made	**19.64**	**13.31**	**15.95**	**9.20**	**2.62**

***The total outstanding amount includes accrued interest pertaining to loans.**

51.3 Commitments

(Rs. in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Other commitments - Undisbursed amount of housing and other loans	4,658.37	6,094.63	5,880.62	5,753.01	3,789.35

52 Draw down reserves

During any of the years, the Company has not made any draw down from reserves.

53 Concentration of public deposits, advances, exposures and NPA's

53.1 Concentration of public deposits (for public Deposit taking/holding HFCs)

The Company does not accept any public deposits and hence the same is not applicable.

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total Deposits of twenty largest depositors	NA	NA	NA	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	NA	NA	NA	NA	NA

53.2 Concentration of loans and advances

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total loans and advances to twenty largest borrowers (Rs in millions)	748.51	850.98	796.54	813.65	257.35
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	2.49%	3.23%	2.62%	3.79%	1.96%

53.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total exposure to twenty largest borrowers / customers (Rs in millions)	965.42	1,205.09	1,030.32	1,274.80	681.57
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	2.78%	3.72%	2.84%	4.68%	4.03%

53.4 Concentration of non performing assets

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total exposure to top ten NPA accounts*	32.36	37.63	43.58	20.12	16.97

* The exposure is disclosed at customer level.

53.5 Sectorwise Non performing assets (NPAs)

sector wise percentage of NPAs to total advances in that sector	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
A Housing loans :					
1 Individuals	0.90%	1.13%	1.10%	0.87%	0.63%
2 Builders/Project loans	-	-	1.93%	-	-
3 Corporates	-	-	-	-	-
4 Others	-	-	-	-	-
B Non housing loans :					
1 Individuals	0.19%	0.19%	0.26%	0.18%	0.62%
2 Builders/Project loans	-	-	-	-	-
3 Corporates	-	-	-	-	-
4 Others	-	-	-	-	-

53.6 Movement of Non performing assets (NPAs)

(Rs in millions)

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(I) Net NPAs to net advances (%)	0.54%	0.80%	0.77%	0.60%	0.49%
(II) Movement of NPAs (Gross)					
a) Opening balance	315.36	170.45	170.45	80.68	57.24
b) Additions during the period / year (net)	16.60	151.76	211.89	133.64	66.15
c) Reductions during the period / year	87.06	53.85	66.98	43.87	42.71
d) Closing balance	244.90	268.36	315.36	170.45	80.68
(III) Movement of Net NPAs					
a) Opening balance	234.13	128.05	128.05	64.18	47.71
b) Additions during the period / year (net)	(11.02)	121.75	153.59	98.86	51.98
c) Reductions during the period / year	60.32	38.01	47.51	34.99	35.51
d) Closing balance	162.79	211.79	234.13	128.05	64.18
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)					
a) Opening balance	81.23	42.40	42.40	16.50	9.53
b) Provision made during the period / year (net)	27.62	30.01	58.30	34.78	14.17
c) Reductions during the period / year	26.74	15.84	19.47	8.88	7.20
d) Closing balance	82.11	56.57	81.23	42.40	16.50

In view of the Supreme Court interim order dated 3 September 2020 in public interest litigation (PIL) by Gajendra Sharma vs. Union of India & ANR, no additional borrower accounts under moratorium granted category have been classified as Non Performing Asset (NPA) which were not declared as NPA till 31 August 2020. However, the Company has classified such accounts as stage 3 and provisioned accordingly in the Statement of Profit and Loss for the half year ended 30 September 2020.

Disclosure as required by RBI circular dated 17 April 2020 'Covid-19 Regulatory package asset classification and provisioning' are given below:

Particulars	**30 September 2020**	**31 March 2020**
Principal outstanding of loans where the moratorium deferment was extended (#)	8,110.47	14,685.65
Principal outstanding in SMA/overdue categories*, where the moratorium deferment was extended	287.74	NA***
Principal outstanding where asset classification benefit is extended	3,911.17	NA***
Provisions made in terms of paragraph 5 of the circular**	159.41	69.42
Provisions adjusted during respective accounting periods against slippages	-	-
Residual provisions as of 30 September 2020 and 31 March 2020 in terms of paragraph 6 of the circular	159.41	69.42

* Special mention account (SMA) /overdue status includes cases 1-90 DPD as of 31 August 2020.

** This includes overall additional provision on account of Covid-19 calculated under expected credit loss (ECL).

***The asset classification and provisioning for year ended on 31 March 2020 is done based on the actual DPD i.e. benefit of provisions defined under para 5 of Circular, has not been availed for the purpose of these financial statements hence, the amount of loans pertaining to SMA/overdue category where the moratorium/deferment was extended for the purpose of asset classification and provisioning under the "Prudential norms on Income Recognition, Asset Classification (IRAC)" as at 31 March 2020 is Nil.

(#) The fall in the principal outstanding of loans where moratorium deferment was extended, from 31 March 2020 to 30 September 2020, is on account of increase in collection efficiency and customers clearing off their dues pertaining to moratorium period subsequent to 31 March 2020.

54 Overseas Assets

As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Nil	Nil	Nil	Nil	Nil

55 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of SPV sponsored	
Domestic	Nil
Overseas	Nil

56 Disclosure of customer complaints

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
a) No. of complaints pending at the beginning of the period / year	-	-	-	-	-
b) No. of complaints received during the period / year	82	62	132	38	46
c) No. of complaints redressed during the period / year	82	61	132	38	46
d) No. of complaints pending at the end of the period / year	-	1	-	-	-

57 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(Rs. in millions)

	As at 30 September 2020				As at 30 September 2019		
	Bank borrowings	Market borrowings	Loans**	Investments	Bank borrowings	Loans	Investments
Upto one month	624.70	-	290.69	2,182.96	399.03	487.02	3,523.68
Over 1 month and upto 2 months	181.84	-	289.49	-	158.37	477.92	400.00
Over 2 months and upto 3 months	357.32	-	295.58	583.46	366.96	468.98	470.00
Over 3 months and upto 6 months	1,765.73	-	870.67	1,371.50	1,332.28	1,355.01	-
Over 6 months and upto 1 year	3,412.31	-	2,010.49	500.00	2,611.30	2,490.42	-
Over 1 year and upto 3 years	10,912.42	2,400.00	6,714.97	-	9,516.48	7,566.45	-
Over 3 years and upto 5 years	5,282.07	-	4,889.93	-	6,270.87	4,894.25	-
Over 5 years and upto 7 years	1,154.03	-	3,694.18	-	1,731.09	3,095.64	-
Over 7 years and upto 10 years	322.82	-	3,820.50	-	626.99	2,668.41	-
Over 10 years	-	-	7,049.45	-	-	2,752.41	-
Total	**24,013.24**	**2,400.00**	**29,925.95**	**4,637.92**	**23,013.37**	**26,256.51**	**4,393.68**

(Rs. in millions)

	As at 31 March 2020			As at 31 March 2019		
	Bank borrowings	Loans**	Investments	Bank borrowings	Loans	Investments
Upto one month	323.32	21.79	2,255.00	153.29	440.10	1,027.15
Over 1 month and upto 2 months	167.96	28.40	600.00	44.12	431.00	-
Over 2 months and upto 3 months	494.05	180.33	518.00	231.62	422.09	-
Over 3 months and upto 6 months	1,610.45	534.52	-	1,046.46	1,214.63	-
Over 6 months and upto 1 year	2,873.06	2,049.91	-	1,727.47	2,212.36	-
Over 1 year and upto 3 years	11,073.34	6,861.37	-	7,424.39	6,532.30	-
Over 3 years and upto 5 years	6,639.38	5,185.41	-	5,695.56	4,011.24	-
Over 5 years and upto 7 years	1,413.71	3,881.85	-	1,953.68	2,415.44	-
Over 7 years and upto 10 years	397.29	4,058.41	-	1,021.41	1,958.49	-
Over 10 years	-	7,463.55	-	0.82	1,769.51	-
Total	**24,992.56**	**30,265.54**	**3,373.00**	**19,298.82**	**21,407.16**	**1,027.15**

**Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB. Assumption for 30 September 2020 and 31 March 2020 include impact of Covid-19 on customer collections and cash inflows.

(Rs. in millions)

	As at 31 March 2018		
	Bank borrowings	Loans	Investments
Upto one month	79.00	236.68	-
Over 1 month and upto 2 months	9.40	232.39	-
Over 2 months and upto 3 months	34.40	228.18	-
Over 3 months and upto 6 months	491.05	660.04	-
Over 6 months and upto 1 year	909.12	1,216.26	-
Over 1 year and upto 3 years	4,949.57	3,725.93	-
Over 3 years and upto 5 years	2,440.80	2,426.86	-
Over 5 years and upto 7 years	703.43	1,558.83	-
Over 7 years and upto 10 years	598.50	1,362.23	-
Over 10 years	4.21	1,476.12	-
Total	**10,219.48**	**13,123.52**	**-**

Note: The Company does not have market borrowing, foreign currency liabilities, deposits, foreign currency assets and investments as at 30 September 2020, 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018.

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58 There were no instances of fraud reported during the half year ended 30 September 2020 (30 September 2019: Nil, 31 March 2020: Nil, 31 March 2019: Rs. 2.32 millions, 31 March 2018: Nil).

59 Figures for the previous period / year have been regrouped/ re-arranged wherever considered necessary to conform to the figures presented in the current period.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date: 18 November 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No : 01741612
Place: Mumbai
Date: 13 November 2020

Rajagopalan Santhanam
Director
DIN No : 00025669
Place: Mumbai
Date: 13 November 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 November 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 November 2020

OTHER FINANCIAL INFORMATION

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 26, 2020, May 13, 2019 and May 29, 2018, respectively ("**Standalone Financial Statements**") are available at https://homefirstindia.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of the Red Herring Prospectus; or (ii) this 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 Standalone 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 Selling Shareholders, 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 Standalone Financial Statements, or the opinions expressed therein.

Set forth below are the details of accounting ratios as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 calculated on the of basis Restated Financial Information:

	Particulars	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
A	Net worth (₹ in millions)	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
B	Net profit after tax, as restated (₹ in millions)	529.53	367.41	792.49	452.04	159.96
C	Adjusted profit (₹ in millions)	529.53	367.41	792.49	452.04	159.96
	Weighted average number of equity shares outstanding during the period / year					
D	**For basic earnings per share**					
	- Weighted average number of equity shares outstanding during the period / year (before sub division)	NA	13,774,046	NA	11,556,025	10,320,796
	- Adjustment for sub division (1:5)	NA	55,096,184	NA	46,224,100	41,283,184
	- Weighted average number of equity shares outstanding during the period / year (after sub division)	78,302,953	68,870,230	73,583,973	57,780,125	51,603,980
E	**For diluted earnings per share**					
	- Weighted average number of equity shares outstanding during the period / year (before sub division)	NA	13,774,046	NA	11,556,025	10,320,796
	- Additional equity shares considered for dilutive EPS for ESOPs	2,053,605	321,553	1,669,028	256,570	268,435
	- Weighted average number of equity shares for Diluted earnings per share (before sub division)	2,053,605	14,095,599	1,669,028	11,812,595	10,589,231
	- Adjustment for sub division (1:5)	NA	56,382,397	NA	47,250,380	42,356,924
	- Weighted average number of equity shares for Diluted earnings per share (after sub division)	80,356,558	70,477,996	75,253,001	59,062,975	52,946,155
	Number of shares outstanding at the end of the period					
F	Number of shares outstanding at the end of the period (before sub division)	NA	15,659,543	NA	12,667,898	10,323,331
	Adjustment for sub division (1:5)	NA	62,638,172	NA	50,671,592	41,293,324
	Number of shares outstanding at the end of the period / year (after sub division)	78,392,895	78,297,715	78,297,715	63,339,490	51,616,655
G	Number of shares outstanding at the end of the period / year (before sub division)	NA	15,659,543	NA	12,667,898	10,323,331

	Particulars	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
	Diluted effect of outstanding stock options	2,053,605	321,553	1,669,028	256,570	268,435
	Dilutive equity shares (before sub division)	NA	15,981,096	NA	12,924,468	10,591,766
	Adjustment for sub division (1:5)	NA	63,924,385	NA	51,697,872	42,367,064
	Dilutive equity shares (after sub divison)	80,446,500	79,905,481	79,966,743	64,622,340	52,958,830
H	Restated basic earnings per share (Rs.)					
	- before sub division **(B/D)**	NA	26.67	NA	39.12	15.50
	- after sub division **(B/D)**	6.76	5.33	10.77	7.82	3.10
I	Restated diluted earnings per share (Rs.)					
	- before sub division **(C/E)**	NA	26.07	NA	38.27	15.11
	- after sub division **(C/E)**	6.59	5.21	10.53	7.65	3.02
J	Average net worth	9,609.13	7,062.22	7,283.88	4,241.78	3,157.87
K	Return on net worth (%) **(B/J)**	5.5%	5.2%	10.9%	10.7%	5.1%
L	**Net assets value per share**					
	Based on existing outstanding number of shares **(A/F)**					
	- before sub division	NA	567.90	NA	412.97	315.03
	- after sub division	126.06	113.58	119.24	82.59	63.01
	Based on dilutive number of shares **(A/G)**					
	- before sub division	NA	556.47	NA	404.77	307.05
	- after sub division	122.84	111.29	116.75	80.95	61.41
M	Earnings before tax (₹ in millions)	703.58	502.85	1,072.83	651.95	242.70
	Add: Depreciation and amortisation (₹ in millions)	38.99	32.36	72.39	45.77	24.63
	Add: Finance Cost (₹ in millions)	1,112.90	918.37	1,938.28	1,265.44	659.64
	Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in millions)	1,855.47	1,453.58	3,083.50	1,963.16	926.97
N	Face value (₹)	2.00	10.00	2.00	10.00	10.00

Notes:

1. *The ratio has been computed as below:*

Basic earnings per share (₹) = $\dfrac{\textit{Net profit after tax, as restated}}{\textit{Weighted average number of equity shares outstanding during the year}}$

Diluted earnings per share (₹) = $\dfrac{\textit{Net profit after tax, as restated}}{\textit{Weighted average number of potential equity shares outstanding during the year}}$

Return on net worth (%) = $\dfrac{\textit{Net profit after tax, as restated}}{\textit{Average net worth as restated for the period}}$

Net asset value per share (₹) = $\dfrac{\textit{Net worth, as restated}}{\textit{Number of equity shares outstanding as at year end}}$

2. *Earning 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.*

3. *The amounts disclosed above are based on the Restated Financial Information of the Company.*

4. *Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account as per Restated Statement of Assets and Liabilities of the Company.*

5. *EBIDTA stands for earnings before interest, taxes, depreciation and amortisation.*

6. *The shareholders vide a special resolution have approved sub-division of equity shares of the Company in the ratio of five shares of face value of ₹ 2 each for each existing equity share of the face value of ₹ 10 each. The requisite approvals for modification of the memorandum and article of association of the Company had been accorded by the shareholders on October 30, 2019 in extraordinary general meeting (EGM).*

7. *Average net worth represents the simple average of our net worth as of the last day of the relevant year or period and or net worth as of the last day of the immediately preceding year.*

8. *Percentages and EPS (Basic/Diluted) for September 2019 and September 2020 are not annualised. They are not comparable*

Capitalisation Statement

The following table sets forth our Company's capitalisation as at September 30, 2020. This table should be read in conjunction with the section "*Restated Financial Information*" on page 223.

(₹ in million)

Particulars	Pre Offer (as at September 30, 2020)	Post Offer*
Total borrowings (including debt securities)	26,365.78	26,365.78
Total equity		
Share capital	156.79	174.78
Other equity	9,725.11	13,240.17
Total shareholder's fund (net worth)	9,881.90	13,414.95
Ratio: Total borrowings (including debt securities)/ total equity	2.67	1.97

**Post Offer column reflects changes in equity on account of proceeds from the Fresh Issue of ₹ 2,650 million, out of which ₹ 10.23 million has been adjusted against the Equity Share capital and ₹ 2,639.77 million has been adjusted in securities premium. Further the other equity amount has not been adjusted for share issue expenses of the Offer.*

Notes:

The following have been the changes in the share capital since September 30, 2020:

1. *Our Company has undertaken a preferential allotment of 2,240,639 Equity Shares to Orange Clove Investments B.V (an affiliate of Warburg Pincus) on October 15, 2020 for cash consideration at a premium of ₹ 332.726 per Equity Share aggregating to approximately ₹ 750 million.*
2. *Our Company has undertaken a preferential allotment of 122,000 Equity Shares to certain of its employees on November 30, 2020 for cash consideration at a premium of ₹ 332.726 per Equity Share aggregating to ₹ 40.84 million.*
3. *Pursuant to exercise of options granted to certain employees of the Company under ESOP 2012 and ESOP II, the Company has allotted 1,515,427 Equity Shares on various dates to such employees for an aggregate amount of ₹ 99.33 million.*

FINANCIAL INDEBTEDNESS

Our Company is engaged in the business of providing affordable housing loans and accordingly, have availed loans in the ordinary course of their business for the purposes of onward lending.

Pursuant to a resolution passed by our shareholders in their AGM held on June 12, 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 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 and which shall remain outstanding at any given point of time shall not exceed ₹ 50,000 million.

The following table sets forth details of the aggregate outstanding borrowings of our Company as of November 30, 2020:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Term Loans from Banks and Other Parties[(1)]	28,060.00	16,575.31
Working Capital Facilities[(2)]	300.00	-
Loans repayable on demand - Cash Credit/Overdraft Facilities[(3)]	295.00	35.16
Term Loans from NHB[(4)]	14,311.00	6,705.98
Secured non-convertible debentures ("**NCDs**")*	2,400	2,400
Total	45,366.00	25,716.45

** Our NCDs are listed on the wholsesale debt segment of BSE.*

(1) *Our term loans are outstanding from Axis Bank Limited, Bank of Baroda, Bank of India, Central Bank of India, CSB Bank Limited, DCB Bank Limited, Federal Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, State Bank of India, Karur Vysa Bank Limited, Kotak Mahindra Bank Limited, Union Bank of India and Bajaj Finance Limited.*

(2) *Our working capital facilities are outstanding from State Bank of India and HDFC Bank Limited.*

(3) *Our cash credit facilities are sanctioned from Axis Bank Limited and ICICI Bank Limited and our overdraft facilities are sanctioned from Axis Bank Limited.*

(4) *Our term loans from NHB include a special refinance facility ("**SRF**") to the extent of ₹ 361 million sanctioned under the SRF Scheme dated April 29, 2020 of the NHB.*

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 8% to 11% per annum and for NHB sanctioned refinance is typically 4% to 10%, which is linked to the marginal cost of funds based lending rate of the respective lenders. In terms of the cash credit facilities availed of by us, the interest rate is typically on a fixed or 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 have entered into debenture trust deeds dated September 5, 2020 ("**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 8.50% to 9.50%.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first hypothecation or charge on our Company's book debts and receivables. 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 1% to 2%. Further, the loans can be prepaid without any prepayment charge subject to fulfilment of conditions including prior notice to the lender. In relation to the NCDs, the Company does not have an option to prepay the outstanding debentures until the expiry of redemption period thereto.

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 years to 6 years and 7 years to 15 years, respectively. We are

required to repay in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs ranges from 18 to 36 months.

5. ***Key covenants:***

In terms of our facility agreements, sanction letters and the DTDs, we are required to comply with various restrictive covenants and conditions as follows:

(a) take the prior consent of lenders to effect any adverse changes or alter its capital structure;

(b) take the prior consent of lenders 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 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) provide 60 days' prior notice to the lenders for declaration of dividend for any year except out of profits relating to the year after making all due and necessary provisions; and

(i) take the prior consent of lenders to make any amendments to the memorandum of association and articles of association.

Further, some of our Shareholders (including our Promoters) 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/providing incorrect or misleading information provided 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) enforce their security over the hypothecated / mortgaged assets;

(b) appoint nominee directors;

(c) review the management set up or organisation of our Company and may require our Company to restructure *inter alia* the formation of management;

(d) convert the debt into equity in conformity with RBI guidelines;

(e) declare the outstanding amount to be due and payable forthwith;

(f) declare our Company, the Promoters 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 2% p.a. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statements as of and for the six months ended September 30, 2020 and 2019 and the financial years ended March 31, 2020, 2019 and 2018, including the related annexures. These restated financial statements are prepared in accordance with Ind AS and restated as per Chapter III of the Companies Act and the SEBI ICDR Regulations.

Ind AS differs in certain material respects with IFRS and U.S. GAAP. See "Risk Factors – External 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 44.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year 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 24, respectively.

Overview

We are a technology driven affordable housing finance company that targets first time home buyers in low and middle-income groups. We primarily offer customers housing loans for the purchase or construction of homes, which comprised 92.1% of our Gross Loan Assets, as of September 30, 2020. Our Gross Loan Assets have grown at a CAGR of 63.4% between the financial year 2018 and the financial year 2020 and increased from ₹ 13,559.32 million as of March 31, 2018 to ₹ 37,300.12 million, as of September 30, 2020.

We serve salaried and self-employed customers. Salaried customers account for 73.1% of our Gross Loan Assets and self-employed customers account for 25.0% of Gross Loan Assets, as of September 30, 2020. We serviced 44,796 active loan accounts, as of September 30, 2020. We also offer other types of loans comprising loans against property, developer finance loans and loans for purchase of commercial property, which comprised 5.1%, 1.9% and 0.9% of our Gross Loan Assets, as of September 30, 2020, respectively. As of the same date, 32.8% of our Gross Loan Assets were from customers who were new to credit. The average ticket size of our housing loans was ₹ 1.01 million, with an average loan-to-value on Gross Loan Assets of 48.8%, as of September 30, 2020. As of September 30, 2020 and March 31, 2020, our Stage 3 Loan Assets expressed as a percentage of our Gross Loan Assets were 0.74% and 0.87%, respectively.

As of September 30, 2020, we had a network of 70 branches covering over 60 districts in 11 states and a union territory in India, with a significant presence in urbanized regions in the states of Gujarat, Maharashtra, Karnataka and Tamil Nadu. We have increased the scale of our operations and grown our branches by adopting a strategy of contiguous expansion across regions and have strategically expanded to geographies where there is substantial demand for housing finance. According to the CRISIL Report, the 11 states and union territory in which we are present accounted for approximately 79% of the affordable housing finance market in India during the financial year 2019. We utilize a diverse range of lead sourcing channels such as connectors, architects, contractors, affordable housing developers, in addition to conducting loan camps and micro marketing activities, and utilizing employee and customer referrals and branch walk-in customers.

We have leveraged technology in various facets of our business such as processing loan applications, managing customer experience and risk management. We have developed a paperless process to onboard customers efficiently and our well-trained front-end teams appraise customers by conducting home and workplace visits and ensure minimal disruption to a customer's daily routine. We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions. We have an integrated customer relationship management and loan management system set up on a leading cloud based customer relationship platform providing us with a holistic view of all our customers. We utilize proprietary machine learning customer scoring models to assist us with our centralized credit underwriting process, which has led to consistent and accurate credit evaluation with quick turn around times. During the six months ended September 30, 2020 and the last three financial years, we invested ₹ 201.19 million in our information technology systems (comprising software license fees, technology fees and other intangible assets).

As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million. We typically obtain long-term funding from a variety of sources including private and public sector banks, the NHB and through assignment transactions. According to the CRISIL Report, we had the highest share of NHB refinance (26%) among our peers in our borrowing mix as of March 31, 2020. We have improved our credit ratings from 'CARE A-' as of March 31, 2017 to 'CARE A+' as of September 30, 2020 and also currently have an A+ (stable) rating from ICRA Limited.

Our Company was founded by Jaithirth Rao, P. S. Jayakumar and Manoj Viswanathan and we commenced our operations in August 2010. We are a company managed by professionals and our Promoters are True North Fund V LLP and Aether

(Mauritius) Limited. Further, Bessemer and Orange Clove Investments B.V. (an affiliate of Warburg Pincus, a global private equity investor), has acquired a stake in our Company. We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders. In addition to assisting us with capital raising, our shareholders have assisted us in implementing strong corporate governance, which we believe have been critical to the growth of our operations.

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

Metric	As of and for the six months ended September 30,		As of and the year ended March 31,		
	2020	2019	2020	2019	2018
Gross Loan Assets[1] (*₹ million*)	37,300.12	31,133.76	36,183.60	24,435.74	13,559.32
Growth rate of Gross Loan Assets[2] (%)	19.8%	63.1%	48.1%	80.2%	60.0%
Disbursements (*₹ million*)	2,959.48	8,857.53	16,182.88	15,728.21	7,455.29
Growth rate of Disbursements[3] (%)	-66.6%	23.6%	2.9%	111.0%	75.7%
Total Income (*₹ million*)	2,431.93	1,937.73	4,196.57	2,709.21	1,342.37
Profit after Tax (*₹ million*)	529.53	367.41	792.49	452.04	159.96
Net Worth[4] (*₹ million*)	9,881.90	8,893.03	9,336.36	5,231.40	3,252.15
Stage 3 Loan Assets[5] / Gross Loan Assets (%)	0.74	0.86	0.87	0.70	0.60
Stage 3 Loan Assets (Net)[6] / Net Loan Assets[7] (%)	0.51	0.68	0.65	0.53	0.48
Average Yield on Loans - Principal Outstanding[8] (%)	6.5	6.5	13.2	13.2	12.1
Average Cost of Borrowing (excluding assignments)[9] (%)	4.3	4.3	8.7	8.5	7.7
Net Interest Margin[10] (%) (Net Interest Income / Average total Assets[11])	2.4	2.2	5.1	5.4	5.3
Operating Expenses[12] / Average Total Assets (%)	1.3	1.7	3.5	3.8	3.6
Cost to Income Ratio[13] (Operating Expenses / Net Total Income)	34.9	47.5	45.8	50.3	61.0
CRAR (%) (in accordance with restated Ind AS financial information)	51.7	47.6	49.0	38.5	43.0
Number of Branches	70	65	68	60	42
Active Loan Accounts	44,796	37,086	43,094	29,372	15,723

Figures disclosed in the table above, except Total Income and Profit after Tax are not measures of financial position, operating performance or liquidity defined by Ind AS or generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

1. *Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our 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. *Growth Rate of Gross Loan Assets represents percentage growth in Gross Loan Assets as of the last day of the relevant year or period over Gross Loan Assets as of the last day of corresponding immediately prior period.*

3. *Growth Rate of Disbursements represents the percentage growth in disbursements for the relevant year or period over disbursements of the corresponding immediately prior period.*

4. *Net Worth is the aggregate of the paid-up share capital, reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

5. *Stage 3 Loan Assets represents closing balance of loan assets overdue for 90 days or more as of the last day of the relevant year or period as per ECL methodology under IndAS guidelines*

6. *Stage 3 Loan Assets (Net) represents Stage 3 loan assets less Impairment loss allowance on Stage 3 loan assets as at the end of the relevant year or period as per our restated financial statements as per ECL methodology under IndAS guidelines.*

7 *Net Loan Assets represents Gross Loan Assets less impairment loss allowance excluding impairment loss allowance on undisbursed commitments as of the last day of the relevant year or period.*

8 *Average Yield on Loans - Principal outstanding represents (Interest on term loans/ Average loans – principal outstanding) for the relevant year or period as per restated financial statements. Average loans – principal outstanding represents the simple average of loans – principal outstanding as of the last day of the relevant year or period and loans – principal outstanding as of the last day of the immediately prior year.*

9 *Average Cost of Borrowing excluding assignments represents (Interest on borrowings and Interest on debt securities)/ Average borrowings (including debt securities) for the relevant year or period as per our restated financial statements. Average (borrowings including debt securities) represents the simple average borrowings including debt securities as of the last day of the relevant year or period and borrowings including debt securities as of the last day of the immediately prior year.*

10 *Net Interest Margin represents the Net Interest Income for the relevant year or period divided by Average Total Assets as of the last day of such year or period. Net Interest Income represents interest income on term loans minus Interest on borrowings and Interest on debt securities for the relevant year or period as per our restated financial statements. Interest Income represents Interest Income on loans.*

11 *Average Total Assets represents the 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 immediately prior year or corresponding immediately prior period as shown in our restated financial statements.*

12 *Operating Expenses is the sum of employee benefits expenses, depreciation and amortisation, interest on lease liability, bank charges and others and other expenses for the relevant year or period as per our restated financial statements.*

13 *Cost to Income ratio represents Operating Expenses as a percentage of net Total Income (i.e., Total Income less interest on borrowings and interest on debt securities).*

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

COVID-19 Pandemic

COVID-19 spread to a majority of countries across the world, including India, in the first half of the calendar year 2020. The pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India where our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations.

The lockdown led to a closure of our Registered and Corporate Office as well as our branch offices and we moved to a work-from home model. We resumed operations at our branches in a staggered manner in compliance with the lockdown restrictions and government guidelines and were able to resume physical operations at all branches by September 30, 2020. The COVID-19 pandemic and related lockdown resulted in a slowdown of disbursements by our Company from ₹ 8,857.53 million for the six months ended September 30, 2019 to ₹ 2,959.48 million for the six months ended September 30, 2020. Further, the RBI issued guidelines relating to COVID-19 providing moratorium of three months on the payment of all principal amounts and interest falling due between March 1, 2020 and May 31, 2020. It thereafter extended the moratorium on loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, we granted the moratorium option to certain of our customers for the period between March 1, 2020 and August 31, 2020. Moratorium was granted by us to 12,525 customers valued at ₹ 415.49 million, as of September 30, 2020, to be repaid by borrowers over a 12-month, 24-month or 36-month period. We also witnessed an increase in our bounce rate from 10.5% during the last quarter of the financial year 2020 to 28.3% during the second quarter of the financial year 2021.

We took additional measures to improve our liquidity position to ensure adequate funding to meet financial and other commitments. We engaged with banks and participated in the Targeted Long Term Repo Operation (TLTRO 2.0) and Partial Credit Guarantee (PCG) schemes, and raised ₹ 2,400 million through this process. We raised ₹ 8,604.70 million during the six months ended September 30, 2020 through term loans, NHB refinance, issuance of non-convertible debentures and through direct assignments.

Further, our Statutory Auditors have included emphasis of matters in their examination report on the Restated Financial Information, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on our Company’s operations and the impact on the appropriateness of the impairment provision recognised towards the loan assets outstanding as at September 30, 2020 and March 31, 2020.

To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of the below mentioned factors affecting our results of operations. See "*Internal Risk Factors - The Coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted*" on pages 24-26 and "*Our Business - Responding to challenges posed by the COVID-19 Pandemic*" on pages 153-155.

Availability of Cost Effective Funding Sources

The availability of cost-effective funding sources affects our results of operations. We have historically secured funding from private and public sector banks, the NHB and through assignment transactions. As of September 30, 2020 and March 31, 2020, 2019 and 2018, our Total Borrowings (including debt securities, as applicable) were ₹ 26,365.78 million, ₹ 24,938.05 million, ₹ 19,256.41 million and ₹ 10,198.76 million, respectively, and our average cost of borrowings (excluding assignments) was 4.3% (not annualized), 8.7%, 8.5% and 7.7%, respectively. Our ability to continue to meet customer demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. 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. The availability for funding as well as the overall cost of funds depends on many external factors, including developments in the Indian economy and its 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. See " - *Credit Ratings*" on page 318 as well as *"Risk Factors – Internal Risk Factors - Any disruption in our sources of funding could have an adverse effect on our business, results of operations and financial condition"* on page 26.

Volatility in Borrowing and Lending Rates

Our results of operations depend substantially on our net interest spread, which is the difference between the interest rates on our interest-earning assets and interest-bearing liabilities. Any change in interest rates would affect our finance costs and our interest income. We offer customers housing loans at variable interest rates and we determine our reference rate from time to time based on market conditions. Our interest income constitutes the largest component of our revenue from operations. For the six months ended September 30, 2020 and the financial years 2020, 2019 and 2018, interest income represented 87.5%, 89.0%, 89.2% and 98.4% of our revenue from operations, respectively.

Our finance costs, which primarily include interest on borrowings represented 64.4%, 62.0%, 61.5% and 60.0% of our total expenses for the six months ended September 30, 2020 and the financial years 2020, 2019 and 2018, respectively. Interest rates are sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India and domestic and international economic conditions. Moreover, interest rates in India are typically correlated with the inflation rate, as the inflation rate increases, the RBI has historically sought to raise interest rates. Our results of operations are thus affected by changes in interest rates and our ability to re-price our interest-earning assets accordingly. See *"Risk Factors – Internal Risk Factors - We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability"* on page 31 and "*- Quantitative and Qualitative Disclosures about Market Risks - Interest Rate Risk*" on page 319.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loan portfolio, which we measure in part through non-performing assets, is a key driver of our results of operations. We are required to classify the loans we provide into performing and non-performing assets in accordance with the NHB Directions. Defaults by our customers for a period of more than 90 days result in such loans being classified as "non-performing". Non-performing assets are also classified into sub-standard, doubtful and loss assets and provisions are made based on criteria stipulated by the NHB Directions. We rely on our credit assessment process to maintain a high-quality loan portfolio and we make provisions over and above the provisions stated in the NHB Directions against all non-performing assets, if in the opinion of our management such provisions are necessary. We consider a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for expected credit loss calculations in all cases, when the asset becomes more than 90 days past due on its contractual payments. For further details, see "*- Statement of Certain Significant Accounting Policies - Financial Instruments - Impairment of financial assets*" below.

In addition, on account of our recent growth, a significant portion of our loan portfolio is relatively new and was disbursed during the last 36 months. We believe that the risk of delinquency in home loans typically emerges 18 to 36 months from disbursement. As the number of our loans that become non-performing assets increases, the credit quality of our loan portfolio decreases.

The following table illustrates our non-performing assets for the periods indicated:

Metric	As of			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Stage 3 Loan Assets *(₹ in million)*	275.79	315.36	170.45	80.68
Stage 3 Loan Assets / Gross Loan Assets (%)	0.74%	0.87%	0.70%	0.60%
Stage 3 Loan Assets (Net) *(₹ in million)*	186.39	234.14	128.05	64.18
Stage 3 Loan Assets (Net) / Net loan assets *(%)*	0.51%	0.65%	0.53%	0.48%

Further, since the underlying security on our loans is a mortgage over the customers' property, our loan portfolio is exposed to events affecting the real estate sector. A decline in real estate prices, and in turn in the value of the collateral could affect our ability to recover amounts owed to us upon foreclosure. See "*Risk Factors – Internal Risk Factors - Our inability to recover the full value of collateral, or amounts outstanding under defaulted loans in a timely manner, or at all, could adversely affect our business, results of operations and financial condition*" on pages 32-33.

Investment in Technology

We are a technology driven company and have built a scalable operating model, which enables us to expand our operations and drive growth in revenue with lower incremental costs. We have established a differentiated technology framework with customized systems and tools, enhancing convenience for our customers as well as increasing operational efficiency. During the six months ended September 30, 2020 and the last three financial years, we invested ₹ 201.19 million in our information technology systems (comprising software license fees, technology fees and other intangible assets). Our information technology systems allow us to leverage economies of scale to increase productivity and reduce turn around times and transaction costs. Our ability to grow our customer base, improve customer experience and increase our revenues will depend, in part, on our ability to leverage technology. We plan to continue to make significant investments in technology to create an end-to-end digital process for housing loans, upgrade and automate our existing systems and enhance our mobility solutions.

Competition in Our Industry

The Indian housing finance industry is characterized by high levels of competition. The factors on which we compete include loan approval rates, interest rates charges for loans, turnaround times and customer relationships. We compete with several HFCs and NBFCs in the regions in which we operate and many of our competitors may have better access to, and lower costs of, funding than we do. In certain geographies, our competitors 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, we may lose existing as well as potential customers to competition, resulting in a decline in our market share.

Competition is also increasing as a result of interest rate deregulation and other liberalization measures. Demand for housing finance has increased as a result of a reduction in interest rates, higher incomes and increased financial incentives for customers. Further, technological advances and internet based lending platforms have increased accessibility to housing finance products and services for customers and resulted in an increase in competition. 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.

General Economic Conditions in India

Our results of operations are affected 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 housing loans. 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. Several factors beyond our control, such as developments in the Indian economy and domestic employment levels, conditions in the world economy, pandemics such as COVID-19, fluctuations in interest rates, movements in global commodity markets and exchange rates could have either a positive or an adverse impact on the quality of our Gross Loan Assets. The demand for housing loans is also affected by real estate prices and developments in the real estate sector in each of the regions in which we operate. 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 could have an adverse impact on our business.

Government Policy and Regulations

Our results of operations and continued growth depend on government policies and regulations, including incentives provided to the affordable housing industry such as the Pradhan Mantri Awas Yojana. We are affected by a number of regulations promulgated by the RBI and NHB that regulate, among other things, limits on borrowings, investments and interest rates, asset classification and provisioning for standard and non-standard assets, norms for creation of special reserves as well as minimum capital adequacy requirements. For example, the NHB Directions currently permits HFCs to borrow up to 14 times their net owned funds ("**NOF**") until March 31, 2020 and after which this limit shall be further reduced to 13 times of their NOF until March 31, 2021 and subsequently to 12 times of their NOF until March 31, 2022. As of September 30, 2020, we had Total

Borrowings (including debt securities) of ₹ 26,365.78 million, which was 2.7 times our NOF of ₹ 9,881.90 million. Further, under Ind AS, we compute impairment allowance based on the expected credit loss model. For further details, see "- *Statement of Certain Significant Accounting Policies - Financial Instruments - Impairment of financial assets"* below.

The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. Any change in the regulatory framework affecting HFCs, and in particular those requiring us to maintain certain financial ratios, placement restrictions on accessing funds or lending to HFCs, among others, would affect our results of operations and growth.

Further, the NHB Act Amendments have come into force on August 9, 2019, which require HFCs to among others, apply to the RBI for registration under the NHB Act, in place of NHB and authorize the RBI to determine policy and issue instructions in relation to housing finance institutions. See "*Risk Factors – Internal Risk Factors - The Indian housing finance industry is extensively regulated and any changes in laws and regulations applicable to HFCs could have an adverse effect on our business"* on pages 35-36.

Statement of Certain Significant Accounting Policies

Use of estimates

The preparation of financial information requires our management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on our management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of these estimates include useful lives of property, plant and equipment, expected credit loss allowance, future obligations under employee retirement benefit plans and income taxes. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

Financial Instruments

Financial Assets

Initial recognition and measurement

Financial assets are recognised when we become a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those financial assets classified as at fair value through profit and loss ("**FVTPL**"). Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in our statement of profit and loss.

Classification

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost.

Subsequent measurement

Financial instruments at amortised cost: the financial instrument is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("**EIR**") method. All our debt instruments are measured at amortised cost.

Financial instruments at FVTPL/FVOCI: For assets measured at fair value, gains and losses will either be recorded in our statement of profit and loss or other comprehensive income. Investments in equity instruments are classified as FVTPL unless we irrevocably elect at initial recognition to present subsequent changes in fair value through other comprehensive income for investments in equity instruments which are not held for trading.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which we hold financial assets and therefore no reclassifications were made.

Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Our expected credit loss ("**ECL**") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The measurement of ECL is calculated using three main components:

- probability of default ("**PD**");
- loss given default ("**LGD**"); and
- the exposure at default ("**EAD**").

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and the EAD. The 12-month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

We apply a three-stage approach to measure ECL on financial assets accounted for at amortised cost and fair value through other comprehensive income ("**FVTOCI**"). Assets migrate through the following three stages based on the change in credit quality since initial recognition.

We have provided ECL on the undisbursed loan commitments classified under Stage 1.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due ("**DPD**") less than or equal to 29 days are classified as stage 1. We have identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

Stage 2: Life time ECL - not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, we assess whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. We have identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

Stage 3: Lifetime ECL - credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when the accounts are overdue for more than 30 days Accounts that are overdue for 90 days or more are moved to Stage 3.

De-recognition of financial assets

A financial asset is derecognised only when:

- we have transferred the rights to receive cash flows from the financial asset, or
- we retain the contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where we have transferred an asset, we evaluate whether we have transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where we have not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where we have neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if we have not retained control of the financial asset. Where we retain control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit or loss.

On derecognition of a part of financial asset in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit or loss.

Write offs

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of our internal processes and when we conclude that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. We have a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Financial Liability

A financial liability is 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 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 our own equity instruments, or 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.

Classification

We classify our financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss.

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition.

De-recognition 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 or loss.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Property, plant and equipment and other intangible assets and depreciation /amortisation

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and intangible assets not ready for their intended use before such date is disclosed under capital work-in-progress.

Depreciation in respect of assets is provided on the straight-line method as per the over the useful life of the assets. We have used the following useful lives to provide depreciation /amortisation on its property, plant and equipment and intangible asset:

Property Plant and Equipment	Years
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
Intangible Assets	
Computer software	3
Licenses	3
Scoring algorithm	3

Property, plant and equipment purchased or sold during the year are depreciated on a pro-rata basis.

Revenue Recognition

Interest Income

Interest income is recorded using the EIR method. EIR is the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses. We calculate interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as ‘Stage 3’, we calculate interest income by applying the effective interest rate to the net amortised cost of the financial asset (gross value less ECL provision). If the financial assets cures and is no longer credit-impaired, we revert to calculating interest income on a gross basis.

Fee and Other Revenue

Project appraisal fees and other ancillary fees is recognised on the basis of actual receipt. Display income is accounted on accrual basis.

Dividend Income

Dividend are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to us, and the amount of the dividend can be measured reliably.

Taxes on Income

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, we re-assess unrecognised deferred tax assets. We recognise unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax ("**MAT**") paid in accordance with the tax laws in India, which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets 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 realised.

Leases: Company as a Lessee

Our leased assets primarily consist of leases for buildings. We assess whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

- the contract involves the use of an identified asset;
- we have substantially all of the economic benefits from use of the asset through the period of the lease; and
- we have the right to direct the use of the asset.

At the date of commencement of the lease, we recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, we recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using our incremental borrowing rate.

Lease liability and right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Impairment of Non-financial Assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/ amortisation if there were no impairment.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when we have a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control.

Contingent assets are not recognised in our financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

Employee Benefits

Short-term employee benefits: All employee benefits, which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

Post-employment Benefits

We make contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.

Our gratuity benefit scheme is an unfunded defined benefit plan. Our obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. Actuarial gains or losses on such valuation are recognised immediately in the other comprehensive income.

Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by our Management that affects the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

Our management believes that these estimates are prudent and reasonable and are based upon management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

The items below provide an overview of the areas that involved a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, provision for inventory obsolescence and impairment of investments/assets.

Business model assessment

We determine our business model at the level that best reflects how we manage groups of financial assets to achieve our business objective.

We consider the frequency, volume and timing of sales in prior years, the reason for such sales, and our expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how our stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, we consider information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions. Based on this assessment and our future business plans, our management has measured our financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principle and interest.

Effective Interest rate method

Our 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 and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to our base rate and other fee income/expense that are integral parts of the instrument.

Income Tax

We review at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome, which could lead to an adjustment to the amounts reported in the standalone financial statements.

Contingencies

Our management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against us as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The measurement of impairment losses on loan assets and commitments requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. Our ECL calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

Our criteria for assessing if there has been a significant increase in credit risk:

- the segmentation of financial assets when their ECL is assessed on a collective basis
- development of ECL model, including the various formulae and the choice of inputs
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Revenue and Expenses

Our revenue and expenditure is reported in the following manner:

Revenue. Total revenue consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises interest income, net gain on derecognition of financial instruments under amortised category, other operating income, fees and commission income and dividend income.

Revenue from interest income comprises interest income from housing loans, loans against property, developer finance and loans for purchase of commercial property. It also comprises interest income on fixed deposits with banks and other interest income, which comprises net interest income on securitized assets.

Other Income. Other income comprises display income received on account of advertisements displayed at our branches and other non-operating income.

Expenses

Expenses comprise finance costs, impairment on financial instruments, employee benefits expenses, depreciation and amortisation and other expenses.

Finance Costs. Finance cost comprises interest on borrowings, bank and other charges, interest on lease liability and interest on commercial paper.

Impairment on financial instruments. Impairment on financial instruments comprises provision created on loans and write-offs.

Employee benefits expenses. Employee benefits expenses comprises salaries, wages and bonus, share based payments, contribution to provident fund, staff welfare expenses and gratuity.

Depreciation and amortisation. Depreciation and amortisation expenses are primarily incurred on account of depreciation of furniture and fixtures, office equipment, computers, right of use building and amortisation of computer software.

Other expenses. Other expenses primarily comprise legal and professional charges, travelling expenses, software license fees, technology fees, marketing and sales promotion expense and office administrative expenses.

Our Results of Operations

The following table sets forth select financial data from our restated statement of profit and loss for the six months ended September 30, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

	For the six months ended September 30,			
	2020		**2019**	
	(₹ in million)	**% of Total Income**	**(₹ in million)**	**% of Total Income**
Revenue from operations:				
Interest income	2,074.38	85.3%	1,603.82	82.8%
Fees and commission income	12.19	0.5%	10.99	0.6%
Net gain on derecognition of financial instruments under amortised cost category	257.63	10.6%	211.22	10.9%
Other operating income	27.29	1.1%	12.90	0.7%
Total revenue from operations	**2,371.49**	**97.5%**	**1,838.93**	**94.9%**
Other Income	**60.44**	**2.5%**	**98.80**	**5.1%**
Total Income	**2,431.93**	**100.0%**	**1,937.73**	**100.0%**
Expenses:				
Finance costs	1,112.90	45.8%	918.37	47.4%
Impairment on financial instruments	164.09	6.7%	39.46	2.0%
Employee benefits expenses	298.01	12.3%	301.75	15.6%
Depreciation and amortisation	38.99	1.6%	32.36	1.7%
Other expenses	114.36	4.7%	142.94	7.4%
Total Expenses	**1,728.35**	**71.1%**	**1,434.88**	**74.0%**
Profit before tax	**703.58**	**28.9%**	**502.85**	**26.0%**
Tax Expense:				
Current tax	143.07	5.9%	89.21	4.6%
Deferred tax (income) / expense	37.09	1.5%	46.23	2.4%
Excess provision for tax of earlier years written back	(6.11)	(0.3%)	-	-
	174.05	**7.2%**	**135.44**	**7.0%**
Profit after tax	**529.53**	**21.8%**	**367.41**	**19.0%**

Six months ended September 30, 2020 compared to six months ended September 30, 2019

Our results of operations for the six months ended September 30, 2020 were particularly driven by the following factors:

- an increase in interest income on our loan portfolio due to the overall growth of our business; and
- the COVID-19 pandemic and subsequent lockdown enforced in the country by government authorities.

Total Income

Our total income increased by 25.5% to ₹ 2,431.93 million for the six months ended September 30, 2020 from ₹ 1,937.73 million for the six months ended September 30, 2019, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 29.0% to ₹ 2,371.49 million for the six months ended September 30, 2020 from ₹ 1,838.93 million for the six months ended September 30, 2019, primarily due to an increase in interest on term loans to ₹ 1,981.76 million for the six months ended September 30, 2020 from ₹ 1,548.37 million for the six months ended September 30, 2019. The increase in interest on term loans was consistent with the increase in our customer base; our Gross Loan Assets were ₹ 37,300.12 million as of September 30, 2020 as compared to ₹ 31,133.76 million as of September 30, 2019.

Other income. Our other income decreased by 38.8% to ₹ 60.44 million for the six months ended September 30, 2020 from ₹ 98.80 million for the six months ended September 30, 2019 primarily on account of a reduction in display income to nil for the six months ended September 30, 2020 from ₹ 35.00 million for the six months ended September 30, 2019 due to the closure of our branches on account of the COVID-19 related lockdown enforced in the country.

Expenses

Finance costs. Our finance cost increased by 21.2% to ₹ 1,112.90 million for the six months ended September 30, 2020 from ₹ 918.37 million for the six months ended September 30, 2019, primarily due to an increase in interest on borrowings to ₹ 1,043.52 million for the six months ended September 30, 2020 from ₹ 904.07 million for the six months ended September 30, 2019. Our finance costs increased as a result of the increase in the outstanding amount of borrowings for the six months ended September 30, 2020 to support the growth of our business.

Impairment on financial instruments. Impairment on financial instruments increased to ₹ 164.09 million for the six months ended September 30, 2020 from ₹ 39.46 million for the six months ended September 30, 2019, primarily due to an increase in impairment loss allowance on loans to ₹ 131.40 million for the six months ended September 30, 2020 from ₹ 30.57 million for the six months ended September 30, 2019 and an increase in write-offs on loans to ₹ 27.15 million for the six months ended September 30, 2020 from ₹ 8.89 million for the six months ended September 30, 2019, primarily on account of the COVID-19 pandemic. We have recognized provisions as management overlay for specific categories of customers identified and recognized additional provisions for such specific customers.

Employee benefits expenses. Employee benefits expenses decreased by 1.2% to ₹ 298.01 million for the six months ended September 30, 2020 from ₹ 301.75 million for the six months ended September 30, 2019, primarily due to decrease in staff welfare expenses to ₹ 8.26 million for the six months ended September 30, 2020 from ₹ 14.06 million for the six months ended September 30, 2019 on account of the closure of our branches due to the COVID-19 related lockdown enforced in the country.

Depreciation and amortisation. Our depreciation and amortisation expense increased by 20.5% to ₹ 38.99 million for the six months ended September 30, 2020 from ₹ 32.36 million for the six months ended September 30, 2019, primarily due to a corresponding increase in our gross block of right of use building, leasehold improvements and computers.

Other expenses. Our other expenses decreased by 20.0% to ₹ 114.36 million for the six months ended September 30, 2020 from ₹ 142.94 million for the six months ended September 30, 2019, primarily due to a decrease in travelling expenses to ₹ 6.30 million for the six months ended September 30, 2020 from ₹ 23.23 million for the six months ended September 30, 2019 on account of the COVID-19 related lockdown enforced in the country.

Total tax expense. Our total tax expense increased to ₹ 174.05 million for the six months ended September 30, 2020 from ₹ 135.44 million for the six months ended September 30, 2019. For the six months ended September 30, 2020, we had a current tax expense of ₹ 143.07 million and a deferred tax expense of ₹ 37.09 million. For the six months ended September 30, 2019, we had a current tax expense of ₹ 89.21 million and a deferred tax expense of ₹ 46.23 million. Our effective tax rate (which represents the ratio of total tax expenses to profit before tax during the relevant period, expressed as a percentage) was 24.7% and 26.9% for the six months ended September 30, 2020 and 2019, respectively.

Profit after tax. Our profit after tax increased to ₹ 529.53 million for the six months ended September 30, 2020 from ₹ 367.41 million for the six months ended September 30, 2019.

The following table sets forth select financial data from our restated statement of profit and loss for the financial years 2020, 2019 and 2018, the components of which are also expressed as a percentage of total income for such periods:

	For the financial year					
	2020		2019		2018	
	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income
Revenue from operations:						
Interest income	3,547.33	84.5%	2,319.25	85.6%	1,299.58	96.8%
Fees and commission income	38.40	1.0%	33.38	1.2%	14.45	1.1%
Net gain on derecognition of financial instruments under amortised cost category	371.22	8.8%	214.76	7.9%	-	-
Other operating income	29.45	0.7%	31.37	1.2%	6.89	0.5%
Total revenue from operations	**3,986.40**	**95.0%**	**2,598.76**	**95.9%**	**1,320.92**	**98.4%**
Other Income	210.17	5.0%	110.45	4.1%	21.45	1.6%
Total Income	**4,196.57**	**100.0%**	**2,709.21**	**100.0%**	**1,342.37**	**100.0%**
Expenses:						
Finance costs	1,938.28	46.2%	1,265.44	46.7%	659.64	49.1%
Impairment on financial instruments	165.02	3.9%	73.13	2.7%	28.74	2.1%
Employee benefits expenses	611.09	14.6%	431.77	15.9%	250.80	18.7%
Depreciation and amortisation	72.39	1.7%	45.77	1.7%	24.63	1.8%
Other expenses	336.96	8.0%	241.15	8.9%	135.86	10.1%
Total Expenses	**3,123.74**	**74.4%**	**2,057.26**	**75.9%**	**1,099.67**	**81.9%**
Profit before tax	1,072.83	25.6%	651.95	24.1%	242.70	18.1%
Tax Expense:						
Current tax	231.90	5.5%	160.53	5.9%	120.36	9.0%
Deferred tax (income) / expense	48.44	1.2%	39.38	1.5%	(37.62)	(2.8%)
	280.34	**6.7%**	**199.91**	**7.4%**	**82.74**	**6.2%**
Profit after tax	**792.49**	**18.9%**	**452.04**	**16.7%**	**159.96**	**11.9%**

Financial Year 2020 compared to Financial Year 2019

Our results of operations for the financial year 2020 were particularly driven by the following factors:

- an increase in interest income on our loan portfolio due to the overall growth of our business;
- an increase in our average cost of borrowings due to the overall increase in borrowings to support the growth of our business; and
- an increase in the absolute amount of our employee benefit expenses and other expenses on account of an increase in the number of our branches and our employee base due to the overall growth of our business. However, such expenses expressed a percentage of our total income had reduced during the financial year 2020.

Total Income

Our total income increased by 54.9% to ₹ 4,196.57 million for the financial year 2020 from ₹ 2,709.21 million for the financial year 2019, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 53.4% to ₹ 3,986.40 million for the financial year 2020 from ₹ 2,598.76 million for the financial year 2019, primarily due to an increase in interest on term loans to ₹ 3,424.98 million for the financial year 2020 from ₹ 2,289.15 million for the financial year 2019 and an increase in net gain on derecognition of financial instruments under amortised cost category to ₹ 371.22 million for the financial year 2020 from ₹ 214.76 million for the financial year 2019. The increase in interest on term loans was consistent with the increase in our customer base; our Gross Loan Assets were ₹ 36,183.60 million as of March 31, 2020 as compared to ₹ 24,435.74 million as of March 31, 2019.

Other income. Our other income increased by 90.3% to ₹ 210.17 million for the financial year 2020 from ₹ 110.45 million for the financial year 2019 primarily on account of an increase in net gain on financial instruments (investment in mutual funds) to ₹ 121.69 million for the financial year 2020 from ₹ 29.22 million for the financial year 2019 and an increase in display income from advertisements displayed at our branches to ₹ 87.50 million for the financial year 2020 from ₹ 72.91 million for the financial year 2019.

Expenses

Finance costs. Our finance cost increased by 53.2% to ₹ 1,938.28 million for the financial year 2020 from ₹ 1,265.44 million for the financial year 2019, primarily due to an increase in interest on borrowings to ₹ 1,912.23 million for the financial year 2020 from ₹ 1,241.32 million for the financial year 2019 as a result of the increase in the outstanding amount of borrowings over the year to support the growth of our business. There was an increase in the average cost of our borrowings (excluding assignments) from 8.5% during the financial year 2019 to 8.7% during the financial year 2020.

Impairment on financial instruments. Impairment on financial instruments increased to ₹ 165.02 million for the financial year 2020 from ₹ 73.13 million for the financial year 2019, primarily due to an increase in impairment loss allowance to ₹ 142.36 million for the financial year 2020 from ₹ 67.23 million for the financial year 2019, primarily on account of the COVID-19 pandemic.

Employee benefits expenses. Employee benefits expenses increased by 41.5% to ₹ 611.09 million for the financial year 2020 from ₹ 431.77 million for the financial year 2019, primarily due to an increase in salaries, wages and bonus to ₹ 517.13 million for the financial year 2020 from ₹ 375.76 million for the financial year 2019. The increase in salaries, wages and bonus was due to an increase in our number of employees as a result of growth in our business and annual increments given to our employees. Our number of employees increased to 696 employees as of March 31, 2020 from 675 employees as of March 31, 2019.

Depreciation and amortisation. Our depreciation and amortisation expense increased by 58.2% to ₹ 72.39 million for the financial year 2020 from ₹ 45.77 million for the financial year 2019, primarily due to a corresponding increase in our gross block of right of use building, leasehold improvements and computers.

Other expenses. Our other expenses increased by 39.7% to ₹ 336.96 million for the financial year 2020 from ₹ 241.15 million for the financial year 2019, primarily due to an increase in legal and professional charges to ₹ 95.83 million for the financial year 2020 from ₹ 62.42 million for the financial year 2019, an increase in software license fees to ₹ 46.25 million for the financial year 2020 from ₹ 31.52 million for the financial year 2019, an increase in miscellaneous expenses to ₹ 37.26 million for the financial year 2020 from ₹ 24.24 million for the financial year 2019 and an increase in technology fees to ₹ 29.59 million for the financial year 2020 from ₹ 18.24 million for the financial year 2019. The increase in other expenses was on account of the growth in our operations which also resulted in an increase in our revenue from operations.

Total tax expense. Our total tax expense increased to ₹ 280.34 million for the financial year 2020 from ₹ 199.91 million for the financial year 2019. For the financial year 2020, we had a current tax expense of ₹ 231.90 million and a deferred tax expense of ₹ 48.44 million. For the financial year 2019, we had a current tax expense of ₹ 160.53 million and a deferred tax expense of ₹ 39.38 million. Our effective tax rate (which represents the ratio of total tax expenses to profit before tax during the relevant period, expressed as a percentage) was 26.1% and 30.7% for the financial years 2020 and 2019, respectively.

Profit after tax. Our profit after tax increased to ₹ 792.49 million for the financial year 2020 from ₹ 452.04 million for the financial year 2019.

Financial Year 2019 compared to Financial Year 2018

Our results of operations for the financial year 2019 were particularly driven by the following factors:

- an increase in interest income on our loan portfolio due to the overall growth of our business; and
- an increase in the absolute amount of our employee benefit expenses and other expenses on account of an increase in the number of our branches and our employee base due to the overall growth of our business. However, such expenses expressed a percentage of our total income had reduced during the financial year 2019.

Total Income

Our total income increased to ₹ 2,709.21 million for the financial year 2019 from ₹ 1,342.37 million for the financial year 2018, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 96.7% to ₹ 2,598.76 million for the financial year 2019 from ₹ 1,320.92 million for the financial year 2018, primarily due to an increase in interest on term loans to ₹ 2,289.15 million for the financial year 2019 from ₹ 1,274.47 million for the financial year 2018 and a net gain on derecognition of financial instruments under amortised cost category as a result of direct assignments of ₹ 214.76 million for the financial year 2019 as compared to nil for the financial year 2018. The increase in interest on term loans was consistent with the increase in our customer base; our Gross Loan Assets were ₹ 24,435.74 million as of March 31, 2019 as compared to ₹ 13,559.32 million as of March 31, 2018.

Other income. Our other income increased to ₹ 110.45 million for the financial year 2019 from ₹ 21.45 million for the financial year 2018 primarily on account of an increase in display income from advertisements displayed at our branches to ₹ 72.91 million for the financial year 2019 from ₹ 16.70 million for the financial year 2018 and a net gain on financial instruments (investment in mutual funds) to ₹ 29.22 million for the financial year 2019 from nil for the financial year 2018.

Expenses

Finance costs. Our finance cost increased by 91.8% to ₹ 1,265.44 million for the financial year 2019 from ₹ 659.64 million for the financial year 2018, primarily due to an increase in interest on borrowings to ₹ 1,241.32 million for the financial year 2019 from ₹ 642.45 million for the financial year 2018 as a result of the increase in the outstanding amount of borrowings over the year to support the growth of our business. There was an increase in the average cost of our borrowings (excluding assignments) from 7.7% during the financial year 2018 to 8.5% during the financial year 2019.

Impairment on financial instruments. Impairment on financial instruments increased to ₹ 73.13 million for the financial year 2019 from ₹ 28.74 million for the financial year 2018, primarily due to an increase in impairment loss allowance to ₹ 67.23 million for the financial year 2019 from ₹ 24.63 million for the financial year 2018.

Employee benefits expenses. Employee benefits expenses increased by 72.2% to ₹ 431.77 million for the financial year 2019 from ₹ 250.80 million for the financial year 2018, primarily due to an increase in salaries, wages and bonus to ₹ 375.76 million for the financial year 2019 from ₹ 204.09 million for the financial year 2018. The increase in salaries, wages and bonus was due to an increase in our number of employees as a result of growth in our business and annual increments given to our employees. Our number of employees increased to 675 employees as of March 31, 2019 from 382 employees as of March 31, 2018.

Depreciation and amortisation. Our depreciation and amortisation expense increased by 85.8% to ₹ 45.77 million for the financial year 2019 from ₹ 24.63 million for the financial year 2018, primarily due to a corresponding increase in our gross block of right of use building, computers and furniture and fixtures as a result of the increase in the number of our branches.

Other expenses. Our other expenses increased by 77.5% to ₹ 241.15 million for the financial year 2019 from ₹ 135.86 million for the financial year 2018, primarily due to an increase in travelling expense to ₹ 39.63 million for the financial year 2019 from ₹ 18.38 million for the financial year 2018, an increase in technology fees to ₹ 18.24 million for the financial year 2019 from ₹ 11.05 million for the financial year 2018, an increase in software license fees to ₹ 31.52 million for the financial year 2019 from ₹ 17.57 million for the financial year 2018 and an increase in legal and professional charges to ₹ 62.42 million for the financial year 2019 from ₹ 38.06 million for the financial year 2018. The increased expenses were incurred to support the growth of our business shown by the increase in our Gross Loan Assets to ₹ 24,435.74 million as of March 31, 2019 as compared to ₹ 13,559.32 million as of March 31, 2018, which also resulted in an increase in our revenue from operations.

Total tax expense. Our total tax expense increased to ₹ 199.91 million for the financial year 2019 from ₹ 82.74 million for the financial year 2018. For the financial year 2019, we had a current tax expense of ₹ 160.53 million and a deferred tax expense of ₹ 39.38 million. For the financial year 2018, we had a current tax expense of ₹ 120.36 million and a deferred tax income of ₹ 37.62 million. Our effective tax rate (which represents the ratio of total tax expenses to profit before tax during the relevant period, expressed as a percentage) was 30.7% and 34.1% for the financial years 2019 and 2018, respectively.

Profit after tax. Our profit after tax increased to ₹ 452.04 million for the financial year 2019 from ₹ 159.96 million for the financial year 2018.

Financial Position

Assets

The following table sets forth the principal components of our assets as of September 30, 2020 and March 31, 2020, 2019 and 2018:

(₹ in million)

	As of September 30, 2020	As of March 31,		
		2020	2019	2018
Financial Assets:				
Cash and cash equivalents	2,165.83	1,477.23	1,857.24	230.14
Other bank balance	2,042.77	743.32	62.59	72.04
Loans	29,721.64	30,139.14	21,347.05	13,087.35
Investments	2,192.12	1,455.58	1,029.17	-
Other financial assets	845.07	657.29	261.23	49.50
Total financial assets	**36,967.43**	**34,472.56**	**24,557.28**	**13,439.03**
Non-financial assets:				
Current tax assets (net)	15.80	18.26	10.25	4.66

	As of September 30, 2020	As of March 31,		
		2020	2019	2018
Deferred tax assets (net)	-	-	24.83	63.81
Property, plant and equipment	169.55	204.84	167.59	97.62
Capital work-in-progress	-	-	-	7.88
Intangible assets under development	-	-	-	2.61
Other intangible assets	3.57	5.17	6.71	3.50
Other non-financial assets	65.61	95.28	53.39	30.31
Total non-financial assets	**254.53**	**323.55**	**262.77**	**210.39**
Total Assets	**37,221.96**	**34,796.11**	**24,820.05**	**13,649.42**

As of September 30, 2020, we had total assets of ₹ 37,221.96 million, compared to ₹ 34,796.11 million as of March 31, 2020 compared to ₹ 24,820.05 million as of March 31, 2019 and ₹ 13,649.42 million as of March 31, 2018. The increase in our total assets was primarily on account of a significant growth in our loan portfolio due to an increase in the number of our customers.

Financial Assets

Cash and Cash Equivalents

As of September 30, 2020, we had cash and cash equivalents of ₹ 2,165.83 million, compared to ₹ 1,477.23 million as of March 31, 2020, compared to ₹ 1,857.24 million as of March 31, 2019 and ₹ 230.14 million as of March 31, 2018. Our cash and cash equivalents increased between March 31, 2020 and September 30, 2020 primarily due to prudential liquidity measures taken by our Company on account of the COVID-19 pandemic and between March 31, 2018 and March 31, 2019 primarily due to prudential liquidity measures taken by our Company post the liquidity crisis in September 2018 to maintain liquidity on balance sheet to manage borrowing obligations and support business growth. Our cash and cash equivalents decreased between March 31, 2019 and March 31, 2020 primarily on account of effective utilization of funds and to improve profitability by reducing the cash on hand with banks.

Investments

As of September 30, 2020, we had investments of ₹ 2,192.12 million, compared to ₹ 1,455.58 million as of March 31, 2020, compared to ₹ 1,029.17 million as of March 31, 2019 and nil as of March 31, 2018. We invest in liquid schemes of mutual funds to manage surplus liquidity.

Loans

As of September 30, 2020, we had loans of ₹ 29,721.64 million, compared to ₹ 30,139.14 million as of March 31, 2020, compared to ₹ 21,347.05 million as of March 31, 2019 and ₹ 13,087.35 million as of March 31, 2018. This increase as of March 31, 2018 and March 31, 2020 were primarily on account of a growth in our operations and branch network resulting in a higher disbursement of loans.

Other Financial Assets

As of September 30, 2020, we had other financial assets of ₹ 845.07 million, compared to ₹ 657.29 million as of March 31, 2020, compared to ₹ 261.23 million as of March 31, 2019 and ₹ 49.50 million as of March 31, 2018. This increase was primarily on account of an increase in our interest receivable strip.

Property, Plant and Equipment

As of September 30, 2020, we had property, plant and equipment of ₹ 169.55 million, compared to ₹ 204.84 million as of March 31, 2020, compared to ₹ 167.59 million as of March 31, 2019 and ₹ 97.62 million as of March 31, 2018. The decrease as of September 30, 2020 from March 31, 2020 was primarily on account of a decrease in our gross block of right of use building due to the renewal of lease and leave and licence agreements for a shorter tenure. The increase as of March 31, 2020 from March 2018 was primarily due to an increase in our gross block of right of use building, computers and furniture and fixtures.

Liabilities

The following table sets forth the principal components of our liabilities as of September 30, 2020 and March 31, 2020, 2019 and 2018:

(₹ in million)

	As of September 30,	As of March 31,		
	2020	2020	2019	2018
	(₹ in million)			
Financial liabilities				

	As of September 30,	As of March 31,		
	2020	2020	2019	2018
	(₹ in million)			
Trade payables				
total outstanding dues of micro enterprises and small enterprises	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	0.06	4.32	13.58	5.37
Debt securities	2,394.58	-	-	-
Borrowings (Other than debt securities)	23,971.20	24,938.05	19,256.41	10,198.76
Other financial liabilities	754.70	353.76	248.23	136.74
Total financial liabilities	**27,120.54**	**25,296.13**	**19,518.22**	**10,340.87**
Non-financial liabilities				
Current tax liabilities (Net)	12.07	-	-	-
Deferred tax liability (Net)	59.65	23.07	-	-
Provisions	73.25	66.39	29.62	18.74
Other non-financial liabilities	74.55	74.16	40.81	37.66
Total non-financial liabilities	**219.52**	**163.62**	**70.43**	**56.40**
Total Liabilities	**27,340.06**	**25,459.75**	**19,588.65**	**10,397.27**

Debt Securities

As of September 30, 2020, we had debt securities of ₹ 2,394.58 million as compared to nil as of March 31, 2020, 2019 and 2018. The increase in debt securities was on account of the issuance of secured debentures which are listed on the wholesale debt segment of BSE Limited.

Borrowings (Other than Debt Securities)

As of September 30, 2020, we had borrowings (other than debt securities) of ₹ 23,971.20 million, compared to ₹ 24,938.05 million as of March 31, 2020, compared to ₹ 19,256.41 million as of March 31, 2019 and ₹ 10,198.76 million as of March 31, 2018. This increase between March 31, 2018 and March 31, 2020 was on account of an increase in our borrowings from banks and the NHB to satisfy the credit requirements of our growing customer base for our housing loans. For details in relation to our growing customer base, see "*Our Business – Description of Our Business* **-** *Customer Base and Customer Service*" on page 158.

Total Liabilities

As of September 30, 2020, we had total liabilities of ₹ 27,340.06 million, compared to ₹ 25,459.75 million as of March 31, 2020, compared to ₹ 19,588.65 million as of March 31, 2019 and ₹ 10,397.27 million as of March 31, 2018. This increase was primarily on account of an increase in our borrowings (other than debt securities) as well as debt securities consistent with the growth in our business.

Shareholders' Funds

As of September 30, 2020, our Total Equity (shareholders' funds) was 9,881.90 million, representing 26.5% of our total assets. As of March 31, 2020, our Total Equity was ₹ 9,336.36 million, representing 26.8% of our total assets. As of March 31, 2019, our Total Equity was ₹ 5,231.40 million, representing 21.1% of our total assets. As of March 31, 2018, our Total Equity was ₹ 3,252.15 million, representing 23.8% of our total assets. The increase in our Total Equity between March 31, 2018 and September 30, 2020, was primarily due to an increase in our securities premium account due to the allotment of equity shares and retained earnings.

Liquidity and Capital Resources

We typically obtain long-term funding from a variety of sources including private and public sector banks, the NHB and through assignment transactions. For the six months ended September 30, 2020 and the financial years 2020, 2019 and 2018, we had proceeds of borrowings from banks and financial institutions of ₹ 1,811.00 million, ₹ 10,250.00 million, ₹ 10,870.13 million and ₹ 6,490.13 million, respectively. As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million.

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 contain a number of covenants including financial covenants. For details, see "*Financial Indebtedness*" and "*Risk Factors – Internal Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt* *financing arrangements could adversely affect our business, results of operations and financial condition"* on pages 294 and 26-27, respectively.

Cash Flows

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

	For the six months ended 30 September,		For the financial year		
	2020	2019	2020	2019	2018
	(₹ in million)				
Net cash generated from /(used in) operating activities	1,244.22	(4,424.67)	(8,273.92)	(7,905.68)	(5,064.00)
Net cash generated from / (used in) investing activities	(1,981.81)	(2,098.30)	(1,080.71)	(1,054.88)	562.51
Net cash generated from financing activities	1,426.19	6,995.40	8,974.62	10,587.66	3,571.83
Net increase / (decrease) in cash and cash equivalents	688.60	472.43	(380.01)	1,627.10	(929.66)

Operating Activities

Net cash generated from operating activities was ₹ 1,244.22 million for the six months ended September 30, 2020. While our net profit before tax was ₹ 703.58 million for the six months ended September 30, 2020, we had an operating profit before working capital changes of ₹ 844.02 million, primarily due to interest accrued but not due on borrowings and debt securities of ₹ 164.63 million and impairment on financial instruments of ₹ 164.09 million. Our changes in working capital for the six months ended September 30, 2020 primarily consisted of a decrease in loans of ₹ 268.75 million and an increase in other financial liabilities of ₹ 230.60 million on account of the COVID-19 pandemic.

Net cash used in operating activities was ₹ 4,424.67 million for the six months ended September 30, 2019. While our net profit before tax was ₹ 502.85 million for the six months ended September 30, 2019, we had an operating profit before working capital changes of ₹ 568.78 million, primarily due to interest accrued but not due on borrowings and debt securities of ₹ 127.93 million. Our changes in working capital for the six months ended September 30, 2019 primarily consisted of an increase in loans of ₹ 4,932.51 million to satisfy the credit requirements of our growing customer base for our housing loans.

Net cash used in operating activities was ₹ 8,273.92 million for the financial year 2020. While our net profit before tax was ₹ 1,072.83 million for the financial year 2020, we had an operating profit before working capital changes of ₹ 1,168.29 million, primarily due to impairment on financial instruments of ₹ 165.02 million and financial asset measured at amortised cost of ₹ 117.41 million, which was partially offset by an upfront gain on direct assignment transactions of 258.22 million. Our changes in working capital for the financial year 2020 primarily consisted of an increase in loans of ₹ 9,045.01 million to satisfy the credit requirements of our growing customer base for our housing loans.

Net cash used in operating activities was ₹ 7,905.68 million for the financial year 2019. While our net profit before tax was ₹ 651.95 million for the financial year 2019, we had an operating profit before working capital changes of ₹ 688.41 million, primarily due to financial asset measured at amortised cost of ₹ 117.82 million, impairment on financial instruments of ₹ 73.13 million and depreciation, amortisation and impairment of ₹ 45.77 million, which was partially offset by an upfront gain on direct assignment transactions of 194.96 million. Our changes in working capital for the financial year 2019 primarily consisted of an increase in loans of ₹ 8,449.16 million to satisfy the credit requirements of our growing customer base for our housing loans.

Net cash used in operating activities was ₹ 5,064.00 million for the financial year 2018. While our net profit before tax was ₹ 242.70 million for the financial year 2018, we had an operating profit before working capital changes of ₹ 428.57 million, primarily due to financial asset measured at amortised cost of ₹ 88.94 million, impairment on financial instruments of ₹ 28.74 million and fair valuation of ESOPs of ₹27.79 million. Our changes in working capital for the financial year 2018 primarily consisted of an increase in loans of ₹ 5,311.91 million to satisfy the credit requirements of our growing customer base for our housing loans.

Investing Activities

Net cash used in investing activities was ₹ 1,981.81 million for the six months ended September 30, 2020, primarily comprising purchase of investments of ₹ 8,420.10 million, which was partially offset by proceeds from investments of ₹ 7,692.14 million.

Net cash used in investing activities was ₹ 2,098.30 million for the six months ended September 30, 2019, primarily comprising purchase of investments of ₹ 15,327.50 million, which was partially offset by proceeds from investments of ₹ 13,580.97 million.

Net cash used in investing activities was ₹ 1,080.71 million for the financial year 2020, primarily comprising purchase of investments of ₹ 28,558.20 million, which was partially offset by proceeds from investments of ₹ 28,130.35 million.

Net cash used in investing activities was ₹ 1,054.88 million for the financial year 2019, primarily comprising purchase of investments of ₹ 19,919.50 million, which was partially offset by proceeds from investments of ₹ 18,892.35 million.

Net cash generated from investing activities was ₹ 562.51 million for the financial year 2018, primarily comprising bank deposits (net) of ₹ 590.00 million, partially offset by purchase of property, plant and equipment and other intangible assets ₹ 44.20 million.

Financing Activities

Net cash generated from financing activities was ₹ 1,426.19 million for the six months ended September 30, 2020, primarily comprising proceeds from debt securities of ₹ 2,400.00 million and proceeds of borrowings from banks and financial institutions of ₹ 1,811.00 million, which was partially offset by repayment of borrowings from banks and financial institutions of ₹ 2,790.32 million.

Net cash generated from financing activities was ₹ 6,995.40 million for the six months ended September 30, 2019, primarily comprising proceeds of borrowings from banks and financial institutions of ₹ 5,601.24 million, proceeds from the issuance of share capital (including share premium) of ₹ 3,284.20 million, which was partially offset by repayment of borrowings from banks and financial institutions of ₹ 1,886.68 million.

Net cash generated from financing activities was ₹ 8,974.62 million for the financial year 2020, primarily comprising proceeds of borrowings from banks and financial institutions of ₹ 10,250.00 million and proceeds from the issuance of share capital (including share premium) of ₹ 3,284.20 million, which was partially offset by repayment of borrowings from banks and financial institutions of ₹ 4,556.25 million.

Net cash generated from financing activities was ₹ 10,587.66 million for the financial year 2019, primarily comprising proceeds of borrowings from banks and financial institutions of ₹ 10,870.13 million and proceeds from the issuance of share capital (including share premium) of ₹ 1,523.78 million, which was partially offset by repayment of borrowings from banks and financial institutions of ₹ 1,790.80 million.

Net cash generated from financing activities was ₹ 3,571.83 million for the financial year 2018, primarily comprising proceeds of borrowings from banks and financial institutions of ₹ 6,490.13 million, which was partially offset by repayment of borrowings from banks and financial institutions of ₹ 2,841.79 million.

Financial Indebtedness

As of September 30, 2020, our Total Borrowings (including debt securities) were ₹ 26,365.78 million. For details, see "*Financial Indebtedness*" on page 294. The following table sets forth certain information relating to outstanding indebtedness as of September 30, 2020, and our repayment obligations in the periods indicated:

	As of September 30, 2020				
	Payment due by period				
	Total	**Less than 1 year**	**1-5 years**	**5-7 years**	**More than 7 years**
Borrowings (including debt securities) with maturities of more than one year					
Secured	20,071.34		18,594.49	1,154.03	322.82
Unsecured	-	-	-	-	-
Total Borrowings (including debt securities) with maturities of more than one year	20,071.34	-	18,594.49	1,154.03	322.82
Borrowings (including debt securities) with maturities within one year					
Secured	6,341.94	6,341.94	-	-	-
Unsecured	-	-	-	-	-
Total Borrowings (including debt securities) with maturities within one year	6,341.94	6,341.94	-	-	-
Total Borrowings (including debt securities)	26,413.28	6,341.94	18,594.49	1,154.03	322.82
Adjustment of unamortised processing fee (EIR)	(47.50)				
Total adjusted borrowings (including debt securities)	26,365.78				

Capital and Other Commitments

As of September 30, 2020, we had other commitments – undisbursed amount of housing and other loans of ₹ 4,658.37 million.

Direct Assignment Arrangements

During the six months ended September 30, 2020 and 2019 and the financial years 2020, 2019 and 2018, we had assigned assets worth ₹ 7,175.20 million, ₹ 4,746.42 million, ₹ 5,760.90 million, ₹ 2,920.65 million and ₹ 374.62 million, respectively.

Contingent Liabilities

As of September 30, 2020, we did not have any contingent liabilities.

Off-Balance Sheet Commitments and Arrangements

Except as disclosed above in "*Direct 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, we added tangible assets of property, plant and equipment of ₹ 65.84 million, primarily for right of use building and intangible assets of ₹ 0.19 million for computer software. For the financial year 2020, we added tangible assets of property, plant and equipment of ₹ 106.88 million, primarily for right of use building, leasehold improvements and computers and intangible assets of ₹ 2.24 million for computer software. For the financial year 2019, we added tangible assets of property, plant and equipment of ₹ 112.99 million, primarily for right of use building, leasehold improvements and furniture and fixtures and intangible assets of ₹ 5.96 million for computer software. For the financial year 2018, we added tangible assets of property, plant and equipment of ₹ 56.41 million, primarily for right of use building and furniture and fixtures and intangible assets of ₹ 2.81 million for computer software. For the financial year 2021, we expect our capital expenditures to be incurred for the purposes of developing branch infrastructure, including furniture and fixtures and towards information technology systems.

Capital to Risk-Weighted Assets Ratios

The following table sets forth certain details of our CRAR in accordance with our restated Ind AS financial information, as of the dates indicated:

	As of				
	September 30, 2020	**September 30, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
CRAR (%)	51.7	47.6	49.0	38.5	43.0
CRAR - Tier I capital (%)	50.4	46.8	47.7	37.7	42.3
CRAR - Tier II capital (%)	1.3	0.7	1.3	0.8	0.8

Credit Ratings

The following table sets forth our credit ratings as of the date of this Prospectus:

Rating Agency	Instrument	Credit Ratings
CARE Ratings	₹ 2.83 billion Term Loans	A+ (stable)
ICRA Limited	₹ 35 billion Term Loans	A+ (stable)
	₹ 4 billion Non-Convertible Debenture Programme	A+ (stable)
	₹ 1 billion Commercial Paper Programme	A1+
India Ratings & Research	₹ 1 billion Commercial Paper Programme	A1+

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Restated Financial Information – Annexure 6 – Note 27*" on page 262.

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed to certain financial risks such as credit risk, liquidity risk, interest risk and price risk.

Credit Risk

Credit risk is the risk that we will incur a loss because the counterparty might fail to discharge their contractual obligations. We have a comprehensive framework for monitoring credit quality of our retail and other loans primarily based on number of days past due. Contractual payments by the counterparties are tracked regularly and if required, necessary steps for recovery are taken through regular follow-ups and legal recourse. For further details, see "*Risk Factors – Internal Risk Factors – The risk of non-payment or default by borrowers may adversely affect our business, results of operations and financial condition*" on pages 28-29.

Liquidity Risk

Liquidity risk is defined as the risk that we will not be able to settle or meet our obligations on time or at a reasonable price. Liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities. We manage liquidity risk by maintaining adequate cash reserves and underdrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table summarizes the maturity profile of the undiscounted cash flows of our financial liabilities as of September 30, 2020:

(₹ in million)

	Within 1 year	**1 – 5 years**	**5 – 10 years**	**Total**
Trade payables	0.06	-	-	**0.06**
Debt securities	-	2,400.00	-	**2,400.00**
Borrowings (other than debt securities)	6,341.94	16,194.49	1,476.85	**24,013.28**
Other financial liabilities	661.64	-	-	**661.64**
Total	**7,003.64**	**18,594.49**	**1,476.85**	**27,074.98**

For further details, see "*Risk Factors – Internal Risk Factors – We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability*" on page 32.

Interest Rate Risk

We are subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to several factors, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation. In order to manage interest rate risk, we seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and our Asset Liability Management Committee review an interest rate sensitivity report periodically for assessment of interest rate risks.

As of September 30, 2020, we had ₹ 21,563.68 million, or 81.8% of our borrowings at variable interest rates, while ₹ 4,802.10 million, or 18.2% of our borrowings were at fixed interest rates.

The following table sets forth the effect that a change of 50 basis points would have on our profit before tax:

(₹ in million)

	For the six months ended September 30, 2020	**For the financial year**		
		2020	**2019**	**2018**
Loans				
Increase by 50 basis points	150.60	152.03	107.33	65.72
Decrease by 50 basis points	(150.60)	(152.03)	(107.33)	(65.72)
Borrowings and debt securities				
Increase by 50 basis points	(107.82)	(113.94)	(82.56)	(42.22)
Decrease by 50 basis points	107.82	113.94	82.56	42.22

For further details, see "*Risk Factors – Internal Risk Factors – We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability*" on page 31.

Price Risk

We are exposed to price risk from our investments in mutual funds measured at fair value through profit and loss. The following table sets forth the effect that a change of 50 basis points would have on our profit before tax:

(*₹ in million*)

	For the six months ended September 30, 2020	For the financial year		
		2020	2019	2018
Increase by 50 basis points	10.96	7.28	5.15	-
Decrease by 50 basis points	(10.96)	(7.28)	(5.15)	-

Unusual or Infrequent Events or Transactions

Except as described in this 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*" beginning on page 24. To our knowledge, except as disclosed in this 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 24, 146 and 297, 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*" beginning on page 146, 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

Our business is not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 146, 97 and 24, respectively for further information on our industry and competition.

Recent Accounting Pronouncements

As of the date of this Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

Significant developments subsequent to September 30, 2020

1. Our Company has undertaken a preferential allotment of 2,240,639 Equity Shares to Orange Clove Investments B.V (an affiliate of Warburg Pincus) on October 15, 2020 for cash consideration at a premium of ₹ 332.726 per Equity Share aggregating to approximately ₹ 750 million.

2. Our Company has undertaken a preferential allotment of 122,000 Equity Shares to certain of its employees on November 30, 2020 for cash consideration at a premium of ₹ 332.726 per Equity Share aggregating to ₹ 40.84 million.

3. Pursuant to a circular resolution of the NRC Committee dated December 25, 2020, our Company has granted 154,500 options to certain of its existing employees at a price of ₹ 334.726 under ESOP II.

4. Pursuant to exercise of options granted to certain employees of our Company under ESOP 2012 and ESOP II, our Company has allotted 1,515,427 Equity Shares on various dates to such employees for an aggregate amount of ₹ 99.33 million.

For further details, see "*Capital Structure – Notes to the Capital Structure*" and "*History and Certain Corporate Matters – Summary of Key Agreements*" on beginning pages 62 and 177, respectively.

Except as disclosed above, and in this Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this 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 VII: 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, our Promoters or our Directors (collectively, the "**Relevant Parties**"). Further, except as stated in this section, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including outstanding action.*

In relation to (iv) above, our Board in its meeting held on November 18, 2019, has considered and adopted a policy of materiality for identification of material civil litigation. In terms of the materiality policy adopted by our Board read with the resolution of the IPO Committee dated January 12, 2021, any outstanding litigation involving the Relevant Parties which exceed the amount which is lesser of 1% of the total revenue and 1% of the profit after tax as per the Restated Financial Information of the Company for the Financial Year 2020 would be considered material for the Company. Our profit after tax as per the Restated Financial Information is ₹ 792.49 million. Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been included (a) where the aggregate amount involved in such individual litigation exceeds ₹ 7.92 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 ₹ 7.92 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, would be considered material.

There is no outstanding litigation involving our Group Company which would have a material impact on 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 in its meeting held on November 18, 2019. In terms of this materiality policy read with the resolution of the IPO Committee dated January 12, 2021, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 0.003 million, which is 5% of the trade payables of our Company, as at September 30, 2020, as per the latest Restated Financial Information of our Company included in this Prospectus, shall be considered as 'material'. Accordingly, as on September 30, 2020, any outstanding dues exceeding ₹ 0.003 million 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.

I. Litigation involving our Company

Litigation filed against our Company

Actions by regulatory and statutory authorities involving our Company

1. The NHB issued a show cause notice under the NHB Act, on January 6, 2015, against our Company, alleging violation of certain provisions of the NHB Act, NHB Directions and NHB policy circular dated April 7, 2014, in relation to disclosures in balance sheet. Our Company replied to this notice on January 12, 2015, providing certain clarifications, requesting the NHB for condonation of error and ensuring compliances in the future. No further action has taken place in relation to the show cause notice as on the date of this prospectus.

2. The NHB issued a show cause notice under the NHB Act, on June 26, 2019, against our Company, alleging violation of certain provisions of the NHB Act and NHB Directions in relation to *inter alia*, failure of the Company in assignment of risk weight on financial guarantee and incorrect inclusion of provisions of non-performing assets. Our Company replied to this notice on July 4, 2019, providing certain clarifications, requesting the NHB for condonation of error and ensuring compliances in the future. Further, NHB levied a penalty of ₹ 0.01 million by its letter dated July 30, 2019 considering the submissions of our Company as not acceptable. The penalty levied by NHB has been paid by our Company.

3. The NHB issued a show cause notice under the NHB Act, dated March 3, 2020 ("**March SCN**"), against our Company, alleging violation of certain provisions of the NHB Directions in relation to *inter alia*, failure of our Company to include interest receivables on loans and advances amounting to ₹ 246.95 million ("**Loans**

and Advances") in the total outstanding amount for the purposes of calculation of provisions for standard assets. Our Company responded to the March SCN by way of its letter dated March 16, 2020 and submitted *inter alia* that it had inadvertently failed to consider interest receivable on Loans and Advances. Pursuant to this, NHB levied a penalty of ₹ 5,900 by its letter dated May 19, 2020, considering certain submissions of our Company as not acceptable. The penalty levied by NHB has been paid by our Company.

4. The NHB issued a show cause notice under the NHB Act, dated October 27, 2020 ("**October SCN**"), against our Company, alleging violation of certain provisions of the NHB Directions in relation to *inter alia,* incorrect classification of insurance portion of loan in the balance sheet, disbursement of loan to a borrower for plot and construction without obtaining sanction plan, not carrying out secretarial audit for financial year 2018 and 2019. Our Company has responded to the October SCN and submitted *inter alia* that it would classify insurance loan under non-housing loan, statutory audit was carried out to test general system controls for financial year 2018 and 2019 and an engineer's plan was obtained for financial year 2018 and 2019. Further, NHB levied a penalty of ₹ 0.01 million by its letter dated November 23, 2020 considering certain submissions of our Company as not acceptable. The penalty levied by NHB has been paid by our Company.

Tax proceedings

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	-	-
Indirect Tax	1	5.38(1)

(1)An amount of ₹ 1.82 million has been paid under protest by our Company.

Complaints

In the past, certain complaints have been sent to us, the NHB, the SEBI and our credit rating agencies and certain queries have been sent by the lenders in relation to our business. Certain complaints are in the nature of whistleblower complaints and include allegations in relation to reporting of NPAs, recording of items such as processing fees, brokerage payments and expense reimbursements in the financial statements of the Company and allegations in relation to KMPs. We have examined such complaints and have responded to and clarified these matters with such entities.

Litigation filed by our Company

Criminal proceedings

1. Our Company has filed 15 complaints against various parties, including some of our customers, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques. The matters are pending at various stages of adjudication before various courts. The aggregate amount involved in these matters is approximately ₹ 15.94 million.

2. Our Company has registered a first information report against Shriram Jinturakar, Saroj Jinturakar, Gaurav Jinturkar and Mangesh Jinturkar alleging *inter alia* trespass on the mortgaged asset belonging to Shriram Jinturakar which was sealed by our Company for non-payment of equated monthly instalment. The matter is currently pending.

3. Our Company through its branch manager has registered a first information report (the "**FIR**") against Sunil Chaudhary in the Gotri Police Station alleging *inter alia* forgery and cheating for issuing duplicate sanction letters on our Company's letterhead. Pursuant to the FIR, our branch manager has received summons to provide evidence in the proceedings. The matter is currently pending.

II. Litigation involving our Directors

Litigation filed against our Directors

Litigation filed against Deepak Satwalekar

Actions by regulatory and statutory authorities

1. The NHB issued a show cause notice, on June 19, 2019, against Piramal Capital & Housing Finance Limited ("**PCHFL**"), where Deepak Satwalekar is a director, and directed PCHFL alleging *inter alia,* the non-disclosure of information in terms of Housing Finance Companies - Corporate Governance (NHB) Directions 2016 and to show cause reasons to NHB for not levying penalty. PCHFL submitted its response and there is no further response from NHB.

Litigation filed against Maninder Singh Juneja

Criminal proceedings

Lakshmi Vilas Bank ("**LVB**") filed a first information report against National Bulk Handling Corporation Private Limited ("**NBHC**") and others including Maninder Singh Juneja, then managing director and chief executive officer of NBHC, before the Central Bureau of Investigation, in relation to the service provided by NBHC as a collateral management service provider to LVB, alleging *inter alia* a shortage/replacement of commodities stored in Jeyaranganathan Godown and Sri Venkateswara Industries both located in Rajapalayam, Tamil Nadu which were pledged in favour of LVB. The matter is currently pending.

III. Litigation involving our Promoters

Litigation filed against our Promoters

Litigation filed against Aether

Tax Proceedings

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	1	Nil
Indirect Tax	-	-

Outstanding dues to creditors

Our Board, in its meeting held on November 18, 2019 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Materiality Policy**"). In terms of the Materiality Policy read with the resolution of the IPO Committee dated January 12, 2021, creditors of our Company to whom an amount exceeding five per cent of our trade payables as at September 30, 2020 was outstanding, were considered 'material' creditors. As per the Restated Financial Information, our trade payables as at September 30, 2020, was ₹ 0.06 million and accordingly, creditors to whom outstanding dues exceed ₹ 0.003 million have been considered as material creditors for the purposes of disclosure in this Prospectus.

Based on this criteria, details of outstanding dues owed as at September 30, 2020 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	1	Negligible
Material creditors	3	0.05
Other creditors	5	0.01
Total	**9**	**0.06**

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://homefirstindia.com/list-of-material-creditors-2/.

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 297, there have not arisen, since the date of the last financial information disclosed in this 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 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 (i) material approvals or renewals applied for but not received; (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required but not obtained or applied for. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" beginning on page 167.

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 327.

II. Material approvals in relation to our Company

(a). **Material approvals obtained by our Company**

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 174.

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 February 12, 2020 granted by the RBI bearing registration number DOR-00086 pursuant to which our Company is allowed to commence / carry on the business of a housing finance institution without accepting public deposits.
2. Memorandum of understanding dated August 27, 2015, executed between the NHB (in its capacity as the central nodal agency under the CLSS) and our Company, in relation to the release of subsidy by the NHB to our Company for loans disbursed to eligible borrowers under the CLSS.
3. 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.
4. LEI registration number 335800LHIN24IFBBN535 on April 20, 2020, from the Clearing Corporation of India Limited.
5. Registration for information utility services, through agreement dated April 3, 2019 entered into with National e-Governance Services Limited.

C. Tax related approvals of our Company

1. Our permanent account number is AACCH3317E;
2. Our tax deduction account number is BLRH04970A and MUMH19278A;
3. Our service tax registration number is AACCH3317ESD005;
4. Goods and services tax registration numbers of our Company, as per the state where are business operations are spread, are as follows:

State	Registration Number
Andhra Pradesh	37AACCH3317E1ZY
Chhattisgarh	22AACCH3317E1Z9
Gujarat	24AACCH3317E1Z5
Haryana	06AACCH3317E1Z3
Karnataka	29AACCH3317E3ZT
Madhya Pradesh	23AACCH3317E1Z7
Maharashtra*	27AACCH3317E2ZY
Maharashtra	27AACCH3317E1ZZ
Rajasthan	08AACCH3317E1ZZ
Tamil Nadu	33AACCH3317E1Z6
Telangana	36AACCH3317E1Z0
Uttar Pradesh	09AACCH3317E1ZX

* *Input Service Distributor*

5. 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 other than the pending approvals.

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 and Corporate Office and branch offices of our Company are located under the provisions of the relevant state specific legislations on shops and establishments. Except for pending approvals, 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 and Corporate Office and branch offices in India;

2. Registration no. KDMAL1188091000 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952; and

3. Registration issued by Employees' State Insurance Corporation bearing code 35000523300001099 dated December 24, 2020.

E. Intellectual Property Registrations

For details in relation to our intellectual property registrations, see "*Our Business – Intellectual Property*" on page 165.

(b). Material approvals pending to be obtained by our Company

Renewal applications for certain approvals, including professional tax enrolment and registration certificates have been made to the relevant revenue authorities in relation to certain of our branch offices. Further, applications for shops and establishments registrations in relation to certain of our branch offices are yet to be made or yet to be received.

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 July 31, 2019 and by our Shareholders pursuant to a special resolution passed at their meeting held on August 30, 2019 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 Selling Shareholders and approved the Draft Red Herring Prospectus pursuant to its resolution dated November 28, 2019. The Red Herring Prospectus and this Prospectus have been approved by our Board in its meeting held on January 16, 2021 and January 27, 2021, respectively.

The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Offered Shares*	Date of consent letter	Date of corporate authorisation/ board resolution
Promoter Selling Shareholders			
TN V LLP	8,409,548 Equity Shares aggregating to ₹ 4,356.15 million	January 13, 2021	November 15, 2019
Aether	5,623,222 Equity Shares aggregating to ₹ 2,912.83 million	January 14, 2021	November 25, 2019
Investor Selling Shareholder			
Bessemer	2,325,501 Equity Shares aggregating to ₹ 1,204.61 million	January 13, 2021	November 26, 2019
Individual Selling Shareholders			
P. S. Jayakumar	548,938 Equity Shares aggregating to ₹ 284.35 million	January 14, 2021	-
Manoj Viswanathan	249,517 Equity Shares aggregating to ₹ 129.25 million	January 14, 2021	-

* *Subject to finalisation of Basis of Allotment*

Pursuant to letter dated December 5, 2019 read with the e-mail clarification dated December 12, 2019 from the RBI, our Company had received the no-objection from the RBI to proceed with the proposed Offer.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated December 10, 2019 and December 16, 2019, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, each Selling Shareholder, the persons in control of our Company and the persons in control of our Promoters 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 Company, Promoters 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, Promoters, members of our Promoter Group and each Selling Shareholder, 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 Prospectus.

Directors associated with the Securities Market

None of our Directors or entities with which our Directors are associated, are associated with the securities market in any manner including securities market related business. Further, there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations which states the following:

"*An issuer shall be eligible to make an initial public offer only if:*

a) *it has net tangible assets of at least three crore rupees, calculated on a restated and consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:*

Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has utilised or made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty per cent. on monetary assets shall not be applicable in case the initial public offer is made entirely through an offer for sale.

b) *it has an average operating profit of at least fifteen crore rupees, calculated on a restated and consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;*

c) *it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis;*

d) *if it has changed its name within the last one year, at least fifty per cent. of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.*".

We are an unlisted company, satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations in the following manner:

(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 Financial Information included in this 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)	34,790.94	24,813.34	13,643.31
Monetary assets, as restated(2)	3,676.13	2,949.00	302.18
Monetary assets(2), as a percentage of net tangible assets(1), as restated	10.57%	11.88%	2.21%
Operating profit, as restated(3)	862.66	541.50	221.25
Net worth, as restated(4)	9,336.36	5,231.40	3,252.15

(1) Net tangible assets have been computed as: sum of total assets excluding intangible assets under development and other intangible assets;

(2) Monetary assets is the aggregate value of cash and cash equivalents, other bank balances (deposits with banks) and investments in mutual funds;

(3) Operating profits has been computed by deducting total expenses (excluding tax expense) from revenue from operations; and

(4) Net worth means the aggregate value of the paid-up share capital and other equity.

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 were required to allocate not more than 50% of the Offer to QIBs. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was made 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.

Further, our Company confirms that it is 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.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) Neither our Company, the Promoters, the members of our Promoter Group, the Directors, nor the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) None of the Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) Neither our Company nor the Promoters or Directors is a wilful defaulter.

(d) None of our Promoters or Directors is a Fugitive Economic Offender.

(e) Other than the options granted under the ESOP 2012 and ESOP II, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

Each of the Selling Shareholders confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS 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 NOVEMBER 28, 2019, 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 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 PROSPECTUS.

Disclaimer from our Company, the Directors, the Selling Shareholders, and the Book Running Lead Managers

Our Company, the Directors, each of the Selling Shareholders, 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 the Red Herring Prospectus and this 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://homefirstindia.com, or the respective websites of any of our Promoters, the members of our Promoter Group or the Selling Shareholders would be doing so at his or her own risk. Each Selling Shareholder, its respective 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 respective Selling Shareholders in relation to itself and its respective portion of 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 Selling Shareholders and our Company.

All information shall be made available by our Company, each Selling Shareholder (to the extent that the information pertain to itself and its respective portion of the Offered Shares), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be 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 Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise.

Bidders were required to confirm and have been deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the 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 Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the 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 Selling Shareholders 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 Selling Shareholders 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 was 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 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 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 were 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 was eligible to bid for Equity Shares in the Offer unless that person 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 the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this 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 any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any state securities laws in the United States, and unless so registered 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 and applicable state securities laws. Accordingly, such Equity Shares were being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

We intend to rely on an exception from the definition of investment company under the U.S. Investment Company Act of 1940, as amended, in connection with this Offer.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Bidders were advised to ensure that any Bid from them did 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

BSE Limited ("the Exchange") has given vide its letter dated December 10, 2019 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/723 dated December 16, 2019 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE is 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.

Each Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Selling Shareholder in relation to its respective 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 each of the Selling Shareholders, our Directors, our Statutory Auditor, our Company Secretary and Compliance Officer, legal counsels, the Book Running Lead Managers, the bankers to our Company, CRISIL, ICRA, 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 Banks and Refund Bank to act in their respective capacities, have been obtained, and have been filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this 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 the Statutory Auditors, namely, Walker Chandiok & Co LLP, Chartered Accountants, to include its name as an expert in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, in relation to the report of the Statutory Auditor dated November 26, 2020 on the Restated Financial Information, and the statement of special tax benefits dated January 12, 2021 included in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act. Accordingly, the reference to the Statutory Auditor as "experts" in this Prospectus is not made in the context of the U.S. Securities Act but solely in the context of the Offer in India.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any public issue in the five years preceding the date of this Prospectus. Other than as disclosed in "*Capital Structure – Equity Share capital history of our Company*" beginning on page 62, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Prospectus.

Capital issue during the preceding three years by our Company

Other than as disclosed in "*Capital Structure – Equity Share capital history of our Company*" beginning on page 62, our Company has not made any capital issues during the three years preceding the date of this Prospectus.

Performance vis-à-vis Objects

Our Company has not undertaken any public issue in the five years preceding the date of this Prospectus. Other than as disclosed in "*Capital Structure – Equity Share capital history of our Company*" beginning on page 62, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Prospectus. The objects for which the rights issue was undertaken has been achieved without any delay or shortfall.

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 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 issue 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. Axis Capital Limited

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (millions)	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	UTI Asset Management Company Limited	21,598.84	554.00	12-Oct-20	500.00	-10.43%, [+5.87%]	-0.60%, [+20.25%]	-
2	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	12-Oct-20	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	-
3	Route Mobile Limited	6,000.00	350.00	21-Sep-20	717.00	+105.81%, [+5.74%]	+231.04%, [+22.31%]	-
4	Rossari Biotech Limited	4,962.50	425.00	23-Jul-20	669.25	+87.25%, [+1.39%]	+86.59%, [+6.08%]	+100.79%, [+27.34%]
5	SBI Cards and Payment Services Limited	103,407.88	755.00@	16-Mar-20	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50%, [+24.65%]
6	CSB Bank Limited	4,096.77	195.00	04-Dec-19	275.00	+8.36%, [+2.03%]	-12.18%, [-7.51%]	-36.95%, [-20.41%]
7	Sterling And Wilson Solar Limited	28,809.42	780.00	20-Aug-19	706.00	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-64.78%, [+9.95%]
8	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	825.00	-0.56%, [-2.14%]	+52.76%, [+7.61%]	+17.32%, [+9.59%]
9	Polycab India Limited	13,452.60	538.00^	16-Apr-19	633.00	+15.36%, [-5.35%]	+14.70%, [-1.99%]	+23.76%, [-4.09%]
10	Chalet Hotels Limited	16,411.80	280.00	07-Feb-19	294.00	+1.14%, [-0.31%]	+24.41%, [+3.87%]	+10.77%, [-1.87%]

Source: www.nseindia.com
@ Offer Price was ₹ 680.00 per equity share to Eligible Employees
^Offer Price was ₹ 485.00 per equity share to Eligible Employees

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
e. Since 30 calendar days, 90 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.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (` in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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*	4	36,998.20	-	-	1	2	-	1	-	-	-	1	-	-
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	2

** 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.

Note: 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.

B. ***Credit Suisse Securities (India) Private Limited***

1. Price information of past issues handled by Credit Suisse 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.	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015.00	1.62%, [5.46%]	-7.29%, [0.79%]	-24.01%, [1.28%]
2.	CreditAccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%, [-3.80%]	-14.91%, [-8.00%]	-5.88%, [-8.13%]
3.	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.75%, [-4.01%]	21.39%, [-1.18%]	45.93%, [-3.30%]
4.	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [7.97%]	64.78%, [9.95%]

Source: www.nseindia.com for the price information and prospectus for issue details.

Notes:

(a) 30th, 90th, 180th calendar days 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 date

(b) % 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.

(c) NIFTY is considered as the benchmark index

2. **Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Credit Suisse 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%
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-
2018-19	2	30.861.49	-	-	1	-	-	1	-	-	2	-	-	-

C. ICICI Securities Limited

1. Price information of past issues handled by ICICI Securities Limited:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	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	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 Rs.122 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,230.00 per equity share.
(2) Discount of Rs.15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 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:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. 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 upto YTD*

D. Kotak Mahindra Capital Company Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company 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.	Burger King India Limited	8,100.00	60	December 14, 2020	115.35	+146.50%[+7.41%]	-	-
2.	Gland Pharma Limited	64,795.45	1,500	November 20, 2020	1,710.00	+48.43%[+7.01%]	-	-
3.	UTI Asset Management Company Limited	21,598.84	554	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[+20.25%]	-
4.	Computer Age Management Services Limited	22,421.05	1,230[1]	October 1, 2020	1,518.00	+5.43% [+2.37%]	+49.52%[23.04%]	-
5.	SBI Cards And Payment Services Limited	103,407.88	755[2]	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	+12.50%[+24.65%]
6.	Ujjivan Small Finance Bank Limited	7,459.46	37[3]	December 12, 2019	58.75	+41.08% [+2.38%]	+10.27% [-12.70%]	-16.62% [-15.07%]
7.	Polycab India Limited	13,452.60	538[4]	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70% [-1.99%]	+23.76% [-4.09%]
8.	Metropolis Healthcare Limited	12,042.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39% [-1.18%]	+45.93% [-3.30%]
9.	CreditAccess Grameen Limited	11,311.88	422	August 23, 2018	390.00	-21.16% [-3.80%]	-14.91% [-8.00%]	-5.71% [-8.13%]
10.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.04% [+1.17%]	+30.61% [-7.32%]	+23.78% [-4.33%]

Source: www.nseindia.com and www.bseindia.com

Notes:

1. *In Computer Age Management Services Limited, the issue price to eligible employees was ₹ 1,108 after a discount of ₹ 122 per equity share*
2. *In SBI Cards and Payment Services Limited, the issue price to eligible employees was ₹ 680 after a discount of ₹ 75 per equity share*
3. *In Ujjivan Small Finance Bank Limited, the issue price to eligible shareholders of Ujjivan Financial Services Limited was ₹ 35 per equity share*
4. *In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index.*
8. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company 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	4	116,915.34	-	-	1	1	1	1	-	-	-	-	-	-
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2
2018-19	6	98,942.90	-	-	3	1	1	1	-	1	3	-	-	2

Notes:

1. *The information is as on the date of this document.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

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.	Axis Capital Limited	www.axiscapital.co.in
2.	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com/in/en.html
3.	ICICI Securities Limited	www.icicisecurities.com
4.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com

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 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 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.

Our Company has also appointed Shreyans Bachhawat, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 53.

Our Company has constituted a Stakeholders' Relationship Committee comprising Sakti Prasad Ghosh, Maninder Singh Juneja and Manoj Viswanathan 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 190.

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor complaint during the three years preceding the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Prospectus.

SECTION VIII: 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, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, this 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, the RBI, the RoC, the 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, the RBI, the NHB, the Government of India, the Stock Exchanges, the RoC or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Ranking of the Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA 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 "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 365.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the AoA 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 "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 202 and 365, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2 and the Offer Price is ₹ 518 per Equity Share. The Floor Price was ₹ 517 per Equity Share and at the Cap Price was ₹ 518 per Equity Share, being the Price Band. The Anchor Investor Offer Price was ₹ 518 per Equity Share.

The Price Band and the minimum Bid Lot were decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers and advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Mumbai editions of the Marathi daily newspaper Tarun Bharat (Marathi being the regional language of Maharashtra, 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 were 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, were pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price was determined by our Company and the Promoter Selling Shareholders, 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 the 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 or "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 the AoA.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 365.

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 September 18, 2019 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated May 16, 2012 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 28 Equity Shares. For further details, see "*Offer Procedure*" beginning on page 350.

Joint Holders

Subject to the provisions contained in the 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 and 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, 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 will 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 Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and each Selling Shareholder reserves the right to not proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares 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 (other than Anchor Investors) 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 this Prospectus after it is filed with the RoC. If our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it 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

BID/OFFER OPENED ON	Thursday, January 21, 2021*
BID/OFFER CLOSED ON	Monday, January 25, 2021

* *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date i.e. January 20, 2021.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	Monday, January 25, 2021
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, January 29, 2021
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Monday, February 1, 2021
Credit of Equity Shares to demat accounts of Allottees	On or about Tuesday, February 2, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, February 3, 2021

* *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.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders 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 any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. 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. Each Selling Shareholder confirms that it shall extend reasonable co-operation in relation to its respective portion of 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.

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.

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 have been 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.

On Bid/Offer Closing Date, extension of time was 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 were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this 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 could not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Offer. Bids were accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders 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 will be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the 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, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

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 Selling Shareholders in the Offer for Sale on a proportionate basis; 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 Shareholders, 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, Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 62 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 "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 365.

OFFER STRUCTURE

The Offer is of 22,272,556* Equity Shares of face value of ₹ 2 at an Offer Price of ₹ 518 per Equity Share for cash (including a share premium of ₹ 516 per Equity Share) aggregating to ₹ 11,537.19 million comprising a Fresh Issue of 5,115,830* Equity Shares aggregating to ₹ 2,650 million and an Offer of Sale of 17,156,726* Equity Shares aggregating to ₹ 8,887.19 million by the Selling Shareholders. The Offer will constitute 25.49% of the post-Offer paid-up Equity Share capital of our Company.

Our Company has undertaken a: (i) preferential allotment of 2,240,639 Equity Shares to Orange Clove for cash at a price of ₹ 334.726 per Equity Share aggregating to approximately ₹ 750 million pursuant to the resolution of the Board dated October 15, 2020; and (ii) preferential allotment of 122,000 Equity Shares to certain of its employees for cash at a price of ₹ 334.726 per Equity Share aggregating to ₹ 40.84 million pursuant to the resolution of the Board dated November 30, 2020. The size of the fresh issue of up to ₹ 3,440.84 million was reduced by ₹ 790.84 million pursuant to the Pre-IPO placement, and accordingly, the Fresh Issue size was ₹ 2,650 million.

* *Subject to finalisation of the Basis of Allotment*

The Offer is being made through the Book Building Process.

Particulars	**QIBs(1)**	**Non-Institutional Bidders**	**RIBs**
Number of Equity Shares available for Allotment or allocation*(2)	Not more than 11,136,277* Equity Shares	Not less than 3,340,884* Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than 7,795,395* Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	Not more than 50% of the Offer was available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion was added to the Net QIB Portion	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs	Not less than 35% of the Offer or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) 222,726* Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 4,454,511* Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 6,681,766* Equity Shares were allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only	Proportionate	The allotment to each RIBs was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, were allotted on a proportionate basis. For further details, see the General Information Document.
Mode of Bid	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (excluding the UPI Mechanism)	ASBA only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of 28 Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of 28 Equity Shares such that the	28 Equity Shares

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs
		Bid Amount exceeds ₹ 200,000	
Maximum Bid	Such number of Equity Shares in multiples of 28 Equity Shares not exceeding the size of the Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of 28 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 28 Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	28 Equity Shares and in multiples of 28 Equity Shares thereafter		
Allotment Lot	A minimum of 28 Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[(4)]	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 family offices, VCFs, AIFs, FVCIs, 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, 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	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 Bid Amount exceeds ₹ 2,00,000 in value.	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.
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		

* *Subject to finalisation of the Basis of Allotment*

(1) *Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers have allocated 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 has made 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 was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation is made to Anchor Investors.*

(2) *Subject to valid Bids having been 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 were not permitted to use the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form could contain only the name of the first Bidder whose name also appeared as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder was required in the Bid cum Application Form and such first Bidder was deemed to have signed on behalf of the joint holders*

(5) *Full Bid Amount was 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 was payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they were eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids having been received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, was met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders, 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.*

*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, vide 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 was 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 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 the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did 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 the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Further, our Company, the Selling Shareholders 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 has been made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was allocated on a proportionate basis to QIBs. Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, have allocated 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 was available for allocation to domestic Mutual Funds, subject to valid Bids having been 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 were added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price.

Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, was 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 Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws.

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 using the UPI Mechanism) and PAN, were treated as incomplete and were liable be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

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 was made under UPI Phase II of the UPI Circular.

All SCSBs offering facility of making application in public issues were required to also provide facility to make application using UPI. The issuers were 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 were available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered and Corporate Office. An electronic copy of the Bid cum Application Form was also made 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) were mandatorily required to participate in the Offer only through the ASBA process. ASBA Bidders were required to 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 did not contain such details were liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID were liable for rejection. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

ASBA Bidders were required to ensure that the Bids were 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 were liable to be rejected. RIBs using UPI Mechanism, were required to submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders were 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 was made available at the offices of the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories was 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**

* *Excluding electronic Bid cum Application Form*

** *Bid cum Application Forms for Anchor Investors were made available at the office of the Book Running Lead Managers.*

*Electronic Bid cum Application forms were also be available for download on the website of NSE (www.nseindia.com) and BSE (*www.bseindia.com*).*

The Designated Intermediaries (other than SCSBs) were required to 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 were required to 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 were required to 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 were required to 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 were required to 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 was required to 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 was required to 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 was required to 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 were also 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 Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members were not 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 could have 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 could 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, were required to 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 could 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 Promoters and members of the Promoter Group could not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group could 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 would be deemed to be a person related to the Promoters or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor would 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 Shareholders, 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 were required to specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid could 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 were not required to be treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which such Bid has been made.

No Mutual Fund scheme could invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% was not applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes could 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 were required to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were required to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs could 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 were required to 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 were permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs could 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 364.

Participation of Eligible NRIs in the Offer was subject to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/applicant was required to 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 were 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 was 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 was 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 was required to be lodged along with the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholders 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 Shareholders, 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 Selling Shareholders, 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 was 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, was required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders 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 were required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, 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 were 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 was required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders 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 was required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders 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, were required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, 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 were required to 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.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, 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 the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that any single Bid from them did 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 will be specified in the Red Herring Prospectus and this Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders were 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 could 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 were 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;

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) and PAN 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 are liable to 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. 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;

19. 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);

20. 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.;

21. Ensure that the Demographic Details are updated, true and correct in all respects;

22. 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;

23. 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;

24. 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;

25. 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; and

26. 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.

27. 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.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, are not complied with.

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);

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 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;

28. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

29. 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;

30. Do not Bid if you are an OCB;

31. 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

32. 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 was liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of Retail Discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

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 53.

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 Shareholders, in consultation with the Book Running Lead Managers decided 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 have been notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account was required to be drawn in favour of:

(a) In case of resident Anchor Investors: "Home First Finance Company India Limited - IPO Anchor Escrow Account-R"

(b) In case of Non-Resident Anchor Investors: "Home First Finance Company India Limited - IPO Anchor Escrow Account - NR"

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Our Company, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Mumbai editions of the Marathi daily newspaper Tarun Bharat (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation.

In the pre-Offer advertisement, we stated the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, was 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 all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Mumbai editions of the Marathi daily newspaper Tarun Bharat (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, 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 the Red Herring Prospectus and this Prospectus. Bidders/applicants were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters have entered into an Underwriting Agreement.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus is being filed with the RoC in accordance with applicable law, which is termed as the Prospectus. This Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and is 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 ESOP 2012 and ESOP II, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus and this 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 have been made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes, severally and not jointly, in relation to itself and its respective Offered Shares that:

- its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this 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 has deposited the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer in accordance with the Share Escrow Agreement;

- 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 Selling Shareholders, are statements which are specifically confirmed or undertaken, severally and not jointly, by each Selling Shareholder in relation to itself and its respective portion of the Offered Shares. All other statements or undertakings or both in this Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

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 172.

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 were not permitted to participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any state securities laws in the United States, and unless so registered 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 and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

We intend to rely on an exception from the definition of investment company under the U.S. Investment Company Act of 1940, as amended, in connection with this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, 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 the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the applicable limits under laws or regulations.

SECTION IX: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The Articles of Association of our Company consist of two Parts, Part A and Part B. In case of any conflict or inconsistency between Part A and Part B, Part B shall at all times prevail until the commencement of listing and trading of Equity Shares of the Company on the Stock Exchanges. Part B of the Articles shall automatically terminate, without any further action by the Company or its shareholders and cease to have any force and effect and shall be deemed to fall away on and from the date on which the Equity Shares commence listing and trading on the Stock Exchanges, pursuant to the Offer.

Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

PART A

Share Capital and Variation of Rights

The Authorized Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company. Subject to the provisions of the Act and these Articles, 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.

Further issue of share capital

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:

a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date;

b) 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

c) any persons, whether or not those persons include the persons referred to 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 compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a special resolution to this effect is passed by the Company in a General Meeting.

Term of Issue of Debentures

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, 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.

Lien

The company shall have a first and paramount lien:

a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that in respect of any partly paid equity shares of our Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such equity shares.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien if any, on such Shares

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.

Calls on shares

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. Further, a call may be revoked or postponed at the discretion of the Board.

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. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. 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. per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. 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.

Further, the members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to any calls on debentures.

Forfeiture

If a member fails to pay any call, or instalment of a call, on the day appointed for 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. Subject to the provisions of section 61, the company may, by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

General Meetings

An Annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous financial year of the Company. The Board of Directors shall issue the notice of AGM together with the annual financial statement, auditors report and other annexures as required under the Act to all Shareholders and others entitled to receive such notice at least 21 (twenty-one) clear days before the AGM is held to approve and adopt the audited financial statements. All general meetings other than annual general meeting shall be called Extraordinary General Meeting (EGM). The Board may, whenever it thinks fit, call an extraordinary general meeting. AGM and EGM may be called after giving shorter notice as per the Act. 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.

Proceedings at General Meetings

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of Meeting

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. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, 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.

Voting Rights

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 and shall vote only once. 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. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. 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. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. 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. 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. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

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 of the company not less than 48 hours before the time for holding the meeting or adjourned 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.

Board of Directors

The Board shall comprise up to 9 (nine) directors. The chief executive officer ("**CEO**") shall be appointed and shall hold office as a whole time director. The chairman of the Board shall be an independent director, at all times. A minimum of 3 (three) independent directors, or such additional number of independent Directors as may be required, shall be appointed to the Board in accordance with applicable law.

a) Subject to the other provisions contained in the Articles,:

- TN V LLP shall have the right to appoint and continue to have on the Board, (i) 2 (two) directors for as long as it owns at least 16% of the Company's equity share capital on a fully diluted basis, and (ii) 1 (one) director if the shareholding of TN V LLP falls below 16%, (but is at least 10%) of the Company's equity share capital on a fully diluted basis.

- Aether shall have the right to appoint and continue to have on the Board, 1 (one) director for so long as it owns at least 10% of the Company's equity share capital on a fully diluted basis.

- Bessemer shall have the right to appoint and continue to have on the Board, 1 (one) director for so long as it owns at least (i) 10% of the Company's equity share capital on a fully diluted basis in case the equity shares of the Company are listed on any of the Stock Exchanges; or (ii) 7% of the Company's equity share capital on a fully diluted basis in other cases.

- Orange Clove shall have the right to appoint and continue to have on the Board 2 (two) directors till such time as it continues to hold at least 16% of the Company's equity share capital on a fully diluted basis. However, Orange Clove shall be entitled to appoint no more than one director on the Board (i) until an approval from the RBI, to the extent such an approval is required under the Master Circular- Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, issued by the National Housing Bank, as amended and updated from time to time, is received by the Company for the appointment of the second director, and (ii) in the event the shareholding of the New Investor falls below 16% (but is at least 10%) of the Company's equity share capital on a fully diluted basis.

b) The chief executive officer ("**CEO**") shall be appointed and shall hold office as a whole-time director. The CEO shall, at the option of TN V LLP, be considered as one of its nominees on the Board. In the event the New Investor appoints a second director as set out above and in accordance with the terms of the New SHA, the CEO shall be deemed to be a nominee of TN V LLP for so long as it continues to hold at least 16% of the Company's equity share capital on a fully diluted basis.

c) Any Investor, who has been classified as the "promoter" of the Company, under the relevant regulations of SEBI, and as long as it continues to be classified as the "promoter" and has any subsisting obligations as a promoter of the Company shall, even if such Investor's shareholding falls below 10% of the total paid-up equity share capital of the Company on a fully diluted basis, continue to have the right to appoint 1 (one) director on the Board.

d) Subject to obtaining RBI approval, to the extent such approval is required under the relevant RBI guidelines, any of the shareholders may exercise its right pursuant to (a) above,. TN V LLP, Aether and the Company shall make commercially reasonable efforts to obtain RBI approval in an event Orange Clove intends to exercise its right under (a) above.

e) For as long as Orange Clove and TN V LLP are entitled to appoint at least 1 (one) director on the Board, they shall be entitled to appoint, and to have remained, 1 (one) director on every Board committee of the Company.

f) The quorum for a Board meeting and a Board committee meeting shall be as prescribed under the Companies Act. Provided that, in a Board meeting, the presence of at least one director nominated by TN V LLP, Aether and Orange Clove provided it is entitled to appoint 1 (one) or more director and it has exercised its right to appoint at least one director, at the beginning and throughout the meeting shall be necessary for the purpose of forming a valid quorum for a Board meeting. Provided further that, in a Board committee meeting, the presence of at least one director nominated by TN V LLP and Orange Clove under (e) above, at the beginning and throughout the meeting shall be necessary for the purpose of forming a valid quorum for a Board committee meeting.

g) If a quorum is not present within 30 (thirty) minutes of the scheduled time for any Board meeting or any Board committee meeting or ceases to exist at any time during the meeting, it shall be adjourned, to the same day, place and time in the next succeeding week, or such other day, place and time as the Board may determine after the approval of each investor who is entitled and has exercised its right to appoint at least 1 (one) Director under the clauses above, as applicable.

h) Subject to the provisions of the Companies Act, all the members present shall constitute the quorum in the adjourned Board/committee meeting scheduled in accordance with (g) above, in the event the quorum as per clause (f) above is not met.

i) In the event of any shareholder's holding falling below 10% of the total paid-up equity share capital of the Company, on a fully diluted basis, the shareholder and the Company shall undertake best efforts to ensure, and other shareholders shall provide reasonable assistance, to declassify such shareholder as "promoter" of the Company.

Provided however that, this Article shall be subject to such rights being approved by the members of the company through a special resolution at the first general meeting of the company held post listing of Equity Shares on the stock exchanges.

Notwithstanding anything contained in these Articles, if the listing of the equity shares on the stock exchanges is not completed, the Article on the board composition of Part B shall prevail over this Article.

Proceedings of the Board

The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. 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 number to be Chairperson of the meeting. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

A provision of the Act or these regulations requiring or authorising a thing to be done by 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, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividends and Reserve

The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Where a dividend has been declared by the company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account. Any money transferred to the Unpaid Dividend Account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section (1) of section 125 of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board. No dividend shall bear interest against the company.

Accounts

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. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding Up

Subject to the provisions of Chapter XX of the Act and rules made thereunder—

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.

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.

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.

Indemnity

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 relating to acts or omissions by or on behalf of the Company, 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.

PART B

Part B of the Articles of Association of the Company provide for the rights and obligations of the parties to the 2020 SHA.

In case of any conflict or inconsistency between Part A on the one hand and Part B on the other hand, Part B shall at all times prevail. Part B of the Articles shall automatically terminate and cease to have any force and effect and shall be deemed to fall away on and from the date of listing and trading of the equity shares of the Company on the Stock Exchanges pursuant to the initial public offering of its equity shares without any further action by the Company or its shareholders.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been 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 the Red Herring Prospectus) which are material and were attached to the copy of the Red Herring Prospectus which was filed with the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were available for inspection 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, as applicable.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated November 28, 2019 entered into between our Company, the Selling Shareholders and the Book Running Lead Managers read with the Termination Letter dated January 14, 2021 issued by Mr. Bhaskar Chaudhry to our Company, the Selling Shareholders and the Book Running Lead Managers, terminating the Offer Agreement solely in respect of himself.

2. Registrar Agreement dated November 27, 2019 entered into between our Company, the Selling Shareholders and the Registrar to the Offer read with the Termination Letter dated January 14, 2021 issued by Mr. Bhaskar Chaudhry to our Company, the Selling Shareholders and the Registrar, terminating the Registrar Agreement solely in respect of himself.

3. Escrow and Sponsor Bank Agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Banker(s) to the Offer and the Syndicate Member(s).

4. Share Escrow Agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders, and the Share Escrow Agent.

5. Syndicate Agreement dated January 14, 2021 entered into between our Company, the Selling Shareholders, and the Members of the Syndicate and the Registrar to the Offer.

6. Underwriting Agreement dated January 27, 2021 entered into between our Company, the Selling Shareholders, and the Underwriter(s).

7. Monitoring Agency Agreement dated January 14, 2021 entered into between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of our Company, as amended from time to time.

2. Certificate of incorporation dated February 3, 2010 issued by the Registrar of Companies, Karnataka at Bangalore in the name of 'Home First Finance Company India Private Limited'. Fresh certificate of incorporation dated March 14, 2018 issued by the RoC upon change of name consequent to conversion from private to public company.

3. Order dated December 17, 2012 issued by Regional Director (South East Region), Ministry of Corporate Affairs, Hyderabad confirming the change in the registered office of the Company from the state of Karnataka to the state of Maharashtra and a certificate of registration of the order, dated February 27, 2013 issued by the RoC.

4. Copies of the audited financial statements along with the auditor report and directors' report of our Company for the six month period ended September 30, 2020 and financial years 2020, 2019 and 2018, as applicable.

5. Copies of annual reports of our Company for Financial Years 2020, 2019 and 2018.

6. Resolution of our Board of Directors dated July 31, 2019 authorising the Offer and other related matters.

7. Resolution of the Shareholders of our Company dated August 30, 2019 authorising the Fresh Issue and other related matters.

8. Resolution dated November 15, 2019 passed at the meeting of the key persons of TN V LLP authorising the Offer for Sale for the Equity Shares offered by it and the consent letter dated January 13, 2021 consenting to include the Equity Shares offered by it in the Offer.

9. Resolution dated November 25, 2019 passed by the board of directors of Aether authorising the Offer for Sale for the Equity Shares offered by it and the consent letter dated January 14, 2021 consenting to include the Equity Shares offered by it in the Offer.

10. Resolution dated November 26, 2019 passed by the board of directors of Bessemer authorising the Offer for Sale for the Equity Shares offered by it and the consent letter dated January 13, 2021 consenting to include the Equity Shares offered by it in the Offer.

11. Consent letter issued by (i) P. S. Jayakumar dated January, 14, 2021 and, (ii) Manoj Viswanathan dated January 14, 2021 and approving the Offer for Sale of the Equity Shares offered by them.

12. Share Purchase and Share Subscription Agreement dated March 20, 2017 between TN V LLP, Aether, Jaithirth Rao, Jaithirth Rao and Kotak Mahindra Trusteeship Services Limited (in their capacity as trustees of Jaithirth Rao 2012 Trust), Bessemer, our Company, P. S. Jayakumar, Manoj Viswanathan and Bhaskar Chaudhry.

13. Share Subscription and Purchase Agreement dated October 1, 2020 between Orange Clove, TN V LLP, Aether, Bessemer, P. S. Jayakumar, Manoj Viswanathan, Bhaskar Chaudhry and our Company including any amendments thereof subject to the terms in the agreement.

14. Shareholders' Agreement dated October 1, 2020 between TN V LLP, Aether, our Company, Bessemer, P. S. Jayakumar, Manoj Viswanathan, Bhaskar Chaudhry and Orange Clove, including any amendments thereof subject to the terms in the agreement.

15. Inter-se agreement dated November 20, 2019 between TN V LLP and Aether.

16. Resolution of our Board of Directors dated November 28, 2019, January 16, 2021 and January 27, 2021 approving the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus, respectively.

17. Consent letter from the Statutory Auditors dated November 26, 2020 for inclusion of their name as "experts".

18. Consent letter from the Statutory Auditors dated January 12, 2021 in relation to the Statement of Special Tax Benefits.

19. Consent letter from CRISIL Limited dated November 29, 2020 and November 25, 2019 to rely on and reproduce part or whole of the CRISIL Reports and include their name in this Prospectus.

20. Consent letter from ICRA Limited dated November 22, 2019 to rely on and reproduce part or whole of the ICRA Report and include their name in this Prospectus.

21. The Statement of Special Tax Benefits dated January 12, 2021 issued by the Statutory Auditors.

22. Examination report in relation to the Restated Financial Information dated November 18, 2020 of our Statutory Auditors, included in this Prospectus.

23. Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, Legal Counsel to the Promoter Selling Shareholders as to Indian Law, Legal Counsel to the Investor Selling Shareholder as to Indian Law, Legal Counsel to P. S. Jayakumar and Manoj Viswanathan as to Indian Law, Legal Counsel to the Book Running Lead Managers as to U.S. Law, Bankers to our Company, the Book Running Lead Managers, independent chartered accountant, the Syndicate Member, the Bankers to the Offer and the Registrar to the Offer, to act in their respective capacities.

24. Employee Stock Option Scheme, 2012, as amended and the Employee Stock Option Scheme II of the Company, as amended.

25. Employment agreement dated October 15, 2020 entered into with our Managing Director and Chief Executive Officer, Manoj Viswanathan.

26. In-principle listing approvals dated December 10, 2019 and December 16, 2019 issued by BSE and NSE, respectively.

27. Tripartite agreement dated September 18, 2019 amongst our Company, CDSL and the Registrar to the Offer.

28. Tripartite agreement dated May 16, 2012 between our Company, NSDL and the Registrar to the Offer.

29. Due diligence certificate dated November 28, 2019 addressed from the Book Running Lead Managers to SEBI.

30. SEBI final observation letter no. SEBI/CFD/DIL-1/YJ/KB/7120/2020 dated February 25, 2020.

Any of the contracts or documents mentioned in this 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 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 Prospectus is contrary to the provisions of the Companies Act, the SCRA, 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 Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Deepak Satwalekar
(Chairman and Independent Director)

Sakti Prasad Ghosh
(Independent Director)

Sujatha Venkatramanan
(Independent Director)

Divya Sehgal
(Nominee Director)

Maninder Singh Juneja
(Nominee Director)

Rajagopalan Santhanam
(Nominee Director)

Vishal Vijay Gupta
(Nominee Director)

Narendra Ostawal
(Nominee Director)

Manoj Viswanathan
(Managing Director and Chief Executive Officer)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Nutan Gaba Patwari
(Chief Financial Officer)

Place: Mumbai
Date: January 27, 2021

DECLARATION BY TRUE NORTH FUND V LLP AS A PROMOTER SELLING SHAREHOLDER

We, True North Fund V LLP, hereby confirm that all statements, disclosures and undertakings specifically made by us in this 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 Prospectus.

For and on behalf of True North Fund V LLP

Authorised Signatory
Name: Mr. Divya Sehgal
Designation: Authorised Signatory
Place: Mumbai
Date: January 27, 2021

DECLARATION BY AETHER (MAURITIUS) LIMITED AS A PROMOTER SELLING SHAREHOLDER

We, Aether (Mauritius) Limited, hereby confirm that all statements, disclosures and undertakings specifically made by us in this 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 Prospectus.

For and on behalf of Aether (Mauritius) Limited

Authorised Signatory
Name: Mrs. Kamalam Pillay Rungapadiachy
Designation: Director
Place: Port Louis, Mauritius
Date: January 27, 2021

DECLARATION BY BESSEMER INDIA CAPITAL HOLDINGS II LTD. AS INVESTOR SELLING SHAREHOLDER

We, Bessemer India Capital Holdings II Ltd., hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as an Investor 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 Prospectus.

For and on behalf of Bessemer India Capital Holdings II Ltd.

Authorised Signatory
Name: Arunagirinatha Runghien
Designation: Director
Place: Mauritius
Date: January 27, 2021

DECLARATION BY P. S. JAYAKUMAR AS AN INDIVIDUAL SELLING SHAREHOLDER

I, P. S. Jayakumar, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as an Individual Selling Shareholder and my Offered Shares, are true and correct. I 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 Prospectus.

Signed by P. S. Jayakumar

Place: Mumbai
Date: January 27, 2021

DECLARATION BY MANOJ VISWANATHAN AS AN INDIVIDUAL SELLING SHAREHOLDER

I, Manoj Viswanathan, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as an Individual Selling Shareholder and my Offered Shares, are true and correct. I 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 Prospectus.

Signed by Manoj Viswanathan

Place: Mumbai
Date: January 27, 2021