PROSPECTUS
Dated: August 13, 2021
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

APTUS VALUE HOUSING FINANCE INDIA LIMITED

Our Company was incorporated as Aptus Value Housing Finance India Limited at Chennai, Tamil Nadu as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 11, 2009, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands) and commenced operations pursuant to a certificate for commencement of business dated June 25, 2010, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands). For details, see "*History and Certain Corporate Matters*" beginning on page 185. Our Company is registered with the National Housing Bank ("**NHB**") to carry out the business of a housing finance institution without accepting public deposits (certificate of registration no. 05.0084.10). For details, see "*Government and Other Approvals*" beginning on page 335.

Registered Office and Corporate Office: No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010, Tamil Nadu, India
Telephone: +91 44 4565 0000; **Contact person**: Sanin Panicker, Company Secretary and Compliance Officer
E-mail: cs@aptusindia.com; **Website**: www.aptusindia.com; **Corporate Identity Number**: U65922TN2009PLC073881

PROMOTERS OF OUR COMPANY: M ANANDAN, PADMA ANANDAN AND WESTBRIDGE CROSSOVER FUND, LLC

INITIAL PUBLIC OFFER OF 78,755,000[@] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF APTUS VALUE HOUSING FINANCE INDIA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹353 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹351 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹27,800.52 MILLION COMPRISING A FRESH ISSUE OF 14,164,305[@] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 64,590,695[@] EQUITY SHARES AGGREGATING UP TO ₹22,800.52 MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING 2,500,000[@] EQUITY SHARES AGGREGATING UP TO ₹882.50 MILLION BY PADMA ANANDAN ("INDIVIDUAL PROMOTER SELLING SHAREHOLDER"), 19,762,495[@] EQUITY SHARES AGGREGATING UP TO ₹6,976.16 MILLION BY ARAVALI INVESTMENT HOLDINGS, 28,379,135[@] EQUITY SHARES AGGREGATING UP TO ₹10,017.83 MILLION BY JIH II, LLC, 9,997,855[@] EQUITY SHARES AGGREGATING UP TO ₹3,529.24 MILLION BY GHIOF MAURITIUS, 3,723,710[@] EQUITY SHARES AGGREGATING UP TO ₹1,314.47 MILLION BY MADISON INDIA OPPORTUNITIES IV (ARAVALI INVESTMENT HOLDINGS, JIH II, LLC, GHIOF MAURITIUS AND MADISON INDIA OPPORTUNITIES IV COLLECTIVELY REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDERS"), 125,000[@] EQUITY SHARES AGGREGATING UP TO ₹44.13 MILLION BY KM MOHANDASS HUF[*], 75,000[@] EQUITY SHARES AGGREGATING UP TO ₹26.48 MILLION BY R UMASUTHAN[**] AND 27,500[@] EQUITY SHARES AGGREGATING UP TO ₹9.71 MILLION BY SAURABH VIJAY BHAT (KM MOHANDASS HUF, R UMASUTHAN AND SAURABH VIJAY BHAT, COLLECTIVELY REFERRED TO AS THE "OTHER SELLING SHAREHOLDERS", AND ALONG WITH THE INDIVIDUAL PROMOTER SELLING SHAREHOLDER REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER CONSTITUTES 15.89% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

[@]***SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT***

[*]***KANDHERI MUNUSWAMY MOHANDASS, THE KARTA OF KM MOHANDASS HUF AND THE REGISTERED OWNER OF THE EQUITY SHARES HELD BY KM MOHANDASS HUF, IS A NON-EXECUTIVE INDEPENDENT DIRECTOR ON OUR BOARD***

[**] ***R UMASUTHAN IS AN INDEPENDENT DIRECTOR ON THE BOARD OF DIRECTORS OF OUR SUBSIDIARY***

THE FACE VALUE OF EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS ₹353 PER EQUITY SHARE AND IS 176.5 TIMES THE FACE VALUE OF THE EQUITY SHARES.

This Offer was 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 was 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, the Individual Promoter Selling Shareholder and the Investor 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 at least one-third was reserved for allocation to domestic Mutual Funds only, subject to valid Bids having been received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 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 Retail Individual Bidders ("**RIBs**") 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) in which the corresponding Bid Amounts were blocked by the SCSBs, or under the UPI Mechanism (defined hereinafter), as applicable 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 361.

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, the Individual Promoter Selling Shareholder and the Investor 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 95) 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 prospective investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Prospective investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, prospective investors 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 prospective investors is invited to "*Risk Factors*" beginning on page 25.

ISSUER'S AND THE 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 Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements expressly made by such Selling Shareholder in this Prospectus solely in relation to itself and its Offered Shares and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each Selling Shareholder assumes 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 our business in this Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 9, 2021 and June 24, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange is NSE. A signed 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 with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents which were 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 382.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460/ 70 E-mail: aptus.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Anurag Byas/ Kristina Dias SEBI Registration No.: INM000011179	**Citigroup Global Markets India Private Limited** 1202, First International Financial Center Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: aptus.ipo@citi.com Investor grievance e-mail: investors.cgmib@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact person: Siddharth Prabhu SEBI Registration No.: INM000010718	**Edelweiss Financial Services Limited** 6th Floor, Edelweiss House Off. C.S.T. Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: aptus.ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Saili Dave SEBI Registration No.: INM0000010650	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. C-27 G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: aptus.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[#]** Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: aptus.ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact person: M. Murali Krishna SEBI Registration Number: INR000000221 [#]*Formerly known as Karvy Fintech Private Limited*

BID/OFFER PROGRAMME	
BID/OFFER OPENED ON[*]	August 10, 2021
BID/OFFER CLOSED ON	August 12, 2021

[*] *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date i.e., August 9, 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, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

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

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for Offer Price", "Selected Statistical Information", "History and Certain Corporate Matters", "Restated Consolidated Summary Statements", "Outstanding Litigation and Material Developments", "Description of Equity Shares and Terms of the Articles of Association" and "Offer Procedure" beginning on pages 98, 110, 177, 95, 214, 185, 226, 332, 378, and 361, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "Aptus"	Aptus Value Housing Finance India Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010, Tamil Nadu, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary

Company Related Terms

Term	Description
AFIPL/ Material Subsidiary/ Subsidiary	Aptus Finance India Private 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 197
Board/ Board of Directors	Board of Directors of our Company, and where applicable or implied by context, includes or a duly constituted committee thereof
Chief Financial Officer/ CFO	Chief financial officer of our Company
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Company Secretary and 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 200
Director(s)	Director(s) on our Board
Equity Shares	Equity shares of our Company bearing face value of ₹2 each
ESOP 2010	Aptus Employees Stock Option Scheme 2010
ESOP 2015	Aptus Employees Stock Option Scheme 2015
ESOP 2021	Aptus Employees Stock Option Scheme 2021
Executive Director(s)	Executive director(s) of our Company
Group	Our Company and Our Subsidiary
Individual Promoter Selling Shareholder/ Promoter Selling Shareholder	Padma Anandan

Term	Description
Investor Selling Shareholders	Aravali Investment Holdings, JIH II, LLC, GHIOF Mauritius, and Madison India Opportunities IV
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management - Key Managerial Personnel*" beginning on page 205
Non-Executive Independent Director(s)/ 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 190
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 197
Non-Executive Director(s)	Non-executive director(s) of our Company
Non-Executive Nominee Director(s)	Non-executive nominee director(s) of our Company
Other Selling Shareholders	KM Mohandass HUF*, R Umasuthan** and Saurabh Vijay Bhat **Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board* ***R Umasuthan is an independent director on the board of directors of our Subsidiary*
Promoters	Promoter of our Company, being, M Anandan, Padma Anandan and WestBridge Crossover Fund, LLC
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" beginning on page 207
Registered Office/ Corporate Office	No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010, Tamil Nadu, India
Registrar of Companies/ RoC	Registrar of Companies, Tamil Nadu at Chennai
Restated Consolidated Summary Statements	Restated consolidated summary statements of our Company and our Subsidiary as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising the restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the restated consolidated summary statements of profit and loss (including other comprehensive income), the restated consolidated summary statements of cash flows and the restated consolidated summary statements of changes in equity for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the consolidated summary statement of significant accounting policies, notes and other explanatory information thereon, derived from the audited consolidated financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS; and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Selling Shareholders	Padma Anandan, Aravali Investment Holdings, JIH II, LLC, GHIOF Mauritius, Madison India Opportunities IV, KM Mohandass HUF*, R Umasuthan** and Saurabh Vijay Bhat **Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board* ***R Umasuthan is an independent director on the board of directors of our Subsidiary*
Statutory Auditors/ Auditors	Current statutory auditors, namely, S.R. Batliboi & Associates LLP, Chartered Accountants

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offered Shares pursuant to 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

Term	Description
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	₹353 per Equity Share, being the price at which Equity Shares were allocated to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	August 9, 2021 i.e., 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	₹353 per Equity Share. The Anchor Investor Offer Price was decided by our Company, the Individual Promoter Selling Shareholder and the Investor 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 23,626,500* Equity Shares which was allocated by our Company, the Individual Promoter Selling Shareholder and the Investor 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 allocation to domestic Mutual Funds only, 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 relevant 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/ ASBA Bidder	All Bidders except Anchor Investors
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
Banker to the Offer	Collectively, the Escrow Collection Bank, 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 361
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	42 Equity Shares and in multiples of 42 Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, August 12, 2021
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, August 10, 2021
Bid/Offer Period	Except in relation to Anchor Investors, the period between August 10, 2021 and August 12, 2021, inclusive of both the days
Bidder/ Applicant	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 Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made

Term	Description
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, I-Sec, Citi, Edelweiss 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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	₹353 per Equity Share
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement dated August 2, 2021 entered into between our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker to the Offer and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Citi	Citigroup Global Markets India Private Limited
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who was 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 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Confirmation of Allocation Note or CAN	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who were allocated Equity Shares, after the Anchor Investor Bid/Offer Period
CRISIL/ Industry Expert	CRISIL Limited
CRISIL Report	Report titled "*Assessment of Housing Finance Market in India, July 2021*", issued in July 2021 by CRISIL Research, a division of CRISIL Limited (who we appointed on February 25, 2021), and exclusively commissioned and paid for by our Company in connection with the Offer
Cut-off Price	The Offer Price finalised by our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers being ₹353 per Equity Share. Only RIBs 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 submitted the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and this Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders submitted the ASBA Forms to RTAs.

Term	Description
	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 May 14, 2021 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
Edelweiss	Edelweiss Financial Services Limited
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 subscribe to or purchase the Equity Shares
Escrow Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) opened with the Escrow Collection Bank 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 Collection Bank	Bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) was opened, in this case being, HDFC Bank Limited
First Bidder/Sole Bidder	The Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appeared as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, i.e., ₹346 per Equity Share
Fresh Issue	Fresh issue of 14,164,305* Equity Shares aggregating up to ₹5,000.00 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 SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as included in “*Offer Procedure*” beginning on page 361
I-Sec	ICICI Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	HDFC Bank Limited
Monitoring Agency Agreement	The agreement dated July 31, 2021 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or 787,550* Equity Shares which was 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 91
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders/ NIBs	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 11,813,250* 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/ NRI(s)	A non-resident Indian as defined under the FEMA Rules
Offer	The initial public offer of 78,755,000* Equity Shares of face value of ₹2 each for cash at a price of ₹353 each (including a share premium of ₹351 per Equity Share), aggregating up to ₹27,800.52 million, comprising the Fresh Issue and the Offer for Sale

Term	Description
	**Subject to finalisation of the Basis of Allotment*
Offer Agreement	The offer agreement dated May 14, 2021, as amended on July 26, 2021 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 together with the termination letter dated July 26, 2021 issued by WestBridge Crossover Fund, LLC withdrawing from the Offer
Offer for Sale	Offer for Sale of 64,590,695* Equity Shares aggregating up to ₹22,800.52 million by the Selling Shareholders **Subject to finalisation of the Basis of Allotment*
Offer Price	₹353 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, Individual Promoter Selling Shareholder and the Investor 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
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" beginning on page 91
Offered Shares	64,590,695* Equity Shares aggregating up to ₹22,800.52 million offered by the Selling Shareholders in the Offer for Sale **Subject to finalisation of the Basis of Allotment*
Price Band	The price band of a minimum price of ₹346 per Equity Share (Floor Price) and the maximum price of ₹353 per Equity Share (Cap Price)
Pricing Date	The date on which our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, finalised the Offer Price, being August 13, 2021
Prospectus	This prospectus dated August 13, 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 is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda hereto
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 Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts was opened, in this case, being HDFC Bank Limited
QIB Portion	The portion of the Offer, being not more than 50% of the Offer or 39,377,500* Equity Shares Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation was made on a discretionary basis, as determined by our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book Running Lead Managers), subject to valid Bids having been received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors) **Subject to finalisation of the Basis of Allotment*
QIBs/ QIB Bidders/ Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus dated August 2, 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 will be offered and the size of the Offer, read together with the corrigendum to the Red Herring Prospectus – Notice to Investors dated August 4, 2021
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank	The Banker to the Offer which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account was opened and in this case being, HDFC 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 May 14, 2021, as amended on July 27, 2021 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

Term	Description
Registrar to the Offer/ Registrar	KFin Technologies Private Limited[#] [#]*Formerly known as Karvy Fintech Private Limited*
Retail Individual Bidder(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	Resident Indian individual Bidders, who had Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Offer comprising 27,564,250* 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 were 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 websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SCORES	SEBI Complaints Redress System
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at 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 Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
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 July 29, 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 accepted 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	HDFC 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 Agreement	The syndicate agreement dated August 2, 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
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely Edelweiss Securities Limited and Kotak Securities Limited
Syndicate or members of the Syndicate	Together, collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	Together, the BRLMs and the Syndicate Members
Underwriting Agreement	The underwriting agreement dated August 13, 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	The 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.

Term	Description
	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/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the SEBI website, and by way of a SMS for directing the RIB to such UPI linked 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 PIN	A password to authenticate a UPI transaction
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
ALM	Asset liability management
CRR	Cash reserve ratio
EWS	Economically weaker section
GDP	Gross domestic product
GDS	Gross domestic savings
LAP	Loans against property
LIG	Lower income group
PCI	Per capita income
PSL	Public sector lending
SCB	Scheduled commercial banks
Total Borrowings	Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year
UPI	Unified Payments Interface

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
Bn or bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations

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

Term	Description
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS/ AS/ Ind Accounting Standards	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended
Indian Penal Code	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MCA Portal	The official portal of the Ministry of Corporate Affairs located at www.mca.gov.in
Mn or mn	Million
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NBFC-SI Master Directions	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17) dated September 1, 2016 (updated on February 17, 2020)
NCD	Non-convertible debenture
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
Net Retail NPA	Represents closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2019
NHB NCD Directions	Master Circular- Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 dated July 2, 2018
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
NRE	Non- Residential External
NRI	A non-resident Indian as defined under the FEMA Rules
NRO	Non- Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and

Term	Description
	immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs were not allowed to invest in the Offer
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RBI Master Circular	Master Circular – Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs (DNBR (PD) CC.No.061/03.10.119/2015-16) dated July 1, 2015 (as amended up to August 4, 2015)
RBI Master Directions	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued on February 17, 2021
Revised HFC Framework	RBI notification on Review of regulatory framework for Housing Finance Companies (HFCs) dated October 22, 2020
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on equity
RoNW	Average Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act/SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
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 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
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 SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations
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
TDS	Tax deductible at source
Trademarks Act	Trade Marks Act, 1999

Term	Description
U.S. Securities Act	U.S. Securities Act of 1933
U.S., USA or United States	United States of America
USD or US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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 or the context otherwise requires, the financial information and financial ratios in this Prospectus have been derived from our Restated Consolidated Summary Statements. For further information, see "*Restated Consolidated Summary Statements*" beginning on page 226.

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 commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The Restated Consolidated Summary Statements of our Group are as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, and comprise the restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, and the restated consolidated summary statements of profit and loss (including other comprehensive income), the restated consolidated summary statements of cash flows and the restated consolidated summary statements of changes in equity for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the consolidated summary statement of significant accounting policies, notes and other explanatory information thereon, derived from the audited consolidated financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS; and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.

The consolidated financial statements of our Group as at and for the year ended March 31, 2021 and March 31, 2020 were audited by the current Statutory Auditors, being S. R. Batliboi & Associates LLP, Chartered Accountants. The consolidated financial statements of our Company (together with our Subsidiary) as at and for the year ended March 31, 2019 were audited by the previous auditors of our Company, being Deloitte Haskins & Sells, Chartered Accountants.

There are significant differences between Indian Generally Accepted Accounting Principles ("**Indian GAAP**"), Indian Accounting Standards ("**Ind AS**"), United States Generally Accepted Accounting Principles ("**U.S. GAAP**") and International Financial Reporting Standards ("**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 Indian GAAP, Ind AS, U.S. GAAP, IFRS and other accounting principles, see "*Risk Factors – Significant differences exist Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*" beginning on page 51.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Summary Statements.

Non-GAAP Financial Measures

Certain non-GAAP measures such as, operating expense to net income ratio, return on total average assets, operating expenses to average total assets, credit costs to average total assets, operating expenses, return on net worth, net worth, EBITDA, Total borrowings to equity ratio, average cost of borrowings, net NPA on AUM, NPA, Provision Coverage Ratio, average yield on loan book, net interest margin and net asset value per share ("**Non-GAAP Measures**") presented in this Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under

Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. For Reconciliation of Non-GAAP Measures, see "*Selected Statistical Information*" section, on page 214.

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 per share and percentage figures have been rounded off to one/two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

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

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

(Amount in ₹, unless otherwise specified)

Currency	As on March 31, 2021	As on March 31, 2020	As on March 29, 2019*
1 US$	73.51	75.39	69.17

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

* *Exchange rate as on March 29, 2019, as March 30, 2019 being Saturday and March 31, 2019 being a Sunday.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from the report titled "*Assessment of Housing Finance Market in India, July 2021*", issued in July 2021 by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**") and publicly available information as well as other industry publications and sources. The CRISIL Report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Prospectus is reliable. 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. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Accordingly, investment decision should not be based solely on such information.

Disclaimer of CRISIL

CRISIL has requested the following disclaimer for inclusion of the information in the CRISIL Report in this Prospectus:

"*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. Aptus Value Housing Finance 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 Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

For details of risks in relation to CRISIL Report, see "*Risk Factors – We have referred to the data derived from industry reports commissioned by our Company from CRISIL Limited.*" beginning on page 46.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 95 includes information relating to our peer group companies. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 25.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this 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 the 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 Section 4(a) of the U.S. Securities Act and (b) outside the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

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", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Prospectus that are not statements of historical fact are 'forward-looking statements'.

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

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

- The Coronavirus pandemic (COVID-19) has had certain adverse effects on our business, operations, cash flows and financial condition and the extent to which it or the effect of outbreaks of any other severe communicable disease may continue to do so in the future, is uncertain and cannot be predicted;
- Increase in customer delinquencies and any future actions by RBI related to moratorium;
- We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition;
- Our 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;
- Our liquidity may be affected by the COVID-19 pandemic;
- The risk of non-payment or default by borrowers may adversely affect our business, results of operations and financial condition; and
- 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.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 110, 163, and 306, 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 requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of this Prospectus in relation to the statements and undertakings made by them in this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, the Selling Shareholders shall ensure that investors in India are informed of material developments from the date of this Prospectus in relation to the statements and undertakings specifically made or confirmed by that Selling Shareholder in this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor purports to contain a summary of all the disclosures in the Red Herring Prospectus or 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", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Restated Consolidated Summary Statements", "Outstanding Litigation and Material Developments" ,"Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" beginning on pages 25, 91, 163, 110, 70, 55, 226, 332, 361 and 378, respectively.

Summary of the primary business of the Company	We are an entirely retail focussed housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. According to the CRISIL Report, our Company had the highest RoA of 5.7% among the Peer Set during the financial year 2021. We are one of the largest housing finance companies in south India in terms of AUM, as of March 31, 2021. *(Source: CRISIL Report)* Our Gross Loan Assets have increased from ₹22,472.33 million, as of March 31, 2019 to ₹40,677.62 million, as of March 31, 2021, at a CAGR of 34.54%.
Summary of the Industry	Fiscal 2020 was volatile for the global economy. The first three quarters were ensnared in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainties arising from Brexit. CRISIL estimates the Indian economy to shrink 8.0% in Fiscal 2021 on account of the COVID-19 pandemic. After sluggish growth in first half of the fiscal owing to rising COVID-19 cases, gross domestic product growth is expected to move into positive territory in the second half of the year with economic activity picking up gradually.
Name of Promoters	M Anandan, Padma Anandan and WestBridge Crossover Fund, LLC
Offer size	Offer of 78,755,000* Equity Shares for cash at a price of ₹353 per Equity Share (including a premium of ₹351 per Equity Share) aggregating up to ₹27,800.52 million comprising of a Fresh Issue of 14,164,305* Equity Shares aggregating up to ₹5,000.00 million by our Company and an Offer for Sale of 64,590,695* Equity Shares aggregating up to ₹22,800.52 million by the Selling Shareholders. The Offer constitutes 15.89% of the post-Offer paid-up Equity Share capital of our Company. **Subject to finalisation of the Basis of Allotment*
Objects of the Offer	The objects for which the Net Proceeds shall be utilized are as follows: (see table below)
Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital	(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below: (see table below)

(₹ in million)

Particulars	Amount
Augmenting the tier I capital requirements of our Company	up to 5,000.00
Net Proceeds	4,828.72

S. No.	Name	No. of Equity Shares (face value of the Equity Shares is ₹2 per share)	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer Equity Share Capital (%)@
1.	M Anandan (founder)*	96,164,165	19.98	19.40
2.	Padma Anandan (founder)**	25,000,000	5.19	4.54
Total (A)		**121,164,165**	25.17	23.94
3.	WestBridge Crossover Fund, LLC (investor)	171,729,755	35.67	34.65
Total (B)		**171,729,755**	**35.67**	**34.65**
Total (C) (A + B)		**292,893,920**	**60.84**	**58.60**
Promoter Group				
1.	JIH II, LLC	41,854,620	8.69	2.72
2.	Aravali Investment Holdings	19,762,495	4.11	0.00
3.	Anu Anand***	4,766,660	0.99	0.96
4.	P Rajinikanth****	500,000	0.10	0.10
5.	Suman Bollina*****	416,665	0.09	0.08
6.	Deepthi Anand******	250,000	0.05	0.05
7.	Konark Trust	4,985	0.00	0.00
8.	MMPL Trust	445	0.00	0.00
Total (D)		**67,555,870**	**14.03**	**3.92**
Total (C + D)		**360,449,790**	**74.87**	**62.51**

		* 88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder) ** 25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder) *** 4,583,330 Equity Shares held jointly with Padma Anandan (where Anu Anand is the first holder) and 183,330 Equity Shares held jointly with P Rajinikanth (where Anu Anand is the first holder). Additionally, Anu Anand jointly holds 500,000 Equity Shares with P Rajinikanth (where Anu Anand is the second holder) **** 500,000 Equity Shares held jointly with Anu Anand (where P Rajinikanth is the first holder). Additionally, P Rajinikanth jointly holds 183,330 Equity Shares with Anu Anand (where P Rajinikanth is the second holder) ***** 416,665 Equity Shares held jointly with Deepthi Anand (where Suman Bollina is the first holder). Additionally, Suman Bollina jointly holds 250,000 Equity Shares with Deepthi Anand (where Suman Bollina is the second holder) ****** 250,000 Equity Shares held jointly with Suman Bollina (where Deepthi Anand is the first holder). Additionally, Deepthi Anand jointly holds 416,665 Equity Shares with Suman Bollina (where Deepthi Anand is the second holder) @ Subject to finalization of the Basis of Allotment
	(b)	The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

Name	No. of Equity Shares (face value of the Equity Shares is ₹2 per share)	Percentage of the pre-Offer Equity Share Capital (%)
Selling Shareholders		
Padma Anandan*	25,000,000	5.19
JIH II, LLC	41,854,620	8.69
Aravali Investment Holdings	19,762,495	4.11
Madison India Opportunities IV	17,590,545	3.65
GHIOF Mauritius	9,997,855	2.08
KM Mohandass HUF**	625,000	0.13
Saurabh Vijay Bhat	114,330	0.02
R Umasuthan***	100,000	0.02
Total	**115,044,845**	**23.90**

** 25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

*** Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board*

**** R Umasuthan is an independent director on the board of directors of our Subsidiary*

Summary of Selected Financial Information

(a) The details of our share capital, net worth, net asset value per Equity Share and Total Borrowings as at March 31, 2021, 2020 and 2019 derived from the Restated Consolidated Summary Statements are as follows

(₹ in million, except per share data)

Particulars	As at March 31,		
	2021	2020	2019
(A) Equity share capital	949.93	945.13	787.83
(B) Net worth	19,794.54	17,090.13	6,983.75
(C) Net asset value per Equity Share*	41.12	35.66	17.73
(D) Total Borrowings**	25,150.66	20,216.45	16,060.62

** Taking into account split of the fully paid up equity shares of our Company of face value ₹10 into 5 Equity Shares of ₹2 each*

*** Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year*

(b) The details of our total income, profit after tax and earnings per Equity Share (basic and diluted) for the Fiscals 2021, 2020 and 2019 derived from the Restated Consolidated Summary Statements are as follows:

(₹ in million, except per share data)

Particulars	For the financial year ended March 31,		
	2021	2020	2019
Total income	6,552.42	5,237.20	3,371.15
Restated profit for the year	2,669.44	2,110.12	1,114.83
Restated earnings per Equity Share			
- Basic*	5.56	4.77	2.83
- Diluted*	5.55	4.74	2.82

** Basic and Diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Pursuant to our board resolution dated May 5, 2021, and shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company*

	were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued, subscribed and paid up share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.
Auditor's qualifications which have not been given effect to in the Restated Consolidated Summary Statements	There are no auditor's qualifications which have not been given effect to in the Restated Consolidated Summary Statements.
Summary table of outstanding litigations	A summary of outstanding litigation proceedings involving our Company and Directors, as disclosed in "*Outstanding Litigation and Material Developments*" beginning on page 332, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated May 5, 2021, as of the date of this Prospectus is provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved^
Litigation involving our Company		
By our Company		
Criminal cases	7	8.75
Litigation involving our Directors		
Against our Directors		
Criminal cases	2	20.00
Action taken by statutory and regulatory authorities	5	NA

Risk Factors	For details of certain risks applicable to us, see "*Risk Factors*" beginning on page 25.
Summary table of contingent liabilities	The following is a summary table of our contingent liabilities as at March 31, 2021 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at March 31, 2021
Corporate undertakings for securitisation of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables(1)	5.55

(1) In respect of these undertakings, our management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on our Company's financial condition.

Summary of related party transactions	The details of related party transactions of our Company for the fiscal years ended March 31, 2021, 2020 and 2019, as per Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, derived from the Restated Consolidated Summary Statements are set forth in the table below:

₹ in million

Transactions during the year	Names of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration *	M Anandan			
	- Salary	40.02	35.04	24.38
	- Commission	20.00	15.00	10.00
	- Others	0.09	0.27	0.25
Director commission and sitting fee	Shailesh J Mehta			
	- Commission	0.75	0.45	0.40
	- Sitting fee	0.12	0.10	0.09
Director commission and sitting fee	K M Mohandass			
	- Commission	1.15	0.65	0.40
	- Sitting fee	0.38	0.28	0.31
Director commission and sitting fee	S Krishnamurthy			

	- Commission	1.15	0.65	0.40
	- Sitting fee	0.38	0.33	0.29
Director commission and sitting fee	Krishnamurthy Vijayan			
	- Commission	0.75	0.45	0.40
	- Sitting fee	0.10	0.16	0.15
Director commission and sitting fee	Suman Bollina			
	- Commission	1.15	0.65	0.40
	- Sitting fee	0.11	0.10	0.10
Director commission and sitting fee	Mona Kachhwaha			
	- Commission	0.75	-	0.40
	- Sitting fee	0.05	-	-
Director commission and sitting fee	V G Kannan			
	- Commission	0.05	-	-
	- Sitting fee	-	-	-
Remuneration *	P Balaji			
	- Salary	9.58	8.87	7.63
	- ESOP expense	-	-	0.44
Remuneration *	Sanin Panicker			
	- Salary	0.91	-	-
Remuneration *	Jyoti Suresh Munot			
	- Salary	0.06	0.16	0.03
Remuneration *	C Payal			
	- Salary	-	-	0.14
Rent paid	M Anandan	0.76	0.73	0.69
Proceeds from issue of partly paid-up shares	M Anandan	-	1.50	-

₹ in million

Balances as at year end	Names of related parties	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Personal guarantee given for Borrowings taken by the Company as at year end	M Anandan	929.55	1,127.48	1,454.61

** As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.*

Disclosure Based on the requirements of the SEBI ICDR Regulations

₹ in million

Transactions during the year	Names of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Support cost recovered from subsidiary	Aptus Finance India Private Limited	102.50	100.80	45.58
Investment during the year #	Aptus Finance India Private Limited	5.26	613.83	651.85
Loans given to subsidiary	Aptus Finance India Private Limited	900.00	595.00	820.00
Loans repaid by subsidiary	Aptus Finance India Private Limited	1,230.00	740.00	165.00

Interest Income on Loan to Subsidiary	Aptus Finance India Private Limited	50.46	75.25	19.35
Commission on Financial Guarantee	Aptus Finance India Private Limited	3.82	2.69	0.67
Balances as at year end	**Names of related parties**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Loans outstanding with subsidiary	Aptus Finance India Private Limited	180.00	510.00	655.00
Interest accrued but not due on Loan with subsidiary	Aptus Finance India Private Limited	-	-	13.66
Investment#	Aptus Finance India Private Limited	1,519.08	1,513.83	902.69
Corporate guarantee given for Borrowings taken by the Subsidiary	Aptus Finance India Private Limited	2,167.54	1,473.10	479.42

 # Includes investment in subsidiary arising out of financial guarantee obligations.

Note:
The transactions and balances with the subsidiary provided above have been eliminated on consolidation.

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" beginning on page 299.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus,the Red Herring Prospectus and this Prospectus	Our Promoters, members of our Promoter Group, the directors of WestBridge Crossover Fund, LLC, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year

Except as disclosed below, our Promoters and Selling Shareholders have not acquired any Equity Shares in the last one year.

Category of Shareholder	Number of equity shares acquired	Weighted average price of acquisition per equity share (in ₹)
Selling Shareholder		
JIH II, LLC	98,914	700

Average cost of acquisition of shares of our Promoters and the Selling Shareholders

Name	Number of Equity Shares held as on date (face value of the Equity Shares is ₹2 per share)	Average cost of acquisition per Equity Share (in ₹) #	Offered Shares (%)##
Promoters			
M Anandan (jointly with Padma Anandan, where M Anandan is the first holder)	88,654,165	8.74	Nil
M Anandan	7,510,000	8.74	
Padma Anandan (jointly with M Anandan, where Padma Anandan is the first holder)	25,000,000	8.74	0.52
Padma Anandan (jointly with Anu Anand, where Anu Anand is the first holder)	4,583,330	2.00	-
WestBridge Crossover Fund, LLC	171,729,755	25.52	Nil
Selling Shareholders			
Padma Anandan (jointly with M Anandan, where Padma Anandan is the first holder)	25,000,000	8.74	0.52
JIH II, LLC	41,854,620	105.62	5.89
Aravali Investment Holdings	19,762,495	70.36	4.11
Madison India Opportunities IV	17,590,545	70.31	0.77
GHIOF Mauritius	9,997,855	6.50	2.08
KM Mohandass HUF*	625,000	2.00	0.03
Saurabh Vijay Bhat	114,330	6.00	0.01
R Umasuthan**	100,000	57.00	0.02

As certified by R P S V & Co., Chartered Accountants, in their certificate dated August 3, 2021

Based on pre-Offer shareholding

* *Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board*

** *R Umasuthan is an independent director on the board of directors of our Subsidiary*

Size of the pre-IPO placement and allottees, upon completion of the placement

Not applicable.

Any issuance of Equity Shares in the last one year for consideratio

Our Company has not issued any Equity Shares in the last one year from the date of this Prospectus, for consideration other than cash.

<table>
<tr><td>n other than cash</td><td></td></tr>
<tr><td>Any split/ consolidation of Equity Shares in the last one year</td><td>Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each.</td></tr>
<tr><td>Personal guarantees by our Promoter</td><td>The details of the personal guarantees given by our Promoter, M Anandan are set out below:
<table>
<tr><th>Sl. No.</th><th>Name of the lender</th><th>Type of facility</th><th>Date of sanction letter creating guarantee</th><th>Outstanding guarantee amount (in Rs. Million) as of March 31, 2021</th></tr>
<tr><td>1.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated November 16, 2012</td><td>14.96</td></tr>
<tr><td>2.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated November 22, 2013</td><td>24.40</td></tr>
<tr><td>3.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated August 20, 2014</td><td>88.75</td></tr>
<tr><td>4.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated August 27, 2015</td><td>121.50</td></tr>
<tr><td>5.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated June 15, 2016</td><td>94.33</td></tr>
<tr><td>6.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated August 10, 2016</td><td>282.60</td></tr>
<tr><td>7.</td><td>NHB</td><td>Refinance</td><td>Sanction letter dated August 18, 2017</td><td>303.01</td></tr>
<tr><td colspan="4">TOTAL</td><td>929.55</td></tr>
</table></td></tr>
</table>

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" on pages 110, 163, 214 and 306, 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 16.

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

The industry-related information contained in this section is derived from the CRISIL Report (extracts of which have been appropriately incorporated as part of "Industry Overview" on page 110). We have exclusively commissioned CRISIL on February 25, 2021 for the CRISIL Report dated July 2021 and paid for such report only for the purposes of confirming our understanding of the industry in connection with the Offer.

Internal Risk Factors

Risks Relating to our Business

1. ***The Coronavirus pandemic (COVID-19) has had certain adverse effects on our business, operations, cash flows and financial condition and the extent to which it or the effect of outbreaks of any other severe communicable disease 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. 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 other measures. 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 restrictions have 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. Further, India has reported a significant increase in the number of COVID-19 cases since April 2021 and one or more states have imposed or may impose additional regional or local curfews and restrictions.

   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 offices and branches and we moved to a work-from-home model; we resumed operations at our offices and branches in a staggered manner in compliance with the lockdown restrictions and central and state government guidelines and were able to resume physical operations at all branches by June 2020 for the balance of the financial year 2021; since April 2021, a resurgence in the number of COVID-19 cases could result in a complete or partial closure of, or other operational issues at our offices and branches;

- it caused a decline in general economic and business activity, which resulted in slow down of disbursements by our Company; we disbursed loans amounting to ₹12,981.81 million and ₹12,709.80 million for the financial years 2021 and 2020, respectively, and ₹3,101.01 million for the period from April 1, 2021 to July 10, 2021;

- pursuant to RBI's directions, we granted moratorium to the loan installments due during the period March 1, 2020 to August 31, 2020 on the eligible loan accounts; the RBI also clarified that for all standard accounts as on February 29, 2020, moratorium period will be excluded from days past-due ("**DPD**") calculation for the purpose of asset classification under the IRAC norms; moratorium was granted by us to 14,322 customers on EMI dues of ₹471.10 million for the period between March 1, 2020 and August 31, 2020;

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

- the Supreme Court of India in Gajendra Sharma vs Union of India & Anr., passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders; any further orders of the Supreme Court in this matter may also affect our financial condition and results of operations;

- the Supreme Court of India in Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others vide a judgment dated March 23, 2021 has directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated; moving forward from the date of the judgment on March 23, 2021, our Company will resume recognizing overdue accounts not previously recognised as NPAs, as NPAs;

- by way of a circular dated April 7, 2021 on 'Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package', RBI has advised that all lending institutions are required put in place a board-approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement; the above reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed; further, lending institutions shall disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021;

- by way of a circular dated May 5, 2021 on 'Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)' (the "**May 5 Circular**"), RBI has advised that banks and NBFCs (including HFCs) can restructure loans up to ₹250 million under the resolution framework 2.0. MSMEs with a 'standard' classification as of March 31, 2021, could approach the lenders to help ease the parameters of repayment provided, inter alia, that the borrower's account was not restructured in terms of the circulars DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020; DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020; or DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 (collectively, the "**MSME Restructuring Circulars**"). The last day for the invocation of the resolution process is September 30, 2021. Thereafter, the resolution plan will be implemented within 90 days. Further, through a circular dated June 4, 2021, the RBI enhanced the above limit of ₹250 million to ₹500 million, provided that the borrower's account was not restructured in terms of the May 5 Circular or the MSME Restructuring Circulars;

- 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 capital necessary to fund our operations or address maturing liabilities on a timely basis;

- our customers who primarily belong to the low and middle-income groups have less financial wherewithal than other borrowers and may default on their repayment obligations;

- 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 adversely affect our results of operations and financial condition and our ability to make additional borrowings;

- inherent challenges to productivity, connectivity and oversight 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 regarding the conditions that must be satisfied before government authorities completely lift "stay-at-home" orders and further imposition of such orders as a result of the resurgence of COVID-19 since April 2021; and

- potential negative impact on the health and safety of our personnel, particularly because a number of them were and could in future be afflicted by COVID-19, which 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. The impact of COVID-19 pandemic including the ongoing "second wave", on our operations and financial metrics, will depend on the future developments, which are highly uncertain. We continue to monitor the evolving situation on an ongoing basis and the management has considered events subsequent to March 31, 2021, to determine the financial implications including in respect of Expected Credit Loss (ECL) provisioning. Given the dynamic and evolving nature of pandemic, these estimates are subject to uncertainty caused by the ongoing COVID-19 pandemic and the related events. 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.

Our Statutory Auditors have included an emphasis of matter in their auditor's report on the consolidated financial statements for the financial years 2021 and 2020 in respect of possible consequential implications on the Group's operations and financial metrics, including estimates of impairment of loans.

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. Our cash and bank balance were ₹4,378.00 million, ₹6,026.76 million and ₹1,109.23 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our net worth was ₹19,794.54 million, ₹17,090.13 million and ₹6,983.75 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our total borrowings to equity ratio as at March 31, 2021, March 31, 2020 and March 31, 2019 was 1.27, 1.18 and 2.30, respectively. As of March 31, 2021, 2020 and 2019, our debt service coverage ratio was 1.39 times 1.38 times and 1.59 times, and our interest service coverage ratio was 2.67 times, 2.34 times and 2.32 times, respectively. Further, our overall asset liability management ("**ALM**") position has been positive as at March 31, 2021, and up to one year it has been positive with assets of ₹14,091.48 million and liabilities of ₹6,945.58 million as of March 31, 2021. Our provisions for NPAs were ₹75.90 million, ₹52.08 million and ₹22.00 million for the financial years 2021, 2020 and 2019, respectively. Our gross NPAs were ₹276.20 million (0.68% of Gross Loan Assets), ₹222.45 million (0.70% of Gross Loan Book) and ₹89.28 million (0.40% of Gross Loan Book), as of March 31, 2021, March 31, 2020 and March 31, 2019, respectively, and have increased to ₹855.32 million (2.00% of Gross Loan Assets) as of July 10, 2021. As of March 31, 2021, March 31, 2020, and March 31, 2019, our Net NPAs were ₹200.30 million (0.49% of Net Loan Assets), ₹170.37 million (0.54% of Net Loan Assets) and ₹67.28 million (0.30% of Net Loan Assets), respectively, and have increased to ₹720.69 million (1.69% of Net Loan Assets) as of July 10, 2021. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section. Further, the outbreak, or threatened outbreak, of any severe communicable disease or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could adversely affect overall business sentiment and environment across industries.

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

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

Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our 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 and future 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 and cost 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 financing requirements is also restricted by the limits prescribed under applicable regulations. For example, the RBI Master Directions permitted HFCs to borrow up to 14 times their net owned funds ("**NOF**") until March 31, 2020, after which this limit was reduced to 13 times of their NOF until March 31, 2021 and will reduce subsequently to 12 times of their NOF until March 31, 2022. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings were ₹25,150.66 million, ₹20,216.45 million and ₹16,060.62 million. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings/NOF were 1.35, 1.24 and 2.67, respectively. Consequently, if we are unable to obtain adequate financing in a timely manner and on commercially reasonable terms, our business, results of operations and financial condition may be adversely affected.

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 July 10, 2021, our Total Borrowings were ₹26,885.47 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions such as issue any further share capital whether on a preferential basis or otherwise and formulate or effect any scheme of amalgamation or merger or compromise or reconstruction, any of which could adversely affect our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness - Principal terms of the borrowings availed by our Company*" on page 302. We are required to obtain prior approval from our lenders for undertaking various actions, including:

- make any amendments to the memorandum of association and articles of association;
- effect any changes to or alter our Company's capital structure, including by way of a buyback;
- issue any further share capital whether on a preferential basis or otherwise;
- formulate or effect any scheme of amalgamation or merger or compromise or reconstruction;
- approach capital market for mobilizing additional resources either in the form of debts or equity;
- effect any change in the constitution of our Company, including shareholding pattern, ownership, controlling interest and control;
- declare dividend for any year except out of profits relating to that year;
- effect any changes in the management of our Company, including changes in the composition of the Board of Directors and change in the practice with regard to remuneration of directors;
- undertake guarantee obligations on behalf of any other person or provide any loan/advance to any third party;
- incur further indebtedness by the Company;
- make any prepayment of amounts due under the facilities;
- pay any brokerage or fees to the promoters/directors other than sitting fees as paid to directors;
- enter into long term contractual obligations directly affecting the financial position of our Company; and

- delist debentures or permit or suffer the debentures to be delisted.

Under some of these agreements, certain lenders also require us to maintain financial ratios at the end of certain reporting periods, including end of fiscal quarters and fiscal years, as required under such borrowing arrangements. Some of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of a default by our Company under its respective financing agreements. For details of the indicative events of default and the consequences of events of default under our borrowing arrangements, see "*Financial Indebtedness - Principal terms of the borrowings availed by our Company*" on page 302. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness - Principal terms of the borrowings availed by our Company*" on page 302.

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.

The restrictive clauses/covenants as mentioned in this risk factor and in the section "*Financial Indebtedness - Principal terms of the borrowings availed by our Company*" on page 302, and other clause/covenants of a similar nature under the financing arrangements entered into by our Company with its lenders are in the ordinary course of business as a housing finance company and will continue post listing of the Equity Shares of our Company, as is customary for borrowing arrangements entered into in the ordinary course of business for listed and unlisted companies. Further, there will be no direct/indirect impact of such restrictive clauses/covenants present under the financing arrangements of our Company on the public shareholders of our Company post listing of the Equity Shares.

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

There is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the Government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 outbreak. We fund substantially all of the loans through borrowings under our several financial facilities. As of March 31, 2021, our fixed and floating interest rate borrowings were ₹11,661.47 million and ₹13,489.19 million, representing 46.37% and 53.63% of our Total Borrowings, respectively. Given the broad impact of COVID-19 on the financial markets, our ability to borrow money to fund our current and future customer demand is uncertain. Our liquidity could also be affected as our lenders reassess their exposure to HFCs or Affordable Housing Finance Companies ("**AHFCs**") and either curtail access to financing facilities or impose higher costs to access such facilities. Our liquidity may be further constrained as there may be less demand by investors to acquire our loans in the secondary market. Even if such demand exists, we face a higher risk as a result of the COVID-19 pandemic stemming from our customers inability to repay the underlying loans. Further, if as a consequence of COVID-19, banks, HFCs or AHFCs are unable to meet their market commitments, this can affect investor confidence in AHFCs generally and result in a loss to investors in the AHFC. As of March 31, 2021, ₹32,042.70 million and ₹8,634.92 million of our AUM had fixed and floating interest rates, representing 78.77% and 21.23% of our AUM, respectively. A liquidity shortage for the industry as a whole may adversely affect our cash flows.

5. NHB's consent to undertake the Offer is subject to certain conditions.

We have received NHB's consent for the Offer (in its capacity as a lender to the Company) on May 10, 2021 and July 16, 2021. Under such consent, NHB has included certain conditions, including:

- such consent being valid only for the Offer;
- proposed change in the shareholding pattern of our Company pursuant to the Offer is required to be in compliance with the applicable RBI and NHB guidelines and subject to compliance with all other requirements of regulatory and other statutory bodies and central and stage governments;
- the Offer should be in compliance with the relevant SEBI, NHB and RBI guidelines and in compliance with and as permitted under applicable law;
- NHB shall continue to have exclusive charge over the book debts/ receivables under the flagged loans earmarked to NHB and our Company is required to ensure that the asset coverage as stipulated by NHB shall be maintained at all times; and
- our Company is required to keep NHB posted/updated on the developments and inform the outcome of the Offer along with the final shareholding pattern of our Company. Additionally, our Company is required to provide a declaration that none of the security clauses of NHB in respect of refinance assistance are infringed on.

Further, NHB has consented to extend its no-objection for the Offer (in its capacity as a lender to the Company) to any future refinance facility availed by the Company from the NHB until the completion of the Offer or September 30, 2021, whichever is earlier. While we will endeavour to fulfil the conditions set out in NHB's consent letters in relation to the Offer, we cannot assure you that NHB may not require us to comply with any further conditions or will be satisfied with our performance in relation to the relevant compliance requirements.

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

We primarily serve customers in the low and middle-income groups. As of March 31, 2021, ₹29,308.79 million, or 72.05% of our AUM was from self-employed customers, while ₹11,368.83 million, or 27.95% was from salaried customers. As of March 31, 2020, ₹23,289.08 million, or 73.27% of our AUM was from self-employed customers, while ₹8,497.87 million, or 26.73% was from salaried customers. As of March 31, 2019, ₹17,308.55 million, or 77.02% of our AUM was from self-employed customers, while ₹5,163.78 million, or 22.98% was from salaried customers. Our customers may default in their repayment obligations due to various reasons including business failure, insolvency, lack of liquidity, loss of employment or personal emergencies such as the death of an income-generating family member, including on account of events such as the COVID-19 pandemic. In addition, our customers often do not have credit histories or formal income proofs such as tax returns and other documents that would enable us to assess their creditworthiness. Further, 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 the necessary 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. While, all of our loans are secured, as of March 31, 2021, the average loan-to-value ratio of our home loans, loans against property and business loans was 38.89%, 38.27% and 39.21%, respectively.

Further, 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 due 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 loan amounts provided to such customers. 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 RBI Master Directions. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Gross NPAs were ₹276.20 million, ₹222.45 million and ₹89.28 million, respectively, while our Gross NPAs to Gross Loan Book was 0.68%, 0.70% and 0.40%, respectively. As of March 31, 2021, March 31, 2020, and March 31, 2019, our Net NPAs were ₹200.30 million, ₹170.37 million and ₹67.28 million, respectively, while our Net NPAs to Net Loan Assets was 0.49%, 0.54% and 0.30%, 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.

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 a 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. See also "– *The Coronavirus pandemic (COVID-19) has had certain adverse effects on our business, operations, cash flows and financial condition and the extent to which it or the effect of outbreaks of any other severe communicable disease may continue to do so in the future; is uncertain and cannot be predicted.*" on page 25.

7. A substantial portion of our customers are first time borrowers which increases risks of non-payment or default for us.

As of March 31, 2021, ₹14,947.98 million, or 36.75% of our AUM or 39.88% of our customers were new to credit. Such customers generally may have higher risk of non-payment or default due to a number of reasons such as not having the experience of payment of interest and repayment of principal, as well as other reasons applicable to our other customers such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies such as the death of an income-generating family member, including on account of events such as the COVID-19 pandemic. To the extent we are unable to successfully manage the risks associated with lending to customers new to credit, it may become difficult for us to recover outstanding loan amounts provided to such customers. 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.

8. ***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 and our finance cost. Any change in interest rates would affect our interest expense on our floating interest-bearing liabilities as well as our net interest income and net interest margins. Any increase in our cost of funds may lead to a reduction in our net interest margin, or require us to increase interest rates on loans disbursed to customers in the future to maintain our net interest margin. For the financial years 2021, 2020 and 2019, our net interest margin was 10.10%, 9.90% and 10.32%, 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. A majority of our loan portfolio is at fixed rates of interest and we may be unable to pass on any increase in our cost of borrowings to our customers. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than our competitors that may borrow 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 decline 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. However, in a declining interest rate environment, as a substantial portion of our borrowings are on fixed interest rates, our net interest income could decline. 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.

9. ***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 329.

Our credit ratings as of the relevant dates indicated are set forth below:

Rating Agency	**Instrument**	**Credit Ratings as of March 31,**				
		2021	**2020**	**2019**	**2018**	**2017**
ICRA Limited	Non-convertible debentures	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	Not applicable#
	Bank term loans	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	ICRA A- (Stable)
Care Ratings	Non-convertible debentures	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive
	Bank term loans	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive

The Company had not obtained any credit ratings from ICRA Limited for the non-convertible debentures as of March 31, 2017.

Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements 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 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.

10. ***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 position as of March 31, 2021 across various time buckets, we cannot assure you that we will be able to continue to maintain a favourable asset-liability maturity profile in the future. We meet a significant portion of our financing requirements through long term and short term borrowings from banks, refinancing from the NHB, issuance of NCDs and through securitization 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. See "*Selected Statistical Information – ALM*" on page 219.

11. ***Our operations are primarily focused in the states of Tamil Nadu and Andhra Pradesh and any adverse developments in these regions could have an adverse effect on our business and results of operations.***

Our operations are primarily focused in the states of Tamil Nadu and Andhra Pradesh. As of March 31, 2021, ₹21,263.74 million, or 52.27% of our AUM were from Tamil Nadu, while ₹11,116.08 million, or 27.33% were from Andhra Pradesh, respectively. As of March 31, 2020, ₹17,748.31 million, or 55.84% of our AUM were from Tamil Nadu, while ₹7,778.75 million, or 24.47% were from Andhra Pradesh, respectively. As of March 31, 2019, ₹13,418.55 million or 59.71% of our AUM were from Tamil Nadu, while ₹4,689.26 million or 20.87% were from Andhra Pradesh, respectively. As of March 31, 2021, of our 190 branches, 144 branches were located in the states of Tamil Nadu and Andhra Pradesh. The real estate and housing finance markets in these two states may perform differently from, and may be subject to market conditions that could be different from, the housing finance markets in other regions of India. See also "*Industry Overview*" on page 110. For example, in Tamil Nadu and Andhra Pradesh, the structure of the various governmental, revenue and regulatory authorities that regulate land and property is likely to be clearer and more well-defined. Further, in both states, land records tend to be digitized and accessible on online portals that have checks and balances, which may reduce the possibility of land or property frauds occurring. Additionally, in both states, a majority of our customers in the self-employed category tend to own and operate family-owned businesses, which may have been in existence for multiple generations. 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.

12. ***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 customers home loans for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans where the primary collateral is residential 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 not be able to fully recover the outstanding loan balance by liquidating the collateral under the relevant financing facility, and, in turn, incur losses, even where we are able 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. For details, see "– *The bankruptcy code in India may affect our rights to recover loans from our customers*" on page 44. 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.

13. Our inability to maintain our capital adequacy ratio could adversely affect our business.

The RBI Master Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or capital risk adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital. Paragraph 6.1 of the RBI Master 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*" on page 177.

As of March 31, 2021, our capital adequacy ratio as disclosed in the Restated Consolidated Summary Statements was 73.63%, with Tier I capital comprising 73.78% and Tier II capital comprising (0.15)%. 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 RBI may increase its minimum CRAR threshold, 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.

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

We securitize a portion of our receivables from our loan portfolio to banks and other financial institutions. Such securitization is undertaken by us on the basis of our internal estimates of capital requirements and availability of other sources of funds, and may vary from time to time. During the financial years 2021, 2020 and 2019, we securitized assets worth ₹912.75 million, ₹777.33 million and ₹643.91 million, respectively. As of March 31, 2021, March 31, 2020 and March 31, 2019, our receivables securitized were ₹1,528.20 million, ₹944.90 million and ₹750.96 million, constituting 3.76%, 2.97% and 3.34% of our AUM, respectively. Any change in RBI or other government regulations in relation to securitizations by HFCs could have an adverse impact on our securitization program. In the event the bank or financial institution with whom we have securitized our receivables does not realize the receivables due under loans that have been securitized, the relevant bank or financial institution could enforce the underlying credit enhancements provided by our Company. Should such banks or financial institutions seek to enforce the underlying credit enhancements, such as fixed deposits, provided up to a specified percentage of the underlying loan, it could have an adverse effect on our financial condition and results of operations.

15. We have experienced significant growth in recent years and we may not be able to sustain such growth in the future.

We have experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹3,371.15 million for the financial year 2019 to ₹6,552.42 million for financial year 2021, while our profit for the period/year grew from ₹1,114.83 million for the financial year 2019 to ₹2,669.44 million for the financial year 2021. Our AUM grew from ₹22,472.33 million as of March 31, 2019 to ₹40,677.62 million as of March 31, 2021 and the number of our branches has grown from 142 to 190 between the same dates. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

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

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, processes, procedures and controls in a timely manner. If we fail to implement these systems, processes, procedures and controls in a timely manner, 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, RBI Master Directions, inflation, competition and availability of cost-effective debt and equity capital.

We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

16. 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. Consistent with developments over the years, we may also see the entrance of new competitors in the housing finance industry. Our competitors may have more resources, a wider branch and distribution network, access to cheaper capital, 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. See "*Our Business – Description of our Business – Competition*" on page 175.

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.

17. 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 use our technology platforms to assist with functions such as underwriting, risk management, collections and to perform data analytics. 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. The size and complexity of our computer systems may make them potentially vulnerable to breakdowns, 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 or confidential data to unauthorized persons. Further, as part of our business, we store and have access to customers' bank information, credit information and other sensitive data. 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, which could result in breaches of applicable data security laws and resultant imposition of monetary penalties. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. 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, results of operations and reputation.

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

18. 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. 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.

19. Our lack of success in expanding our business into new regions and markets in India or the sub-optimal performance of our new branches 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 such as Maharashtra, Orissa and Chhattisgarh. 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 or relevant 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 such as obtaining necessary governmental approvals; successfully marketing our brand and product offerings 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 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. While we believe that we are not required to comply with the provisions of these state money-lending laws, it may be judicially determined or clarified by relevant authorities that such statutes do apply to us. If, as a result of this, we are subject to those state money-lending laws, 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 lack of success in expanding 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.

20. 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.

Prior to the notification of the NHB Act Amendments, we were subject to periodic inspection by the NHB under the NHB Act, 1987 (the "**NHB Act**"), pursuant to which the NHB inspected our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so. However, pursuant to the NHB Act Amendments, the RBI will also have the power to conduct such inspections, in addition to the NHB. In its past inspection reports for the financial years ended 2019, 2018 and 2017, the NHB has identified certain deficiencies in our operations, made certain observations in relations to our operations and sought certain clarifications on our operations (which have been satisfactorily resolved by way of our Company's responses to the NHB) such as:

- non-disclosure of policy on dealing with the related party transactions on our website;
- non-disclosure of rating of ₹5,000 million NCDs in our annual report;
- certain inconsistencies in auditors' certificates prepared in relation to NCD issuances;
- observation on computation of NPAs and classification of certain overdue accounts of our customers, wherein the NHB had requested our Company to clarify if the computing of NPAs was done based on number of EMIs due or based on days past due. Subsequently, our Company had confirmed that as required under applicable law, such computation was done basis days past due and submitted a certificate issued by the erstwhile statutory auditors confirming such submission. Accordingly, the NHB took note of our Company's response and such observation was resolved;
- non-availability of KYC pamphlets during branch visits;
- non-inclusion of cyber security policy as part of the IT policy of our Company;
- non-disclosure of adherence of the construction to the sanctioned plan in sample check for technical valuation reports for loans;
- non-functionality of our Company's software to verify names of customers with list of terrorist individuals/ organizations;
- no end-to-end system for income recognition, asset classification and provisioning assignment of risk weights;
- non-segregation of front office, mid office and back office;
- nil amount being spent on CSR activities during the period under review;
- no business continuity plan in place as on March 31, 2018; and
- non-maintenance of arm's length with transactions with our Subsidiary and failure to make provisions for loans extended to the Subsidiary.

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.

21. ***Our Company and our Directors are involved in certain legal and other proceedings. 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, and our Directors are 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 adversely affect our reputation, business, results of operations and financial condition. We cannot assure you that these legal proceedings will be decided favorably or that no further liability will arise from these claims in the future. Further, our Director, Kanarath Payattiyath Balaraj, is involved in certain proceedings with the Directorate of Enforcement, Government of India and the Serious Fraud Investigation Office. For details, see "*Outstanding Litigation and Material Developments*" on page 332. Brief details of material outstanding litigation that have been initiated by and against our Company and our Directors (together referred to as the "**Relevant Parties**") (as applicable) are set forth below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved^
Litigation involving our Company		
By our Company		
Criminal cases	7	8.75
Litigation involving our Directors		
Against our Directors		
Criminal cases	2	20.00

Nature of cases	No. of cases	Total amount involved^
Action taken by statutory and regulatory authorities	5	NA

Involvement in such proceedings could divert our management's time and attention. Further, an adverse judgment in these proceedings could have an adverse impact on our business, results of operations and financial condition. For details, see "*Outstanding Litigation and Material Developments*" on page 332.

We cannot assure you that any of the outstanding material litigation matters will be settled in our favour or in favour of the Relevant Parties, or that no additional liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally.

If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

22. There may be inadvertent discrepancies in our secretarial filings and/ or corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to any such discrepancies.

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Accordingly, we cannot assure you that our Company will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

23. 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 significant resources to develop and implement our risk management policies and procedures and intend to continue doing 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 resource planning and asset management policy, credit policy, whistle blower and vigilance mechanism, fair practices code, grievance redressal policy, internal guidelines on corporate governance, fraud prevention policy, investment policy, risk management policy, policy for valuation of property, policy on resolution framework 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. 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 behavior 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.

24. We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.

We primarily serve low and middle income self-employed customers in semi-urban and rural areas in India, where infrastructure may be limited, particularly for transportation, electricity and internet bandwidth. At our branch offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch network in rural and semi urban markets, which could adversely affect our profitability.

25. The Indian housing finance industry is extensively regulated by the RBI and NHB 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 RBI and other relevant authorities.

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.

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

Accordingly, activities of HFCs, are primarily regulated by the RBI Master Directions, including various aspects of our business such as what constitutes 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. Further, our Subsidiary is registered with the RBI as a systemically important non-deposit accepting, non-banking financial company.

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.

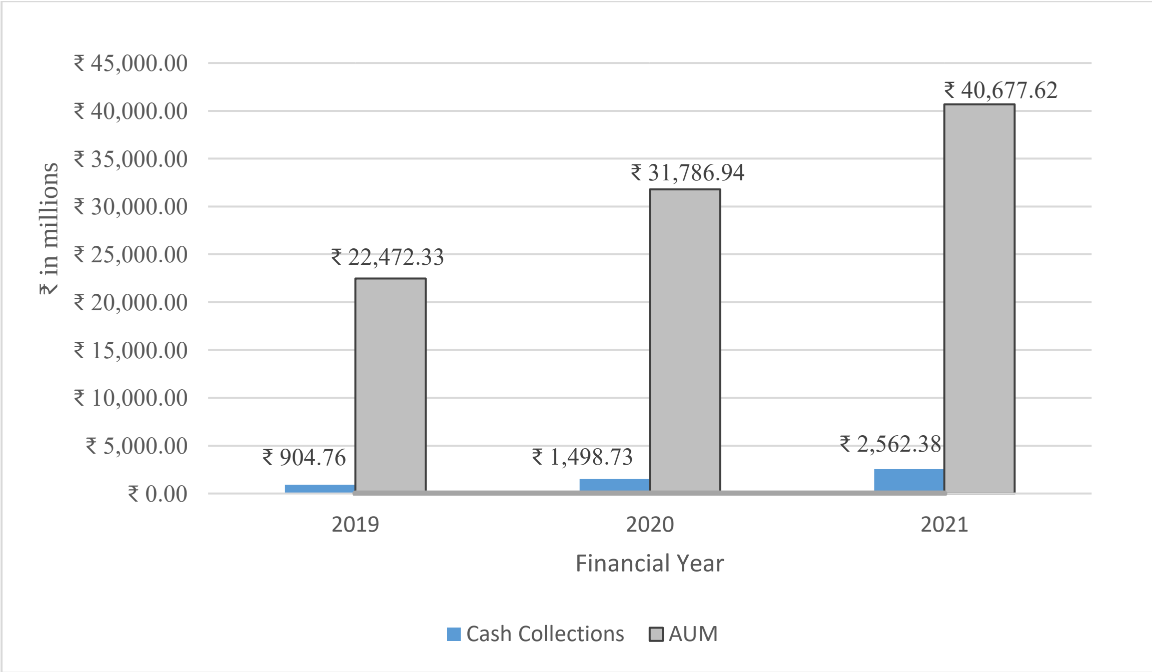
Additionally, we are required to make several filings with the NHB, RBI and the RoC. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. For further information on laws and regulations applicable to us, see "*Key Regulations and Policies in India*" on page 177 and for details in relation to penalties levied by the NHB, also see "*– 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 35.

26. We have in the past been subject to penalties and restrictions imposed by the NHB.

As a housing finance company, we are subject to requirements from regulatory bodies such as NHB and RBI. We seek to comply with all regulatory provisions applicable to us. However, in the event we are unable to comply with applicable NHB regulations or RBI Master Directions at any time in the future, we could be subject to penalties and restrictions imposed by the NHB or RBI. In the past, the NHB has imposed monetary penalties on us aggregating to ₹0.02 million in relation to non-compliance with Section 29C of the NHB Act read with Housing Finance Companies Corporate Governance (National Housing Bank) Directions, 2016, and failure to make disclosures as per paragraph 5.1 of Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016, respectively. For details, see "*Outstanding Litigation and Material Developments – Past actions by NHB against our Company*" on page 334.

27. A portion of our collections from customers is in cash, exposing us to certain operational risks.

A portion of our collections from our borrowers is in cash. Our cash collections for the financial years 2021, 2020 and 2019 was ₹2,562.38 million, ₹1,498.73 million and ₹904.76 million, respectively. The total collections for the financial years 2021, 2020, and 2019 was ₹10,134.54 million, ₹8,036.16 million and ₹5,605.97 million, respectively. The chart below sets forth our cash collections for the financial years 2021, 2020 and 2019:



Cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically-dispersed nature of our network. Certain of our customers are from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. While we obtain insurance for our cash in transit and safes for storage of cash, we cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections.

28. ***Our Statutory Auditor has included an emphasis of matter paragraph in their report on our financial statements for the Financial Years 2021 and 2020.***

Our Statutory Auditor has included emphasis of matters in their report on our financial statements for the financial year 2021 and 2020, which describes uncertainties relating to the effects of COVID-19 pandemic on our operations**.** For further details see "*Restated Consolidated Summary Statements*" on page 226. We cannot assure you that our Statutory Auditor's observations for any future financial period will not contain similar remarks, emphasis of matters or other matters including any matters required to be reported under Companies (Auditors Report) Order 2016, and that such matters will not otherwise affect our results of operations.

29. ***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. Although 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.

30. ***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 "*Government and Other Approvals*" on page 335. 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.

31. The non-convertible debentures of the Company and the Subsidiary are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows. Further, the trading in our NCDs may be limited or sporadic, which may affect our ability to raise debt financing in the future.

Our non-convertible debentures and the non-convertible debentures of our Subsidiary are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and applicable provisions of the SEBI Listing Regulations, in terms of our listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Trading in our non-convertible debentures has been limited and we cannot assure you that the non-convertible debentures will be frequently traded on the BSE or that there would be any market for the non-convertible debentures. Further, we cannot predict if and to what extent a secondary market may develop for the non-convertible debentures or at what price the non-convertible debentures will trade in the secondary market or whether such market will be liquid or illiquid. For details in relation to the non-convertible debentures issued by our Company and our Subsidiary including their credit rating history, see "*Financial Indebtedness*", "*Risk Factors - 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*" and "*Our Business – Credit Ratings*" on page 301, 31 and 173, respectively.

32. We depend on the accuracy and completeness of information provided by our customers 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 income, assets, financial transactions and credit history. We follow the know your customer guidelines prescribed by the NHB and RBI for potential customers, verify their place of employment and residence, as applicable, and verify details with the NHB's caution list. We also do valuation of their collateral. We may also rely on certain representations from customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness of the customers and the encumbrances on the collateral provided, we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus. 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 limited, 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. For the financial years 2021, 2020 and 2019, our Gross NPA to AUM ratio was 0.68%, 0.70% and 0.40%, respectively and our Net NPA to Net Loan Book ratio was 0.49%, 0.54% and 0.30%, respectively. Increases in NPAs could adversely affect our business and results of operations.

33. Significant changes by the Government, the Reserve Bank of India or the National Housing Bank 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 Housing Finance Companies may have an adverse effect on our business, results of operations and financial condition.

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

The Government had introduced the Credit Linked Subsidy Scheme ("**CLSS**") of the Pradhan Mantri Awas Yojana ("**PMAY**") – Housing for All (Urban) which aims at expanding institutional credit flow to the housing needs of the 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. Our Board has also resolved that such special reserve may not be used to pay dividends. The amount of special reserve under section 36 (1)(viii) of the Income Tax Act as of March 31, 2021 was ₹1,323.32 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.

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

We offer our customers fixed and variable interest rate loans, which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. For the financial years 2021, 2020 and 2019, 1.70%, 3.47% and 5.10% of our AUM was balance transferred out, respectively. 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.

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

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, senior management, and our operational personnel. We believe that the inputs and experience of our senior management are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. During the financial years 2021, 2020 and 2019, we employed 1,913, 1,702 and 1,322 personnel, and had attrition of 394, 321 and 284 employees, representing an attrition rate of our total employees of 22%, 21% and 24%, respectively, with no attrition within our senior management. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, results of operations and financial condition. For details in relation to our Key Managerial Personnel and senior management, see "*Our Management – Key Managerial Personnel"* and *"Our Business – An Experienced and Stable Management Team with Marquee Shareholders and Strong Corporate Governance*" on pages 205 and 168, respectively.

36. Some of our Directors and one of our Promoters, WestBridge Crossover Fund, LLC, may have interests in entities in businesses similar to ours, which may result in conflicts of interest with us.

Some of our Directors and one of our Promoters, WestBridge Crossover Fund, LLC, may have investments or interests in entities engaged in businesses similar to ours, which may, in the future, result in conflicts of interest with us. For details, see "*Our Management – Interests of Directors*" and "*Our Promoters and Promoter Group – Interest of our Promoters*" on pages 195 and 208, respectively.

37. One of our Promoters, M Anandan, has agreed to encumber some of his Equity Shares with a lender after the listing of the Equity Shares on the Stock Exchanges. Any exercise of such encumbrance by such lender could dilute the shareholding of such Promoter, which may materially and adversely affect our business and financial condition.

M Anandan, one of our Promoters, has agreed to encumber 7,510,000 Equity Shares representing 1.50% of the pre-Offer paid-up Equity Share capital held by him in our Company after the listing of the Equity Shares on the Stock Exchanges, with IIFL Wealth Management Limited pursuant to a loan availed by M Anandan from IIFL Wealth Management Limited amounting to ₹787.50 million. The security arrangement under this borrowing arrangement includes, *inter alia*, (i) deposit into a designated bank account of such amount as may be determined by the lender, (ii) maintenance of such number of Equity Shares by M Anandan as may be determined by the lender, (iii) transfer Equity Shares of such value into a designated demat bank account as may be determined by the lender, (iv) creation of exclusive pledge on 7,510,000 Equity Shares held by M Anandan free from any other third party charge, lien and/ or other encumbrances, and/ or (v) transfer to the lender's demat account of such number of Equity Shares as the lender may specify as and by way of security for the outstanding amount under the borrowing arrangement. Pursuant to an email dated August 2, 2021, IIFL Wealth Management Limited has temporarily released the pledge on 7,510,000 Equity Shares held by M Anandan, subject to such Equity Shares being re-pledged with IIFL Wealth Management Limited after the listing of the Equity Shares on the Stock Exchanges. In the event of non-adherence of the terms under such loan and security arrangements following the creation of pledge on the Equity Shares of our Company, the pledge on such Equity Shares may be invoked. Any dilution in the shareholding of M Anandan in our Company by way of enforcing the pledge may further dilute the aggregate Promoter shareholding, and will therefore have an adverse effect on us, our business and our financial condition including our ability to access capital. Further, covenants in certain financial arrangements require M. Anandan, to hold a minimum percentage of Equity Shares, and there can be no assurance that we will continue to be in compliance with such arrangements if this pledge is invoked. For details in relation to the encumbrance on M Anandan's Equity Shares, see "*Capital Structure – Notes to the Capital Structure – History of the equity share capital held by our Promoters – Details of Promoters' contribution and lock-in*" on page 79.

38. Our Subsidiary has in the past been categorized as a high-risk financial institution.

Our Subsidiary, Aptus Finance India Private Limited was categorized as a high-risk financial institution on January 31, 2018 by the Financial Intelligence Unit, Government of India, due to non-registration of its principal officer, as required under the Prevention of Money Laundering Act, 2002. Our Subsidiary subsequently appointed a principal officer to ensure compliance with the applicable requirements under the PMLA, and as on June 30, 2018, was not appearing on the list of high-risk financial institution. While our Subsidiary is currently in compliance with such requirements under the PMLA, we cannot assure you that we, or our Subsidiary, will not receive similar notices in the future, which could have an adverse effect on our business and reputation.

39. Our Subsidiary, Aptus Finance India Private Limited, has in the past received observations from the RBI in relation to appointment of one of the directors on its board of directors.

Our Subsidiary appointed Ramamoorthi Umasuthan, an independent director, on its board of directors with effect from November 21, 2020 and informed the RBI regarding his appointment on December 3, 2020. On January 5, 2021, the RBI requested our Subsidiary to explain why prior approval of the RBI was not obtained for his appointment on its board of directors, as required in terms of paragraph 61(c) of the NBFC-SI Master Directions, which provides that any change in management of an NBFC requires prior RBI approval if such change results in a change in more than 30% of the directors, excluding independent directors. Our Subsidiary has written to the RBI on January 11, 2021 clarifying that requirement for such prior approval for the impugned appointment as an independent director was not applicable as his appointment did not result in any change in control or change in management of the Subsidiary. Thereafter, RBI by way of a letter dated March 9, 2021, has taken the appointment of Ramamoorthi Umasuthan, as an independent director on their record. We cannot assure you that our Subsidiary will not receive such observations from the RBI in the future, based on a difference in interpretation of the applicable regulations.

40. ***NHB has in the past levied penalty on India Shelter Finance Corporation Limited, an entity forming part of our Promoter Group.***

NHB by way of its letter dated October 19, 2020 levied penalty of ₹745,000 (plus GST at the rate of 18%), regarding non-compliance of Paragraph 2 (1)(zc)(ii) of Housing Finance Companies (NHB) Directions, 2010, read with Policy Circular 55 in 148 cases and NHB(ND)/DRS/Policy Circular No. 75/2016-17 dated July 1, 2016 in one case against one of our Promoter Group entities, India Shelter Finance Corporation Limited. Subsequently, India Shelter Finance Corporation Limited has paid penalty in relation to such case.

Further, NHB by way of its letter dated July 29, 2021 levied penalty of ₹15,000 (plus GST at the rate of 18%) regarding contraventions under Paragraph 22(2) of the Housing Finance Companies (NHB) Directions, 2010 and RBI Circular No. DOR.No.BP.BC.63/21.04.048/2019-20 in one case against one of our Promoter Group entities, India Shelter Finance Corporation Limited. Subsequently, India Shelter Finance Corporation Limited has paid penalty in relation to such case.

We cannot assure you that such events will not occur in the future.

41. ***We have in the last 12 months issued Equity Shares at a price that could be lower than the Offer Price.***

As on date of this Prospectus, we have issued no Equity Shares at a price that could be lower than the Offer Price during the last twelve months, except as disclosed below:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Offer Price per equity share (₹)	Nature of consideration	Nature of allotment	Reason for allotment
December 2, 2020	345,000	10	75	Cash	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (1)	ESOP allotment
December 2, 2020	75,000	10	130	Cash	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (2)	ESOP allotment

(1) 60,000 equity shares each were allotted to Balaji P and G Subramaniam, 50,000 equity shares each were allotted to CT Manoharan and Sarath Chandran, 37,500 equity shares each were allotted to Srikanth N and Sundara Kumar, 25,000 equity shares each were allotted to Ramesh K and Azhaladi N.

(2) 75,000 equity shares were allotted to Krishnaswami V.

For details, see "*Capital Structure – Notes to the Capital Structure – Offer of equity shares at a price lower than the Offer Price in the last year*" on page 75.

42. ***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 March 31, 2021, we employed 1,913 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. While we have not experienced any disruptions resulting from employee strikes or disputes, these actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

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

43. ***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. As of March 31, 2021, the amount of our insured assets was ₹36.47 million, representing 100% of our total assets, excluding land and intangible assets. 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. 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. 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. For details in relation to our insurance coverage, see "*Our Business – Insurance*" on page 176.

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

As part of our treasury management, we have formulated a board-approved investment policy in accordance with the RBI Master Directions. Our investment policy prescribes policies for investments in liquid/debt mutual funds, fixed deposits with banks, land and buildings, subject to the overall investment limit fixed by the Board. 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.

45. 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. 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.

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

All of our branch offices including our Registered Office and Corporate Office are located on leased or licensed premises. The lease deed for the Registered Office and Corporate Office is valid till November 30, 2021, with an option on the part of our Company to renew the same for a further period of three years. The terms of the lease deed for the Registered Office and Corporate Office include among others rent payment, rent escalation, security deposit payment, maintenance charges, property tax and bar on sub-letting (however, the Company being entitled to use the premises for its sister concern with prior permission of the lessor). The typical period for which leases are generally entered into by our Company for its branches ranges from one to nine years. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease/ leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease/ leave and license agreements. While we have not faced major issues renewing the leases of our branch offices in the past, if these lease/ leave and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, most of our lease/ leave and license agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For details in relation to our premises, see "*Our Business – Properties*" on page 176.

47. 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 favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details of the related party transactions see "*Other Financial Information –Related Party Transactions*" on page 298.

48. Our Promoters, Directors and Key Managerial Personnel have interests in us other than the reimbursement of expenses incurred (in the ordinary course of business to the nature of their duties in their capacity as Promoters, Directors and Key Managerial Personnel of the Company) 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, their relatives or any entity or a HUF, directly or indirectly, in our Company and our Subsidiary, 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*", "*Our Management – Interests of Directors*" and "*Our Management – Interests of Key Managerial Personnel* on pages 70, 197 and 205 respectively. 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.

49. We do not have any supporting documents for the educational qualifications for one of our Promoters, Padma Anandan.

We do not have any supporting documents for the educational qualifications for one of our Promoters, Padma Anandan. Accordingly, the disclosure in "*Our Promoters and Promoter Group*" on page 207 states that she does not have any educational qualifications.

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

We have not filed for any intellectual property protection for our mobile application. Further, we have not filed an application and do not hold a valid trademark for our corporate logo. The lack of such registration adversely affects our ability to protect such intellectual property.

While we are not aware of any instances of infringement of our brand names or intellectual property rights as of June 30, 2021, we may be required to resort to legal action to protect our brand names and other intellectual property rights. Any adverse outcome in such legal proceedings may impact our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used, or at all, which could have an adverse effect on our business and financial condition. For details in relation to our intellectual property, see "*Our Business – Intellectual Property*" on page 175.

51. 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. Our Company does not have a formal dividend policy. 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 301. 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 213.

52. ***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:

(₹ in million)

	For the financial year		
	2021	2020	2019
Net cash generated from / (used in) operating activities	(6,209.64)	(7,348.01)	(7,131.93)
Net cash generated from / (used in) investing activities	647.58	(968.90)	450.29
Net cash generated from financing activities	4,949.12	12,088.72	7,630.15
Net increase/(decrease) in cash and cash equivalents	**(612.94)**	**3,771.81**	**948.51**

For further details, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 226 and 306, respectively. We cannot assure you that our net cash flow will be positive in the future.

53. ***We have referred to the data derived from industry reports commissioned and paid for by our Company from CRISIL Limited exclusively for the purpose of the Offer.***

We have exclusively commissioned and paid for the services of independent third party research agency CRISIL Limited and have relied on the report titled "*Assessment of Housing Finance Market in India, July 2021*" for industry-related data in this Prospectus, including in the sections "*Offer Document Summary* ", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 110, 163 and 306, respectively. We have no direct or indirect association with CRISIL Limited other than as a consequence of such an engagement. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL. It also uses certain methodologies for market sizing and forecasting. While we believe such data 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.

54. ***We will continue to be controlled by our Promoters after the completion of the Offer and any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Following completion of the Offer, our Promoters, will continue to hold a significant percentage of our Equity Share capital. Our Promoter will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Offer, our Promoters will continue to exercise significant control or influence over our business and major policy decisions. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. As at the date of this Prospectus, our Promoters hold 292,893,920 Equity Shares, or 60.84% of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our Promoters will hold 58.60% (subject to finalisation of the Basis of Allotment) of our Equity Share capital. For details of our Equity Shares held by our Promoters, see "*Capital Structure - Notes to the Capital Structure - History of the equity share capital held by our Promoters*" on page 75. Following the listing of our Company, the Promoters also seek to retain their right to appoint nominee directors our Board, subject to the receipt of the requisite regulatory authorization and corporate authorizations (including special resolution to be passed by the shareholders in a general meeting post-listing of the Equity Shares pursuant to the Offer, wherein appropriate disclosure in this regard shall be given to the shareholders). For further details in relation to the current and proposed nominee rights of our Promoters, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements – Key terms of shareholders'* *agreements*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 188 and 378 respectively. Our Board composition shall at all times remain compliant with the applicable provisions of the Companies Act and the SEBI Listing Regulations, and we believe that the nominee rights proposed to be retained by our Promoters subsequent to the listing are not prejudicial to the interests of any Shareholder, including any public Shareholder. However, there can be no assurance that the continuing right of our Promoters for representation on our Board will not be considered as a special right by any of our present or future Shareholders.

55. We, together with one of our Promoters, are required to comply with certain restrictive covenants in relation to its shareholding, under our financing agreements.

Under certain agreements in relation to the refinancing availed from the NHB, M. Anandan, one of our Promoters, is required to and has submitted non-disposal undertakings with respect to his shareholding in the Company, pursuant to which, *inter alia*, any transfer, assignment and disposal of shareholding of M Anandan and/or dilution of M Anandan's shareholding in our Company in favour of any person(s) so long as any monies remain due by him in respect of the refinance assistance requires prior approval from the NHB. While we have received NHB's consent for the Offer, subject to certain conditions, such restrictions on the transferability of shareholding of our Promoter could prevent, in the future, a change in control, merger, consolidation, takeover or other business combination involving us. For details in relation to our financing agreements, see "*Financial Indebtedness*" on page 301.

56. We have included certain non-Generally Accepted Accounting Principles financial measures ("Non-GAAP Measures") and other selected statistical information related to our operations in this Prospectus. Such non-Generally Accepted Accounting Principles measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies.

Certain non - Generally Accepted Accounting Principles measures such as, operating expense to net income ratio, return on total average assets, operating expenses to average total assets, credit costs to average total assets, operating expenses, return on net worth, net worth, EBITDA, total borrowings to equity ratio, average cost of borrowings, net NPA on AUM, NPA, provision coverage ratio, average yield on loan book, net interest margin and net asset value per share presented in this Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

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

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

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

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

We intend to use the Net Proceeds of the Fresh Offer towards augmenting our capital base to meet our future capital requirements, in accordance with applicable law, and in the manner indicated in "*Objects of the Offer*" on page 91.Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds of the Fresh Offer in the manner indicated in "*Objects of the Offer*" on page 91

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

As this Offer includes an Offer for Sale of Equity Shares by the Selling Shareholders, the proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds. For details in relation to the Offer, see "*The Offer*" and "*Objects of the Offer*" on page 55 and 91, respectively.

60. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

As of March 31, 2021, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets are as set out in the table below:

Particulars	**Amount *(₹ in million)***
Corporate undertakings for securitization of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitized receivables	5.55

We have not made provisions for the above contingent liabilities, as they are either possible obligations whose existence will be confirmed only by future uncertain events outside the control of our Company, or are present obligations where the outflow of economic resources may not be probable or cannot be measured reliably.

External Risk Factors

Risks Related to India

61. 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.

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

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

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

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

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

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

64. 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.

65. 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. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, 1961, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30 million, (ii) where FIIs have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into. 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.

- 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. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we cannot assure you as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. 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, 2019**"), 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, 2019 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.

- The Government of India has announced the union budget for Fiscal 2022 and the Finance Act, 2021 has received the President's assent on March 28, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations. Unfavorable 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. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

- In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering enactment of Personal Data Protection Bill, 2019 ("**Data Protection Bill**") for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the Data Protection Bill may introduce stricter data protection norms for a company such as us and may impact our processes.

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.

66. 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 all of the 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.

67. 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 377.

68. Significant differences exist Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Restated Consolidated Summary Statements included in this Prospectus have been derived from our audited consolidated financial statements and restated in accordance with SEBI ICDR Regulations and the Guidance Note.

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, 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.

69. 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.

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

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

Risks Related to the Offer

71. 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, the Individual Promoter Selling Shareholder and the Investor 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*" on page 95 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.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Earlier, the Finance Act, 2019, had clarified that in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These provisions have been notified with effect from July 1, 2020.

The Government of India has announced the union budget for Fiscal 2022 and the Finance Act, 2021 has received the President's assent on March 28, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations.

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

73. 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 is 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.

74. 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 the 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.

75. 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, Promoter Group or other significant Shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 70, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

76. 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.

77. Qualified Institutional Buyers 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.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹ 2 each(1)(2)		78,755,000* Equity Shares aggregating up to ₹27,800.52 million
of which:		
(i)	Fresh Issue(1)	14,164,305* Equity Shares aggregating up to ₹5,000.00 million
(ii)	Offer for Sale(2)	64,590,695* Equity Shares aggregating up to ₹22,800.52 million by the Selling Shareholders
The Offer consists of:		
A)	QIB Portion(3) (4)	Not more than 39,377,500* Equity Shares
	of which:	
	Anchor Investor Portion (4)	23,626,500* Equity Shares
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	15,751,000* Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(4)	787,550* Equity Shares
	Balance of QIB Portion for all QIBs including Mutual Funds	14,963,450* Equity Shares
B)	Non-Institutional Portion(3)	Not less than 11,813,250* Equity Shares
C)	Retail Portion(3)	Not less than 27,564,250* Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer		481,416,290 Equity Shares
Equity Shares outstanding after the Offer		495,580,595* Equity Shares
Utilisation of Net Proceeds		See "*Objects of the Offer*" beginning on page 91 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) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on May 5, 2021, and a special resolution passed by our Shareholders at their meeting held on May 6, 2021.*

(2) *The Selling Shareholders have authorised and consented to participate in the Offer for Sale. For details on the authorisations and consent of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 339. Each Selling Shareholder has specifically confirmed that its respective Offered Shares have been held for a period of at least one year immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.*

(3) *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 of Bidders at the discretion of our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the Net QIB Portion was not allowed to be met with spill-over from other categories or a combination of categories.*

(4) *Our Company, the Individual Promoter Selling Shareholder and the Investor 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. 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. For details, see "Offer Procedure" beginning on page 361.*

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, has been made on a proportionate basis subject to valid Bids having been 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.

Allocation to Anchor Investors has been made on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" beginning on page 361.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Group derived from the Restated Consolidated Summary Statements as at and for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The Restated Consolidated Summary Statements referred to above is presented under "Financial Information" beginning on page 226. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Summary Statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 306. The information disclosed in this section as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ in million

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4,227.40	4,840.34	1,068.53
(b)	Bank Balance other than cash and cash equivalents	150.60	1,186.42	40.70
(c)	Loans	39,898.00	31,170.89	22,002.46
(d)	Investments	527.52	-	-
(e)	Other Financial assets	116.22	26.77	31.01
	TOTAL FINANCIAL ASSETS	**44,919.74**	**37,224.42**	**23,142.70**
2	**Non-financial Assets**			
(a)	Current tax assets (Net)	-	-	8.33
(b)	Deferred tax assets (Net)	169.93	127.23	11.53
(c)	Property, plant and equipment	24.82	32.68	31.99
(d)	Intangible assets	2.68	3.66	8.13
(e)	Right-of-use assets	68.06	64.76	60.81
(f)	Other non-financial assets	16.42	14.49	13.38
	TOTAL NON-FINANCIAL ASSETS	**281.91**	**242.82**	**134.17**
	TOTAL ASSETS	**45,201.65**	**37,467.24**	**23,276.87**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.81	6.85	8.20
(b)	Debt Securities	4,301.84	6,445.50	7,013.85
(c)	Borrowings (Other than Debt Securities)	20,777.91	13,704.32	8,983.05
(d)	Lease Liabilities	70.91	66.63	63.72
(e)	Other financial liabilities	133.47	52.42	52.43
	TOTAL FINANCIAL LIABILITIES	**25,302.94**	**20,275.72**	**16,121.25**
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	44.49	58.35	9.75
(b)	Provisions	33.01	25.24	18.03
(c)	Deferred tax liabilities (Net)	-	-	128.62
(d)	Other non-financial liabilities	26.67	17.80	15.47
	TOTAL NON-FINANCIAL LIABILITIES	**104.17**	**101.39**	**171.87**
	TOTAL LIABILITIES	**25,407.11**	**20,377.11**	**16,293.12**
3	**EQUITY**			
(a)	Equity Share capital	949.33	945.13	787.83
(b)	Other Equity	18,845.21	16,145.00	6,195.92

₹ in million

Particulars		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	TOTAL EQUITY	**19,794.54**	**17,090.13**	**6,983.75**
	TOTAL LIABILITIES AND EQUITY	**45,201.65**	**37,467.24**	**23,276.87**

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

₹ in million, except per share data

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Revenue from operations			
(a)	Interest Income	6,238.89	4,852.29	3,108.87
(b)	Net gain on fair value changes	7.61	31.35	42.47
(c)	Fees and commission income	119.65	119.62	87.17
	Total Revenue from operations	**6,366.15**	**5,003.26**	**3,238.51**
2	Other income	186.27	233.94	132.64
3	**Total Income (1+2)**	**6,552.42**	**5,237.20**	**3,371.15**
4	**Expenses**			
(a)	Finance costs	2,065.34	1,845.49	1,162.18
(b)	Employee benefits expense	713.83	648.05	481.18
(c)	Depreciation and amortisation expense	56.85	58.06	55.44
(d)	Impairment on Financial Instruments	58.18	34.32	11.73
(e)	Other expenses	207.31	178.38	133.56
	Total expenses	**3,101.51**	**2,764.30**	**1,844.09**
5	**Restated Profit before tax (3-4)**	3,450.91	2,472.90	1,527.06
6	**Tax expense**			
	- Current tax	826.67	601.54	370.71
	- Tax relating to previous years	(2.87)	5.89	(1.12)
	- Deferred tax charge/(credit)	(42.33)	(244.65)	42.64
	Restated Income tax expense	**781.47**	**362.78**	**412.23**
7	**Profit for the year (5-6)**	**2,669.44**	**2,110.12**	**1,114.83**
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan	(1.50)	(1.54)	(0.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.38	0.40	0.14
	Restated Other Comprehensive Income for the year	(1.12)	(1.14)	(0.35)
9	**Restated Total Comprehensive Income for the year (7+8)**	**2,668.32**	**2,108.98**	**1,114.48**
10	**Earnings per share (Equity shares, par value ₹2 each)**			
	(a) Basic (in Rs.)	5.56	4.77	2.83
	(b) Diluted (in Rs.)	5.55	4.74	2.82

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

₹ in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities			
Profit before tax	**3,450.91**	**2,472.90**	**1,527.06**
Adjustments for:			
Finance costs	2,065.34	1,845.49	1,162.18
Interest on fixed deposits with Banks	(145.71)	(170.41)	(13.35)
Net gain on changes in fair value	(7.61)	(31.35)	(42.47)
Depreciation and amortisation expense	56.85	58.06	55.44
Impairment on Financial Instruments	58.18	34.32	11.73
Share based payments to employees	0.46	1.92	4.01
	2,027.51	1,738.03	1,177.54
Operating profit before working capital changes	**5,478.42**	**4,210.93**	**2,704.60**
Movements in working capital:			
(Increase) / Decrease in Loans	(8,785.75)	(9,201.78)	(8,268.15)
(Increase) / Decrease in Other financial assets	(89.45)	4.24	(12.22)
(Increase) / Decrease in Other non-financial assets	(0.66)	(5.08)	4.54
Increase / (Decrease) in Trade payables	11.96	(1.35)	(3.30)
Increase / (Decrease) in Other financial liabilities	81.05	(0.01)	26.14
Increase / (Decrease) in Provisions	6.72	4.70	3.39
Increase / (Decrease) in Other non-financial liabilities	8.87	2.34	2.29
Cash flow from (used in) operations	(3,288.84)	(4,986.01)	(5,542.71)
Finance costs paid	(2,083.14)	(1,811.49)	(1,219.54)
Direct Taxes paid	(837.66)	(550.51)	(369.68)
Net cash flow from / (used in) operating activities (A)	**(6,209.64)**	**(7,348.01)**	**(7,131.93)**
Cash flows from investing activities			
Capital expenditure on PPE and intangible assets	(14.04)	(24.93)	(27.25)
Deposits placed with / (withdrawn from) banks, net	1,029.62	(1,122.53)	(23.89)
Interest received on bank deposits	151.91	147.21	12.60
Purchases of Investments	(2,285.23)	(10,479.70)	(8,986.22)
Redemption of Investments	1,760.04	10,479.70	9,432.58
Income from mutual funds	5.28	31.35	42.47
Net cash flow from / (used in) investing activities (B)	**647.58**	**(968.90)**	**450.29**
Cash flows from financing activities			
Proceeds from issue of equity shares (including securities premium)	35.63	8,031.43	15.94
Share issue expenses	-	(38.14)	-
Proceeds from issue of debt securities	250.00	500.00	4,010.00
Repayment of debt securities	(2,416.67)	(1,093.75)	-
Proceeds from borrowings (other than debt securities)	11,084.02	8,529.46	4,725.27
Repayment of borrowings (other than debt securities)	(3,962.39)	(3,807.74)	(1,092.18)
Payment of lease liabilities	(34.27)	(23.53)	(23.23)
Interest paid on lease liabilities	(7.20)	(9.01)	(5.65)
Net cash flow from financing activities (C)	**4,949.12**	**12,088.72**	**7,630.15**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(612.94)**	**3,771.81**	**948.51**
Cash and cash equivalents at the beginning of the year	4,840.34	1,068.53	120.02
Cash and cash equivalents at the end of the year	**4,227.40**	**4,840.34**	**1,068.53**

GENERAL INFORMATION

Registered Office and Corporate Office of our Company

No. 8B, Doshi Towers, 8th Floor
205, Poonamalle High Road, Kilpauk
Chennai 600 010
Tamil Nadu, India
Corporate Identity Number: U65922TN2009PLC073881
Registration Number: 073881
NHB Registration Number: 05.0084.10

Address of the RoC

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

The Registrar of Companies, Tamil Nadu at Chennai
Block No. 6, B Wing, 2nd Floor
Shastri Bhawan
26, Haddows Road
Chennai 600 034
Tamil Nadu, 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
M Anandan	Chairman and Managing Director	00033633	AL-192, 12th Main Road, Anna Nagar, Chennai, 600 040, Tamil Nadu, India
Kandheri Munuswamy Mohandass	Non-Executive Independent Director	00707839	No. 36, Sait Colony, 1st Street, Egmore, Chennai 600 008, Tamil Nadu, India
Sankaran Krishnamurthy	Non-Executive Independent Director	00066044	B1/802, 8th Floor 'Elita Promenade Apts', 18th Main, 7th Phase, JP Nagar, Bengaluru 560 078, Karnataka, India
Krishnamurthy Vijayan	Non-Executive Independent Director	00589406	B4, Casagrande Arcabaleno, 4th Floor, RK Salai, 9th Street, Mylapore, Chennai 600 004, Tamil Nadu, India
VG Kannan	Non-Executive Independent Director	03443982	802, Fili Villa, 23/1c/32, near Nandan Prospera, Balewadi, Pune City, Pune 411 045, Maharashtra, India
Mona Kachhwaha	Non-Executive Independent Director	01856801	1918A, DLF Magnolias, DLF City, Sector 42, Galleria DLF, Gurugram 122 009, Haryana, India
Shailesh Jayantilal Mehta	Non-Executive Director	01633893	401, El Cerrito Ave, Hillsborough, California, 94010, USA
Kanarath Payattiyath Balaraj	Non-Executive Nominee Director	00163632	304, Embassy Eros, No. 7, Ulsoor Road, Bengaluru 560 042, Karnataka, India
Sumir Chadha	Non-Executive Nominee Director	00040789	711 Eucalyptus Avenue, Hillsborough, California, 94010, USA
Suman Bollina	Non-Executive Director	07136443	49-54-15, Srisanthi Sadan, Balayya Sastry Layout, Visakhapatnam 530 013, Andhra Pradesh, India

For further details of our Directors, see "*Our Management*" beginning on page 190.

Filing

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act was filed with the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act has been filed with the RoC at its office at Block No. 6, B Wing, 2nd Floor, Shastri Bhawan, 26, Haddows Road, Chennai 600 034, Tamil Nadu, India and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

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

Sanin Panicker
Company Secretary and Compliance Officer
No. 8B, Doshi Towers, 8th Floor
205, Poonamalle High Road, Kilpauk
Chennai 600 010
Tamil Nadu, India
Tel: +91 044 4565 0000
E-mail: cs@aptusindia.com

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460/ 70
E-mail: aptus.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Anurag Byas/ Kristina Dias
SEBI Registration No.: INM000011179

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

Edelweiss Financial Services Limited
6th Floor, Edelweiss House
Off. C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: aptus.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Saili Dave
SEBI Registration No.: INM0000010650

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C-27
G Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: aptus.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 and the Individual Promoter Selling Shareholder

Cyril Amarchand Mangaldas
Prestige Falcon Tower
3rd Floor, Brunton Road
Craig Park Layout
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the Book Running Lead Managers as to Indian law

S&R Associates
One World Center
1403 Tower 2 B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013

Maharashtra, India
Tel: +91 22 4302 8000

US Federal Securities Law Legal Counsel to the Book Running Lead Managers

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

Indian Legal Counsel to WestBridge Crossover Fund, LLC and Investor Selling Shareholders

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, Mumbai
Tel: +91 22 6639 6880

Registrar to the Offer

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: aptus.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 of our Company

S.R. Batliboi & Associates LLP
6th Floor – “A” Block Tidel Park
No. 4, Rajiv Gandhi Salai, Taramani
Chennai 600 113
Tamil Nadu, India
Tel: +91 44 6117 9000
E-mail: srba@srb.in
Peer Review Certificate Number: 013325
Firm Registration Number: 101049W/E300004

Changes in Auditors

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

Particulars	Date of change	Reason for change
S.R. Batliboi & Associates LLP 6th Floor – “A” Block Tidel Park No. 4, Rajiv Gandhi Salai, Taramani Chennai 600 113 Tamil Nadu, India E-mail: srba@srb.in Peer Review Certificate Number: 013325 Firm Registration Number: 101049W/E300004	August 8, 2019	Appointment as Statutory Auditors
Deloitte Haskins & Sells 8th Floor, ASV N Ramana Towers 52, Venkatnarayna Road T Nagar	August 8, 2019	Completion of the term as statutory auditor of the Company

Particulars	Date of change	Reason for change
Chennai 600 017 Tamil Nadu, India E-mail: gsuryanarayanan@deloitte.com Peer Review Number: 011620 Firm Registration Number: 008072S		

Banker to the Offer (*in its capacity as the Escrow Collection Bank, the Refund Bank, the Public Offer Account Bank and the Sponsor Bank*)

HDFC Bank Limited
HDFC Bank Limited, FIG-OPS Department – Lodha, I Think Techno
Campus O-3 Level, Next to Kanjurmarg, Railway Station
Kanjurmarg (East), Mumbai 400 042
Maharashtra, India
Tel: +91 22 3075 2928/ +91 22 3075 2929/ +91 22 3075 2914
E-mail: tushar.gavankar@hdfcbank.com, siddharth.jadhav@hdfcbank.com,
neerav.desai@hdfcbank.com, eric.bacha@hdfcbank.com,
sachin.gawade@hdfcbank.com
Website : www.hdfcbank.com
Contact person: Tushar Gavankar, Siddharth Jadhav, Neerav Desai, Eric Bacha, Sachin Gawade

Bankers to our Company

CSB Bank Limited
Wholesale Banking – Chennai
7th Floor, Rani Seethai Hall, Anna Salai
Chennai 600 006
Tamil Nadu, India
Tel: +91 99227 63268
E-mail: anoopkaruvath@csb.co.in
Website : www.csb.co.in
Contact person: Anoop Karuvath

DCB Bank Limited
No. 6, Rajaji Road
Nungambakkam, Chennai 600 034
Tamil Nadu, India
Tel: +91 44 4050 0355
E-mail: muralik@dcbbank.com
Website : www.dcbbank.com
Contact person: K. Murali

Federal Bank Limited
Corporate & Head Office
P.B. No. 103, Federal Towers
Aluva 683 101
Kerala, India
Tel: + 91 484 2623 620
E-mail: secretarial@federalbank.co.in
Website: www.federalbank.co.in
Contact person: Vimal K,
Senior Manager (Corporate Relationship)

HDFC Bank Limited
No. 115, Radhakrishnan Salai
Mylapore, Chennai 600 004
Tamil Nadu, India
Tel: +91 44 2847 7172
E-mail: rohit.raghuram@hdfcbank.com
Website : www.hdfcbank.com
Contact person: Rohit Raghuram

State Bank of India Limited
State Bank of India, No. 232
N.S.C. Bose Road
Commercial Branch, Chennai
Tamil Nadu, India
Tel: +91 44 2530 2211
E-mail: rm1.cbche@sbi.co.in
Website: www.sbi.co.in
Contact person: AGM & Relationship Manager I

YES Bank Limited
Dr. Radhakrishna Salai
Mylapore
Chennai 600 004
Tel : +91 97184 18323
E-mail: ashvini.kumar@yesbank.in
Website: www.yesbank.in
Contact person: Ashvini Kumar

Syndicate Members

Edelweiss Securities Limited
Edelweiss House, Off CST Road
Kalina, Mumbai 400 098
Tel: +91 22 4063 5569
E-mail: prakash.boricha@edelweissfin.com

Kotak Securities Limited
4th Floor, 12BKC, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Website : www.edelweissfin.com
Contact person: Prakash Boricha

Tel: +91 22 6218 5470
E-mail: umesh.gupta@kotak.com
Website : www.kotak.com
Contact person: Umesh Gupta

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

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

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

S. No.	Activity	Responsibility	Coordinator
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	Edelweiss
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	I-Sec
13.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, unblocking of application monies, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	Edelweiss

IPO Grading

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

Monitoring Agency

Our Company has appointed HDFC Bank Limited as a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations.

HDFC Bank Limited
HDFC Bank Limited, FIG-OPS Department – Lodha, I Think Techno
Campus O-3 Level, Next to Kanjurmarg, Railway Station
Kanjurmarg (East), Mumbai 400 042
Maharashtra, India
Tel: +91 22 3075 2928/ +91 22 3075 2929/ +91 22 3075 2914
E-mail: tushar.gavankar@hdfcbank.com, siddharth.jadhav@hdfcbank.com,
neerav.desai@hdfcbank.com, eric.bacha@hdfcbank.com,
sachin.gawade@hdfcbank.com
Website : www.hdfcbank.com
Contact person: Tushar Gavankar, Siddharth Jadhav, Neerav Desai, Eric Bacha, Sachin Gawade

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.

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI

Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

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

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Expert to the Offer

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

Our Company has received written consent dated August 13, 2021 from our Statutory Auditors, S.R. Batliboi & Associates 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 our Statutory Auditors and in respect of the examination report dated July 26, 2021 on Restated Consolidated Summary Statements Information and the statement of special tax benefits dated July 26, 2021 and such consents have not been withdrawn as on the date of this Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an expert or consent within the meaning as defined under the U.S. Securities Act.

Our Company has also received written consent dated August 13, 2021 from MSKA & Associates, Chartered Accountants, to include their name in this Prospectus as an "expert" in terms of the Companies Act 2013 in relation to the statement of tax benefits available to our Material Subsidiary and its shareholders dated July 26, 2021 included in this Prospectus.

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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book

Running Lead Managers, and was advertised in all editions of English national daily newspaper, The Financial Express, all editions of Hindi national daily newspaper, Jansatta and the Chennai edition of the Tamil daily newspaper Makkal Kural (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 361.

All Bidders (other than Anchor Investors) were required to participate 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. In addition to this, the RIBs participated through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. 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 were allowed to 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 made on a proportionate basis. Further, allocation to Anchor Investors was made on a discretionary basis.

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

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" beginning on pages 354, 359 and 361, 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 were advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after 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 entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated August 13, 2021. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460/ 70 E-mail: aptus.ipo@icicisecurities.com	19,688,750	6,950.13
Citigroup Global Markets India Private Limited 1202, First International Financial Center Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: aptus.ipo@citi.com	19,688,750	6,950.13
Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off. C.S.T. Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: aptus.ipo@edelweissfin.com	19,688,650	6,950.09

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C-27 G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: aptus.ipo@kotak.com	19,688,650	6,950.09
Edelweiss Securities Limited Edelweiss House, Off CST Road Kalina, Mumbai 400 098 Tel: +91 22 4063 5569 E-mail: prakash.boricha@edelweissfin.com	100	0.04
Kotak Securities Limited 4th Floor, 12BKC, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 6218 5470 E-mail: umesh.gupta@kotak.com	100	0.04

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

In the opinion of our Board (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 IPO Committee, at its meeting held on August 13, 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 nominal value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	530,000,000 Equity Shares (having face value of ₹2 each)	1,060,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	481,416,290 Equity Shares (having face value of ₹2 each) (4)	962,832,580	-
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS**(2)		
	Offer of 78,755,000^ Equity Shares (2) (3)	157,510,000	27,800,515,000
	of which		
	Fresh Issue of 14,164,305^ Equity Shares aggregating up to ₹5,000.00 million(2)	28,328,610	up to ₹5,000.00 million
	Offer for Sale of 64,590,695^ Equity Shares aggregating up to ₹22,800.52 million(3)	129,181,390	22,800,515,335
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	495,580,595^ Equity Shares (having face value of ₹2 each)	991,161,190	174,939,950,035
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	12,401.71 million	
	After the Offer	17,202.11 million$	

* *The Offer Price is ₹353 per Equity Share*

^ *Subject to finalisation of the Basis of Allotment*

$ *Post adjustment of ₹171.28 million in relation to share issue expenses calculated proportionately on ₹5,000.00 million of Fresh Issue in the Offer*

(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" beginning on page 185*

(2) *The Fresh Issue has been authorized by a resolution of our Board of Directors at their meeting held on May 5, 2021, and a special resolution passed by our Shareholders at their meeting held on May 6, 2021. Each of the Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures" beginning on page 339*

(3) *The Equity Shares being offered by each of the Selling Shareholders have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 339*

(4) *Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each*

Notes to the Capital Structure

1. Share Capital history of our Company

a. Equity share capital

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

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
December 14, 2009	50,000	10	10	Initial subscription to the MoA (1)	Cash	50,000	500,000
January 18, 2010	5,800,500	10	10	Preferential allotment (2)	Cash	5,850,500	58,505,000
August 5, 2010	18,150,000	10	10	Preferential allotment (3)	Cash	24,000,500	240,005,000
August 19, 2010	1,000,000	10	10	Preferential allotment (4)	Cash	25,000,500	250,005,000
December 1, 2010	6,999,500	10	10	Preferential allotment (5)	Cash	32,000,000	320,000,000
September 9, 2011	4,245,000	10	30	Preferential allotment (6)	Cash	36,245,000	362,450,000
February 8, 2012	2,486,664	10	30	Preferential allotment (7)	Cash	38,731,664	387,316,640
October 17, 2012	7,142,857	10	35	Preferential allotment (8)	Cash	45,874,521	458,745,210
October 18, 2012	1,428,571	10	35	Preferential allotment (9)	Cash	47,303,092	473,030,920
August 8, 2013	14,850	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (10)	Cash	47,317,942	473,179,420
February 26, 2014	504,900	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (11)	Cash	47,822,842	478,228,420
March 13, 2014	1,146,600	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (12)	Cash	48,969,442	489,694,420
May 13, 2014	13,005	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (13)	Cash	48,982,447	489,824,470
November 4, 2014	16,500	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (14)	Cash	48,998,947	489,989,470

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
November 4, 2014	8,250	10	20	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (15)	Cash	49,007,197	490,071,970
November 25, 2014	12,460,000	10	75	Preferential allotment (16)	Cash	61,467,197	614,671,970
December 9, 2014	548,175	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (17)	Cash	62,015,372	620,153,720
December 9, 2014	1,16,500	10	20	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (18)	Cash	62,131,872	621,318,720
September 1, 2015	68,000	10	10	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (19)	Cash	62,199,872	621,998,720
September 1, 2015	50,000	10	20	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (20)	Cash	62,249,872	622,498,720
September 9, 2016	14,441,176	10	170	Private placement (21)	Cash	76,691,048	766,910,480
September 21, 2016	1,470,589	10	170	Private placement (22)	Cash	78,161,637	781,616,370
October 14, 2016	33,500	10	20	Allotment pursuant to exercise of ESOPs issued under ESOP 2010 (23)	Cash	78,195,137	781,951,370
October 14, 2016	375,000	10	75	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (24)	Cash	78,570,137	785,701,370
April 11, 2018	212,500	10	75	Allotment pursuant to exercise of ESOPs issued	Cash	78,782,637	787,826,370

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
				under ESOP 2015 (25)			
September 6, 2019	13,991,939	10	526.03	Private placement (26)	Cash	92,774,576	927,745,760
September 6, 2019	1,500,000	10	526.03	Private placement (27)	Cash	94,274,576	929,245,760
September 6, 2019	1,216,182	10	526.03	Private placement (28)	Cash	95,490,758	941,407,580
October 14, 2019	335,000	10	75	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (29)	Cash	95,825,758	944,757,580
October 14, 2019	37,500	10	130	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (30)	Cash	95,863,258	945,132,580
December 2, 2020	345,000	10	75	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (31)	Cash	96,208,258	948,582,580
December 2, 2020	75,000	10	130	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (32)	Cash	96,283,258	949,332,580
May 5, 2021	1,500,000 partly paid up equity shares allotted to M Anandan (jointly with Padma Anandan) on September 6, 2019 were made fully paid up on May 5, 2021					96,283,258	962,832,580
May 6, 2021	Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each.					481,416,290	962,832,580

(1) 29,500 equity shares were allotted to M Anandan, 20,000 equity shares were allotted to Padma Anandan and 100 equity shares each were allotted to D Arulmany, Vidya Arulmany, Kandheri Munuswamy Mohandass, D Lakshmipathy and NV Subba Rao. Such equity shares were fully paid up on the time of allotment

(2) 1,600,000 equity shares were allotted to VP Nandakumar (jointly with Sushama Nandakumar), 1,470,500 equity shares were allotted to M Anandan (jointly with Padma Anandan), 1,000,000 equity shares were allotted to GHIOF Mauritius, 500,000 equity shares each were allotted to M A Alagappan, and A M M Arunachalam & Sons Private Limited, 480,000 equity shares were allotted to Padma Anandan (jointly with M Anandan) and 250,000 equity shares were allotted to D Arulmany (jointly with Vidhya Arulmany). Such equity shares were fully paid up on the time of allotment

(3) 9,000,000 equity shares were allotted to M Anandan (jointly with Padma Anandan), 4,500,000 equity shares were allotted to Padma Anandan (jointly with M Anandan), 2,900,000 equity shares were allotted to VP Nandakumar (jointly with Sushama Nandakumar), 1,500,000 equity shares were allotted to GHIOF Mauritius and 250,000 equity shares were allotted to Kandheri Munuswamy Mohandass. Such equity shares were fully paid up on the time of allotment

(4) 500,000 equity shares each were allotted to M A Alagappan and A M M Arunachalam & Sons Private Limited. Such equity shares were fully paid up on the time of allotment

(5) 6,999,500 equity shares were allotted to M Anandan (jointly with Padma Anandan). Such equity shares were fully paid up on the time of allotment

(6) 2,475,000 equity Shares were allotted to GHIOF Mauritius, 1,250,000 equity shares were allotted to VP Nandakumar (jointly with Sushama Nandakumar), 175,000 equity shares each were allotted to M A Alagappan and A M M Arunachalam & Sons Private Limited, and 170,000 equity shares were allotted to A R Chadha and Co India Pvt Ltd. Such equity shares were fully paid up on the time of allotment

(7) 1,233,333 equity shares were allotted to M Anandan (jointly with Padma Anandan), 916,666 equity shares were allotted to Padma Anandan (jointly with M Anandan), 100,000 equity shares were allotted to P Rajinikanth (jointly with Anu Anand), 83,333 equity shares were allotted to Suman Bollina (jointly with Deepthi Anand), 66,666 equity shares were allotted to Saurabh Vijay Bhat, 50,000 equity shares were allotted to Deepthi Anand (jointly with Suman Bollina) and 36,666 equity shares were allotted to Anu Anand (jointly with P Rajinikanth). Such equity shares were fully paid up on the time of allotment

(8) 7,142,857 equity shares were allotted to India Financial Inclusion Fund. Such equity shares were fully paid up on the time of allotment

(9) 1,428,571 equity shares were allotted to GHIOF Mauritius. Such equity shares were fully paid up on the time of allotment

(10) 14,850 equity Shares were allotted to D Kanchana. Such equity shares were fully paid up on the time of allotment

(11) 504,900 equity shares were allotted to D Arulmany. Such equity shares were fully paid up on the time of allotment

(12) 1,146,600 equity shares were allotted to D Arulmany. Such equity shares were fully paid up on the time of allotment

(13) 13,005 equity shares were allotted to G Deena Dayal. Such equity shares were fully paid up on the time of allotment

(14) 16,500 equity shares were allotted to Sheik Abdullah. Such equity shares were fully paid up on the time of allotment

(15) 8,250 equity shares were allotted to Sheik Abdullah. Such equity shares were fully paid up on the time of allotment

(16) 12,460,000 equity shares were allotted to WestBridge Crossover Fund, LLC. Such equity shares were fully paid up on the time of allotment

(17) 193,400 equity shares each were allotted to Prakash Rayen and G Subramaniam, 115,500 equity shares were allotted to Balaji P, 23,350 equity shares were allotted to CT Manoharan and 22,525 equity shares were allotted to Sarath Chandran. Such equity shares were fully paid up on the time of allotment

(18) 50,000 equity shares each were allotted to Prakash Rayen and G Subramaniam and 8,250 equity shares each were allotted to Sarath Chandran and CT Manoharan. Such equity shares were fully paid up on the time of allotment

(19) 68,000 equity shares were allotted to Balaji P. Such equity shares were fully paid up on the time of allotment

(20) 50,000 equity shares were allotted to Balaji P. Such equity shares were fully paid up on the time of allotment

(21) 14,441,176 equity shares were allotted to WestBridge Crossover Fund, LLC. Such equity shares were fully paid up on the time of allotment

(22) 1,470,589 equity shares were allotted to India Financial Inclusion Fund. Such equity shares were fully paid up on the time of allotment

(23) 16,750 equity shares each were allotted to Manoharan CT and Sarath Chandran D. Such equity shares were fully paid up on the time of allotment

(24) 75,000 equity shares each were allotted to Balaji P and G Subramaniam, 50,000 equity shares each were allotted to Manoharan CT and Sarath Chandran D, 37,500 equity shares each were allotted to Srikanth N and Sundara Kumar V and 25,000 equity shares each were allotted to Ramesh K and Azhaladi N. Such equity shares were fully paid up on the time of allotment

(25) 75,000 equity shares were allotted to Balaji P, 50,000 equity shares were allotted to Sarath Chandran D, 37,500 equity shares were allotted to Sundara Kumar V, 25,000 equity shares each were allotted to Ramesh K and Azhaladi N. Such equity shares were fully paid up on the time of allotment

(26) 8,272,010 equity shares were allotted to JIH II, LLC, 3,222,856 equity shares were allotted to Steadview Capital Mauritius Limited, 893,397 equity shares each were allotted to Malabar India Fund Limited and Malabar Select Fund, 568,739 equity shares were allotted to ABG Capital and 141,540 equity shares were allotted to Malabar Value Fund. Such equity shares were fully paid up on the time of allotment

*(27) 1,500,000 equity shares were allotted to M Anandan (jointly with Padma Anandan). Such equity shares were partly paid and ₹1 per equity share was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹526.03 ("**Partly Paid-up Shares**"). The Partly Paid-up Shares were made fully paid up on May 5, 2021, pursuant to a resolution of the board of directors of our Company dated May 5, 2021 for the first and final call for the balance amount of ₹525.03 per equity share of face value of ₹10 each being made on the Partly Paid-up Shares. Further, please note that pursuant to a resolution of the board of directors of our Company passed in their meeting held on May 5, 2021 and a resolution of the shareholders of our Company passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each*

(28) 1,207,669 equity shares were allotted to SCI Investments VI and 8,513 equity shares were allotted to Redwood Trust. Such equity shares were fully paid up on the time of allotment

(29) 75,000 equity shares each were allotted to G Subramaniam and Srikanth N, 50,000 equity shares each were allotted to CT Manoharan and Sarath Chandran, 37,500 equity shares were allotted to Sundara Kumar, 25,000 equity shares were allotted to Ramesh K, and 22,500 equity shares were allotted to Azhaladi N. Such equity shares were fully paid up on the time of allotment

(30) 37,500 equity Shares were allotted to Krishnaswami V. Such equity shares were fully paid up on the time of allotment

(31) 60,000 equity shares each were allotted to Balaji P and G Subramaniam, 50,000 equity shares each were allotted to CT Manoharan and Sarath Chandran, 37,500 equity shares each were allotted to Srikanth N and Sundara Kumar, 25,000 equity shares each were allotted to Ramesh K and Azhaladi N. Such equity shares were fully paid up on the time of allotment

(32) 75,000 equity shares were allotted to Krishnaswami V. Such equity shares were fully paid up on the time of allotment

b. ***Preference Share capital***

Our Company does not have any outstanding preference shares as on the date of filing of this Prospectus.

2. Offer of equity shares at a price lower than the Offer Price in the last year

Except as set out below, our Company has not issued any equity shares during a period of one year preceding the date of the Red Herring Prospectus and this Prospectus:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Offer Price per equity share (₹)	Nature of consideration	Nature of allotment	Reason for allotment
December 2, 2020	345,000	10	75	Cash	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (1)	ESOP allotment
December 2, 2020	75,000	10	130	Cash	Allotment pursuant to exercise of ESOPs issued under ESOP 2015 (2)	ESOP allotment

(1) 60,000 equity shares each were allotted to Balaji P and G Subramaniam, 50,000 equity shares each were allotted to CT Manoharan and Sarath Chandran, 37,500 equity shares each were allotted to Srikanth N and Sundara Kumar, 25,000 equity shares each were allotted to Ramesh K and Azhaladi N. Such individuals do not form part of the Promoter Group. Such equity shares were fully paid up on the time of allotment

(2) 75,000 equity shares were allotted to Krishnaswami V. Such individual does not form part of the Promoter Group. Such equity shares were fully paid up on the time of allotment

3. Offer of shares for consideration other than cash or out of revaluation of reserves

Our Company has not issued any equity shares out of revaluation of reserves since its incorporation or for consideration other than cash as on the date of this Prospectus.

4. Offer of equity shares pursuant to schemes of arrangement

Our Company has not allotted any equity shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

5. History of the equity share capital held by our Promoters

As on the date of this Prospectus, our Promoters hold 292,893,920 Equity Shares equivalent to 60.84% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) **Build-up of the shareholding of our Promoters in our Company**

The details regarding the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment and made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face Value per equity share (₹)	Offer/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)^^
M Anandan*							
December 14, 2009	Initial subscription to the MoA	29,500	Cash	10	10	0.03	0.03
January 18, 2010	Preferential allotment	1,470,500	Cash	10	10	1.53	1.48
August 5, 2010	Preferential allotment	9,000,000	Cash	10	10	9.35	9.08

Date of allotment and made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face Value per equity share (₹)	Offer/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)^^
December 1, 2010	Preferential allotment	6,999,500	Cash	10	10	7.27	7.06
February 8, 2012	Preferential allotment	1,233,333	Cash	10	30	1.28	1.24
February 15, 2018	Transfer (1)	(1,000,000)	Cash	10	314	(1.04)	(1.01)
September 6, 2019	Private placement	1,500,000^	Cash	10	526.03	1.56	1.51
April 30, 2021	1,502,000 equity shares held by M Anandan (jointly with Padma Anandan, with M Anandan as the first holder) were transferred to M Anandan as the sole holder for creation of pledge in favour of IIFL Wealth Management Limited						
May 6, 2021	Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each.						
Total (A)		**96,164,165**				**19.98**	**19.40**
Padma Anandan**							
December 14, 2009	Initial subscription to the MoA	20,000	Cash	10	10	0.02	0.02
January 18, 2010	Preferential allotment	480,000	Cash	10	10	0.50	0.48
August 5, 2010	Preferential allotment	4,500,000	Cash	10	10	4.67	4.54
February 8, 2012	Preferential allotment	916,666	Cash	10	30	0.95	0.92
August 6, 2018	Gift (2)	(916,666)	NA	10	Nil	(0.95)	(0.92)
April 30, 2021	1,502,000 equity shares held by M Anandan (jointly with Padma Anandan, with M Anandan as the first holder) were transferred to M Anandan as the sole holder for creation of pledge in favour of IIFL Wealth Management Limited						
May 6, 2021	Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each.						
Total (B)		**25,000,000**				**5.19**	**5.04$**
WestBridge Crossover Fund, LLC@							
November 25, 2014	Preferential allotment	12,460,000	Cash	10	75	12.94	12.57
April 18, 2015	Transfer (3)	243,400	Cash	10	75	0.25	0.25

Date of allotment and made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face Value per equity share (₹)	Offer/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)^^
April 18, 2015	Transfer (4)	122,925	Cash	10	75	0.13	0.12
April 18, 2015	Transfer (5)	243,400	Cash	10	75	0.25	0.25
April 18, 2015	Transfer (6)	30,775	Cash	10	75	0.03	0.03
April 18, 2015	Transfer (7)	31,600	Cash	10	75	0.03	0.03
April 18, 2015	Transfer (8)	7,425	Cash	10	75	0.01	0.01
April 18, 2015	Transfer (9)	24,750	Cash	10	75	0.03	0.02
May 18, 2015	Transfer (10)	1,901,500	Cash	10	79.95	1.97	1.92
November 2, 2015	Transfer (11)	118,000	Cash	10	105	0.12	0.12
January 28, 2016	Transfer (12)	3,100,000	Cash	10	105.13	3.22	3.13
September 9, 2016	Private placement	14,441,176	Cash	10	170	15.00	14.57
October 25, 2016	Transfer (13)	66,750	Cash	10	170	0.07	0.07
October 25, 2016	Transfer (14)	66,750	Cash	10	170	0.07	0.07
October 25, 2016	Transfer (15)	75,000	Cash	10	170	0.08	0.08
October 25, 2016	Transfer (16)	75,000	Cash	10	170	0.08	0.08
October 25, 2016	Transfer (17)	37,500	Cash	10	170	0.04	0.04
October 25, 2016	Transfer (18)	37,500	Cash	10	170	0.04	0.04
October 25, 2016	Transfer (19)	25,000	Cash	10	170	0.03	0.03
October 25, 2016	Transfer (20)	25,000	Cash	10	170	0.03	0.03
February 21, 2018	Transfer (21)	1,000,000	Cash	10	314	1.04	1.01
May 22, 2018	Transfer (22)	75,000	Cash	10	314	0.08	0.08
May 22, 2018	Transfer (23)	50,000	Cash	10	314	0.05	0.05
May 22, 2018	Transfer (24)	37,500	Cash	10	314	0.04	0.04

Date of allotment and made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face Value per equity share (₹)	Offer/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)^^
May 22, 2018	Transfer (25)	25,000	Cash	10	314	0.03	0.03
May 22, 2018	Transfer (26)	25,000	Cash	10	314	0.03	0.03
May 6, 2021	Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each.						
Total (C)		**171,729,755**				**35.67**	**34.65**
Total (A + B + C)		**292,893,920**				**60.84**	**59.10$**

^ *1,500,000 equity shares were allotted to M Anandan (jointly with Padma Anandan). Such equity shares were partly paid and ₹1 per equity share was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹526.03 ("**Partly Paid-up Shares**"). The Partly Paid-up Shares were made fully paid up on May 5, 2021, pursuant to a resolution of the board of directors of our Company dated May 5, 2021 for the first and final call for the balance amount of ₹525.03 per equity share of face value of ₹10 each being made on the Partly Paid-up Shares. Further, please note that pursuant to a resolution of the board of directors of our Company passed in their meeting held on May 5, 2021 and a resolution of the shareholders of our Company passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each, and accordingly, 96,283,258 equity shares of our Company of face value ₹10 each were split into 481,416,290 Equity Shares of face value ₹2 each*

^^ *Subject to finalization of the Basis of Allotment*

* *88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)*

** *25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

@ *The shareholders who transferred their equity shares to WestBridge Crossover Fund, LLC were employees of the Company, and also the original allottees of these equity shares. The transfer of the equity shares was undertaken pursuant to share purchase agreements dated December 19, 2014, October 17, 2016 and April 13, 2018, and the due process in terms of corporate authorizations and secretarial documentation was undertaken for such transfers.*

$ *This percentage does not take into account the transfer of 2,500,000 Equity Shares (subject to finalisation of the Basis of Allotment) offered by Padma Anandan as a part of the Offer for Sale. Post such transfer of Equity Shares in the Offer for Sale, Padma Anandan will hold 4.54% of the post-Offer capital*

(1) 1,000,000 equity shares were transferred to WestBridge Crossover Fund, LLC

(2) *916,666 equity shares were transferred to Anu Anand (jointly with Padma Anandan)*

(3) 243,400 equity shares were transferred from Prakash Rayen

(4) 122,295 equity shares were transferred from P Balaji

(5) *243,400 equity shares were transferred from G Subramaniam*

(6) 30,775 equity shares were transferred from Sarath Chandran

(7) 31,600 equity shares were transferred from CT Manoharan

(8) 7,425 equity shares were transferred from V Sangeetha (jointly with G Subramaniam)

(9) 24,750 equity shares were transferred from Sheikh Abdullah

(10) 1,901,500 equity shares were transferred from Lok Capital II, LLC

(11) 118,000 equity shares were transferred from P Balaji

(12) 3,100,000 equity shares were transferred from India Financial Inclusion Fund

(13) 66,750 equity shares were transferred from CT Manoharan

(14) 66,750 equity shares were transferred from Sarath Chandran

(15) 75,000 equity shares were transferred from Balaji P

(16) 75,000 equity shares were transferred from G Subramaniam

(17) 37,500 equity shares were transferred from Srikanth N

(18) 37,500 equity shares were transferred from V Sundarakumar

(19) 25,000 equity Shares were transferred from N Azhaldi

(20) 25,000 equity shares were transferred from Ramesh K

(21) 1,000,000 equity shares were transferred from M Anandan (jointly with Padma Anandan)

(22) 75,000 equity shares were transferred from P Balaji

(23) 50,000 equity shares were transferred from Sarath Chandran

(24) 37,500 equity shares were transferred from V Sundarakumar

(25) 25,000 equity Shares were transferred from N Azhaladi

(26) 25,000 equity shares were transferred from K Ramesh

Except as disclosed in "- *Notes to the Capital Structure – 1. Share Capital history of our Company – a. Equity share capital*" beginning on page 70, all the equity shares held by our Promoters were fully paid-up on the respective dates of acquisition of such equity shares.

(b) **Details of Promoters' contribution and lock-in**

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters (assuming full conversion of vested options, if any, under our Company's ESOP schemes), shall be locked-in for a period of three years (or such other time period as may be prescribed under the SEBI ICDR Regulations) as minimum Promoters' contribution from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in-for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for three years (or such other time period as may be prescribed under the SEBI ICDR Regulations) from the date of Allotment as minimum Promoters' contribution are set forth in the table below:

Name of Promoters	Number of Equity Shares locked-in	Date of allotment/ transfer of equity shares and when made fully paid-up*	Nature of transaction	Face Value per equity share (₹)	Offer/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)**
M Anandan	29,500	December 14, 2009	Initial subscription to the MoA	10	10	0.03	0.03
M Anandan	1,470,500	January 18, 2010	Preferential allotment	10	10	1.53	1.48
M Anandan	9,000,000	August 5, 2010	Preferential allotment	10	10	9.35	9.08
M Anandan	6,999,500	December 1, 2010	Preferential allotment	10	10	7.27	7.06
M Anandan	233,333	February 8, 2012	Preferential allotment	10	30	0.24	0.24
Padma Anandan	2,143,891	August 5, 2010	Preferential allotment	10	10	2.23	2.16
Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each.							
Total	**99,383,620**					**20.65**	**20.05**

* *Except as disclosed in "- Notes to the Capital Structure – 1. Share Capital history of our Company – a. equity share capital" beginning on page 70, all equity shares allotted to our Promoters were fully paid-up at the time of allotment.*

** *Subject to finalization of the Basis of Allotment*

M Anandan, one of our Promoters, has agreed to encumber 7,510,000 Equity Shares representing 1.50% of the pre-Offer paid-up Equity Share capital held by him in our Company after the listing of the Equity Shares on the Stock Exchanges and in accordance with the SEBI ICDR Regulations, with IIFL Wealth Management Limited pursuant to a loan availed by M Anandan from IIFL Wealth Management Limited amounting to ₹787.50 million.

(iii) 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.

(iv) In this connection, please note that:

a. The Equity Shares offered for Promoters' contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, or (ii) Equity Shares that have resulted from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or resulted from bonus shares issued against

Equity Shares, which are otherwise ineligible for computation of minimum Promoters' contribution.

b. The minimum Promoters' contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

c. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

d. All the Equity Shares held by our Promoters are in dematerialised form.

(c) **Other lock-in requirements:**

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked-in for three years as specified above (or such other time period as may be prescribed under the SEBI ICDR Regulations), the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year (or such other time period as may be prescribed under the SEBI ICDR Regulations) from the date of Allotment, including any unsubscribed portion of the Offer for Sale, except for the Equity Shares which are successfully transferred as a part of the Offer for Sale by the Promoters, and any other categories of shareholding exempted under Regulation 17 of SEBI ICDR Regulations.

(ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing of this Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iii) 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.

6. **Shareholding Pattern of our Company**

The table below presents the equity shareholding pattern of our Company as on the date 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 Voting Rights — Class: Equity Shares	Number of Voting Rights held in each class of securities (IX) — Number of Voting Rights — Total	Number of Voting Rights held in each class of securities (IX) — Total as a % of (A+B + C)	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 (a)	Number of locked in shares (XII) — As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — Number (a)	Number of Shares pledged or otherwise encumbered (XIII) — As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form (XIV)
(A)	**Promoters and Promoter Group**	10	360,449,790	0	0	360,449,790	74.87	Equity	360,449,790	74.87	0	0	0	0	0	0	360,449,790
(B)	**Public**	52	120,966,500	0	0	120,966,500	25.13	Equity	120,966,500	25.13	0	0	0	0	0	0	120,966,500
(C)	**Non Promoters - Non Public**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	**Shares underlying DRs**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**62**	**481,416,290**	**0**	**0**	**481,416,290**	**100**	**100**	**481,416,290**	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**481,416,290**

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

(i) The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares (face value of the Equity Shares is ₹2 per share) #	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	WestBridge Crossover Fund, LLC	171,729,755	35.67
2.	M Anandan*	96,164,165	19.98
3.	JIH II, LLC	41,854,620	8.69
4.	Padma Anandan**	25,000,000	5.19
5.	Aravali Investment Holdings	19,762,495	4.11
6.	Malabar India Fund Limited	19,556,300	4.06
7.	Malabar Select Fund	18,443,800	3.83
8.	Madison India Opportunities IV	17,590,545	3.65
9.	Steadview Capital Mauritius Limited	16,114,280	3.35
10.	SCI Investments VI	15,968,345	3.32
11.	GHIOF Mauritius	9,997,855	2.08
12.	A R Chadha and Co India Pvt Ltd	6,082,960	1.26
13.	MA Alagappan	5,875,000	1.22
	Total	**464,140,120**	**96.41**

Based on the beneficiary position statement dated August 6, 2021

* *88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)*

** *25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

(ii) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them 10 days prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares (face value of the Equity Shares is ₹2 per share) #	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)
1.	WestBridge Crossover Fund, LLC	171,729,755	35.67
2.	M Anandan*	96,164,165	19.98
3.	JIH II, LLC	41,854,620	8.69
4.	Padma Anandan**	25,000,000	5.19
5.	Aravali Investment Holdings	19,762,495	4.11
6.	Malabar India Fund Limited	19,556,300	4.06
7.	Malabar Select Fund	18,443,800	3.83
8.	Madison India Opportunities IV	17,590,545	3.65
9.	Steadview Capital Mauritius Limited	16,114,280	3.35
10.	SCI Investments VI	15,968,345	3.32
11.	GHIOF Mauritius	9,997,855	2.08
12.	A R Chadha and Co India Pvt Ltd	6,082,960	1.26
13.	MA Alagappan	5,875,000	1.22
	Total	**464,140,120**	**96.41**

Based on the beneficiary position statement dated July 30, 2021

* *88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)*

** *25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

(iii) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them one year prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares (face value of the Equity Shares is ₹10 per share)#	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)
1.	WestBridge Crossover Fund, LLC	34,345,951	35.83
2.	M Anandan*	19,232,833	20.06
3.	JIH II, LLC	8,272,010	8.63
4.	Padma Anandan**	5,000,000	5.22
5.	Aravali Investment Holdings	3,952,499	4.12
6.	Malabar India Fund Limited	3,688,760	3.85

Sr. No.	Name of the Shareholder	Number of equity shares (face value of the Equity Shares is ₹10 per share)#	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)
7.	Malabar Select Fund	3,688,760	3.85
8.	Madison India Opportunities IV	3,518,109	3.67
9.	Steadview Capital Mauritius Limited	3,222,856	3.36
10.	SCI Investments VI	3,193,669	3.33
11.	GHIOF Mauritius	1,999,571	2.09
12.	A R Chadha and Co India Pvt Ltd	1,216,592	1.27
13.	MA Alagappan	1,175,000	1.23
	Total	**92,506,610**	**96.50**

\# *Based on the beneficiary position statement dated August 7, 2020*

* *19,232,833 equity shares held jointly with Padma Anandan (where M Anandan was the first holder). Additionally, M Anandan jointly held 5,000,000 equity shares with Padma Anandan (where M Anandan was the second holder)*

** *5,000,000 equity shares held jointly with M Anandan (where Padma Anandan was the first holder). Additionally, Padma Anandan jointly held 19,232,833 equity shares with M Anandan (where Padma Anandan was the second holder) and 916,666 equity shares with Anu Anand (where Padma Anandan was the second holder)*

(iv) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them two years prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares (face value of the Equity Shares is ₹10 per share)#	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)
1.	WestBridge Crossover Fund, LLC	34,345,951	43.60
2.	M Anandan*	17,732,833	22.51
3.	Padma Anandan**	5,000,000	6.35
4.	GHIOF Mauritius	3,999,571	5.08
5.	Aravali Investment Holdings	3,952,499	5.02
6.	Madison India Opportunities IV	3,518,109	4.08
7.	Malabar India Fund Limited	2,570,363	3.26
8.	Malabar Select Fund	2,570,363	3.26
9.	MA Alagappan	1,175,000	1.49
10.	A R Chadha and Co India Pvt Ltd	1,079,092	1.37
11.	Anu Anand***	916,666	1.16
	Total	**76,560,447**	**97.18**

\# *Based on the beneficiary position statement dated August 9, 2019*

* *17,732,833 equity shares held jointly with Padma Anandan (where M Anandan was the first holder). Additionally, M Anandan jointly held 5,000,000 equity shares with Padma Anandan (where M Anandan was the second holder)*

** *5,000,000 equity shares held jointly with M Anandan (where Padma Anandan was the first holder). Additionally, Padma Anandan jointly held 17,732,833 equity shares with M Anandan (where Padma Anandan was the second holder) and 916,666 equity shares with Anu Anand (where Padma Anandan was the second holder)*

*** *916,666 equity shares held jointly with Padma Anandan (where Anu Anand was the first holder). Additionally, Anu Anand jointly held 100,000 equity shares with P Rajnikanth (where Anu Anand was the second holder)*

8. **Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoters and members of our Promoter Group**

(i) Except as disclosed below, our Directors and Key Managerial Personnel do not hold Equity Shares and employee stock options in our Company:

S. No.	Name	No. of Equity Shares (face value of the Equity Shares is ₹2 per share)	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding	Percentage of the post-Offer of Equity Share Capital (%)@
Directors					
1.	M Anandan*	96,164,165	19.98	Nil	19.40
2.	Suman Bollina**	416,665	0.09	Nil	0.08
3.	Kandheri Munuswamy Mohandass***	500	0.00	Nil	0.00
KMPs					
4.	Balaji P	Nil	NA	1,200,000	NA
5.	Sanin Panicker	Nil	NA	30,000	NA
Total		**96,580,830**	**20.07**	**1,230,000**	**19.48**

* 88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)

** 416,665 Equity Shares held jointly with Deepthi Anand (where Suman Bollina is the first holder). Additionally, Suman Bollina jointly holds 250,000 Equity Shares with Deepthi Anand (where Suman Bollina is the second holder)

*** Kandheri Munuswamy Mohandass is also the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, which presently holds 625,000 Equity Shares in our Company, and which is participating in the Offer for Sale as one of the Selling Shareholders

@ Subject to finalization of the Basis of Allotment

(ii) Except as disclosed below, our Promoters and the members of the Promoter Group do not hold Equity Shares in our Company:

S. No.	Name	No. of Equity Shares (face value of the Equity Shares is ₹2 per share)	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer Equity Share Capital (%)[@]
1.	M Anandan (founder)*	96,164,165	19.98	19.40
2.	Padma Anandan (founder)**	25,000,000	5.19	4.54
Total (A)		**121,164,165**	25.17	23.94
3.	WestBridge Crossover Fund, LLC (investor)	171,729,755	35.67	34.65
Total (B)		**171,729,755**	35.67	**34.65**
Total (C) (A + B)		**292,893,920**	60.84	**58.60**
Promoter Group				
4.	JIH II, LLC	41,854,620	8.69	2.72
5.	Aravali Investment Holdings	19,762,495	4.11	0.00
6.	Anu Anand***	4,766,660	0.99	0.96
7.	P Rajinikanth****	500,000	0.10	0.10
8.	Suman Bollina*****	416,665	0.09	0.08
9.	Deepthi Anand******	250,000	0.05	0.05
10.	Konark Trust	4,985	0.00	0.00
11.	MMPL Trust	445	0.00	0.00
Total (D)		**67,555,870**	**14.03**	**3.92**
Total (C + D)		**360,449,790**	**74.87**	**62.51**

@ Subject to finalization of the Basis of Allotment

* 88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)

** 25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)

*** 4,583,330 Equity Shares held jointly with Padma Anandan (where Anu Anand is the first holder) and 183,330 Equity Shares held jointly with P Rajinikanth (where Anu Anand is the first holder). Additionally, Anu Anand jointly holds 500,000 Equity Shares with P Rajinikanth (where Anu Anand is the second holder)

**** 500,000 Equity Shares held jointly with Anu Anand (where P Rajinikanth is the first holder). Additionally, P Rajinikanth jointly holds 183,330 Equity Shares with Anu Anand (where P Rajinikanth is the second holder)

***** 416,665 Equity Shares held jointly with Deepthi Anand (where Suman Bollina is the first holder). Additionally, Suman Bollina jointly holds 250,000 Equity Shares with Deepthi Anand (where Suman Bollina is the second holder)

****** 250,000 Equity Shares held jointly with Suman Bollina (where Deepthi Anand is the first holder). Additionally, Deepthi Anand jointly holds 416,665 Equity Shares with Suman Bollina (where Deepthi Anand is the second holder)

9. None of the Book Running Lead Managers or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Prospectus.

10. There are no partly paid-up Equity Shares as on the date of this Prospectus and all equity shares were fully paid-up as on the date of allotment, except as disclosed in *"- Notes to the Capital Structure – 1. Share Capital history of our Company – a. Equity Share capital*" beginning on page 70.

11. **ESOP 2015**

Our Company, pursuant to the resolution passed by our Board on May 12, 2015 and the resolution passed by our Shareholders on August 7, 2015, adopted ESOP 2015 to create, offer, issue and allot in one or more tranches, stock options which are convertible into Equity Shares. ESOP 2015 was further amended by the Board pursuant to the resolution passed at its meeting held on May 5, 2021 and by the Shareholders pursuant to a special resolution passed at the general meeting of the Company held on May 6, 2021. The purpose of ESOP 2015 is to encourage ownership of the Equity Shares by the Company's employees on an ongoing basis. The aggregate number of Equity Shares issued under ESOP 2015, upon exercise, shall not exceed 9,000,000 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the Board.

ESOP 2015 is in compliance with the SEBI SBEB Regulations. As on the date of this Prospectus, 8,500,000 options have been granted by our Company under ESOP 2015. The details of ESOP 2015, as certified by R P S V & Co., Chartered Accountants, through a certificate dated August 13, 2021 are as follows:

Particulars	From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)	Financial Year 2021 (Equity shares of face value of ₹10 each)	Financial Year 2020 (Equity shares of face value of ₹10 each)	Financial Year 2019 (Equity shares of face value of ₹10 each)
Options granted	-	-	-	-
Exercise Price (in ₹)	Nil	₹75, ₹130	₹75, ₹130	₹75
Options vested	Nil	37,500	500,000	412,500
Options exercised	Nil	420,000	372,500	212,500
The total number of Equity Shares arising as a result of exercise of options	Nil	420,000	3,72,500	212,500
Options forfeited/lapsed	Nil	Nil	Nil	2,500
Variation of terms of options	Nil	Nil	Nil	Nil
Money realized by exercise of options	Nil	₹35,625,000	₹30,000,000	₹15,937,500
Total number of options in force	1,337,500	267,500	687,500	1,060,000
Employee-wise detail of options granted to:				
i. Key managerial personnel	Nil	Nil	Nil	Nil
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil
Fully diluted earnings per equity share (face value of ₹2 or ₹10 Equity Share, as applicable) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the accounting standard	-	5.55[#]	4.74[#]	2.82[#]

<table>
<tr><th>Particulars</th><th>From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)</th><th>Financial Year 2021 (Equity shares of face value of ₹10 each)</th><th>Financial Year 2020 (Equity shares of face value of ₹10 each)</th><th>Financial Year 2019 (Equity shares of face value of ₹10 each)</th></tr>
<tr><td>Ind AS 33 for ‘Earnings per Share’</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Lock-in</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per equity share (face value of ₹2 or ₹10 Equity Share, as applicable)</td><td colspan="4">Not Applicable, the Company has used fair value of options for accounting</td></tr>
<tr><td>Description of the pricing formula 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</td><td colspan="4">Black Scholes
<table>
<tr><th>Particulars</th><th colspan="2">Date of Grant</th></tr>
<tr><td></td><td>August 7, 2015</td><td>May 17, 2017</td></tr>
<tr><td>Risk Free Interest Rate</td><td>8.04% to 8.26%</td><td>7.21% to 7.73%</td></tr>
<tr><td>Expected Life (in years)</td><td>2.65 to 5.65</td><td>3 to 6</td></tr>
<tr><td>Expected Annual Volatility of Shares</td><td>43.15%</td><td>35.99%</td></tr>
<tr><td>Expected Dividend Yield</td><td>0%</td><td>0%</td></tr>
<tr><td>Price of Underlying share at the time of the Option Grant</td><td>56.26</td><td>111.02</td></tr>
<tr><td>Fair Value of the Option (Rs.)</td><td></td><td></td></tr>
<tr><td>1st Stage</td><td>13.61</td><td>29.67</td></tr>
<tr><td>2nd Stage</td><td>17.21</td><td>36.87</td></tr>
<tr><td>3rd Stage</td><td>20.6</td><td>43.37</td></tr>
<tr><td>4th Stage</td><td>23.64</td><td>49.29</td></tr>
<tr><td>The weighted average share price on the date of grant</td><td>75.00</td><td>130.00</td></tr>
</table></td></tr>
<tr><td>Impact on profit and earnings per Equity Share (face value of ₹2 or ₹10 Equity Share, as applicable) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Intention of the KMPs and whole time directors who are holders of Equity Shares allotted on exercise of options</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>

Particulars	From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)	Financial Year 2021 (Equity shares of face value of ₹10 each)	Financial Year 2020 (Equity shares of face value of ₹10 each)	Financial Year 2019 (Equity shares of face value of ₹10 each)
granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer				
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil	Nil	Nil	Nil

 # Diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Pursuant to our Board resolution dated May 5, 2021, and Shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company were sub divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.

12. **ESOP 2021**

Our Company, pursuant to the resolution passed by our Board on November 12, 2020 and the resolution passed by our Shareholders on May 6, 2021, adopted ESOP 2021 to create, offer, issue and allot in one or more tranches, stock options which are convertible into Equity Shares. The purpose of ESOP 2021 is to encourage ownership of the Equity Shares by the Company's employees on an ongoing basis. The aggregate number of Equity Shares issued under ESOP 2021, upon exercise, shall not exceed 10,000,000 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the Board.

ESOP 2021 is in compliance with the SEBI SBEB Regulations. As on the date of this Prospectus, 5,522,500 options have been granted by our Company under ESOP 2021. The details of ESOP 2021, as certified by R P S V & Co., Chartered Accountants, through a certificate dated August 13, 2021 are as follows:

Particulars	From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)	Financial Year 2021 (Equity shares of face value of ₹10 each)	Financial Year 2020 (Equity shares of face value of ₹10 each)	Financial Year 2019 (Equity shares of face value of ₹10 each)
Options granted	5,522,500	NA	NA	NA
Exercise Price (in ₹)	₹140	NA	NA	NA
Options vested	Nil	NA	NA	NA
Options exercised	Nil	NA	NA	NA
The total number of Equity Shares arising as a result of exercise of options	Nil	NA	NA	NA
Options	Nil	NA	NA	NA

Particulars	From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)	Financial Year 2021 (Equity shares of face value of ₹10 each)	Financial Year 2020 (Equity shares of face value of ₹10 each)	Financial Year 2019 (Equity shares of face value of ₹10 each)
forfeited/lapsed				
Variation of terms of options	Nil	NA	NA	NA
Money realized by exercise of options	Nil	NA	NA	NA
Total number of options in force	5,522,500	NA	NA	NA
Employee-wise detail of options granted to:		NA	NA	NA
i. Key managerial personnel	Balaji P: 750,000 Sanin Panicker: 30,000 Total options granted to KMPs: 780,000	NA	NA	NA
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	G Subramaniam: 750,000 Amit Kothari: 500,000 Total options granted to employees in any one year of options amounting to 5% or more of the options granted during the year: 1,250,000	NA	NA	NA
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	NA	NA	NA
Fully diluted earnings per equity share (face value of ₹2 or ₹10 Equity Share, as applicable) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the accounting standard Ind AS 33 for 'Earnings per Share'	-	NA	NA	NA
Lock-in	Nil	NA	NA	NA
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and	Not Applicable, the Company has used fair value of options for accounting			

<table>
<tr><th>Particulars</th><th>From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)</th><th>Financial Year 2021 (Equity shares of face value of ₹10 each)</th><th>Financial Year 2020 (Equity shares of face value of ₹10 each)</th><th>Financial Year 2019 (Equity shares of face value of ₹10 each)</th></tr>
<tr><td>on the Earnings per equity share (face value of ₹2 or ₹10 Equity Share, as applicable)</td><td colspan="4"></td></tr>
<tr><td>Description of the pricing formula 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</td><td colspan="4">Black Scholes
<table>
<tr><th>Particulars</th><th>Date of Grant</th></tr>
<tr><td></td><td>May 20, 2021</td></tr>
<tr><td>Risk Free Interest Rate</td><td>4.96% to 6.27%</td></tr>
<tr><td>Expected Life (in years)</td><td>3 to 6</td></tr>
<tr><td>Expected Annual Volatility of Shares</td><td>23.74% to 29.23%</td></tr>
<tr><td>Expected Dividend Yield</td><td>0%</td></tr>
<tr><td>Price of Underlying share at the time of the Option Grant</td><td>140</td></tr>
<tr><td>Fair Value of the Option (Rs.)</td><td>-</td></tr>
<tr><td>1st Stage</td><td>36.82</td></tr>
<tr><td>2nd Stage</td><td>41.74</td></tr>
<tr><td>3rd Stage</td><td>47.30</td></tr>
<tr><td>4th Stage</td><td>54.19</td></tr>
<tr><td>The weighted average share price on the date of grant</td><td>140</td></tr>
</table></td></tr>
<tr><td>Impact on profit and earnings per Equity Share (face value of ₹2 or ₹10 Equity Share, as applicable) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years</td><td>Nil</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Intention of the KMPs and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer</td><td>Nil</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior</td><td>Nil</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table>

Particulars	From April 1, 2021 to date of filing of this Prospectus (Equity shares of face value of ₹2 each)	Financial Year 2021 (Equity shares of face value of ₹10 each)	Financial Year 2020 (Equity shares of face value of ₹10 each)	Financial Year 2019 (Equity shares of face value of ₹10 each)
management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)				

13. Except as disclosed below, none of the members of our Promoter Group, directors of WestBridge Crossover Fund, LLC, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

    - JIH II, LLC has acquired 98,914 equity shares of the Company in December 2020 at price of ₹700 per equity share;
    - Konark Trust acquired 997 equity shares of the Company in December 2020 at price of ₹700 per equity share; and
    - MMPL Trust acquired 89 equity shares of the Company in December 2020 at price of ₹700 per equity share.

14. As of the date of the filing of this Prospectus, the total number of our Shareholders is 75. The number of Shareholders is as per the statement of beneficiary position as on August 6, 2021.

15. Our Company, our Directors and the Book Running Lead Managers have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

16. Except for Equity Shares that may be allotted pursuant to the conversion of employee stock options granted under our ESOP schemes, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of the Red Herring Prospectus and this Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.

17. There have been no financing arrangements whereby our Promoter Group, our Directors, directors of WestBridge Crossover Fund, LLC 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 financing entity, during a period of six months preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

18. Our Company presently does not intend or propose and is not under negotiations and considerations to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to any issuance of Equity Shares under the Offer or pursuant to the exercise of employee stock options under the Company's ESOP scheme.

19. Except employee stock options granted pursuant to the Company's ESOP schemes, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

Padma Anandan, Aravali Investment Holdings, JIH II, LLC, GHIOF Mauritius, Madison India Opportunities IV, KM Mohandass HUF*, R Umasuthan** and Saurabh Vijay Bhat (collectively, referred to as the "**Selling Shareholders**"), shall 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.

**Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board*

***R Umasuthan is an independent director on the board of directors of our Subsidiary*

The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale as set out below:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale (face value of the Equity Shares is ₹2 per share)	Date of board resolution/ Authorisation	Date of Consent Letter
Padma Anandan*	2,500,000@	-	May 14, 2021
Aravali Investment Holdings	19,762,495@	May 10, 2021	July 26, 2021
JIH II, LLC	28,379,135@	May 10, 2021, as further modified by resolution dated July 26, 2021	July 26, 2021
GHIOF Mauritius	9,997,855@	May 10, 2021	July 26, 2021
Madison India Opportunities IV	3,723,710@	May 12, 2021	July 26, 2021
KM Mohandass HUF**	125,000@	-	May 14, 2021
R Umasuthan***	75,000@	-	May 14, 2021
Saurabh Vijay Bhat	27,500@	-	May 14, 2021
Total	**64,590,695**@		

@ *Subject to finalisation of the Basis of Allotment*

* *25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

** *Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board*

*** *R Umasuthan is an independent director on the board of directors of our Subsidiary*

Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards fully augmenting the tier I capital requirements of our Company.

Considering our tier I position, our Company has no plans to augment the tier II capital in the near future. In case our Company decides to augment its tier II capital in the future, it shall be in compliance with the RBI Master Directions for the HFCs.

The main 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	up to 5,000.00
2.	(Less) Estimated Offer-related expenses in relation to the Fresh Issue(1)	171.28
	Net Proceeds	4,828.72

(1) For details, see "- Offer related Expenses" beginning on page 92.

Requirement of Funds and Utilization of Net Proceeds

The objects of the Offer are to augment our Company's capital base to meet our Company's future capital requirements.

Means of Finance

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

Offer related expenses

Other than (i) the listing fees, which will be solely borne by the Company; and (ii) fees for counsel to each Selling Shareholder, which shall be solely borne by the respective Selling Shareholders, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the RoC and any other governmental authority, advertising, printing, road show expenses, fees and expenses of the legal counsel to the Company and the legal counsels to the Book Running Lead Managers, fees and expenses of the Statutory Auditors, Registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the Book Running Lead Managers, Syndicate Members, SCSBs, other designated intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and allotted by the Company pursuant to the Fresh Issue and/ or transferred by the Selling Shareholders pursuant to the Offer for Sale. Upon the listing of the Company on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder directly from the Public Offer Account. Offer expenses shall be shared between our Company and the Selling Shareholders in the ratio of Fresh Issue and the respective portion of Offered Shares in the Offer for Sale if the Offer does not go through or the Equity Shares do not get listed/ traded on the Stock Exchanges.

The break-up for the estimated Offer expenses is as follows:

Activity	Estimates expenses(1) (in ₹ million)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers fees and commissions up to (including any underwriting commission, brokerage and selling commission)	645.51	67.78	2.32
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)	98.70	10.36	0.36
Fees payable to Registrar to the Offer	2.00	0.21	0.01
Fees payable to other advisors to the Offer	-	-	-
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	71.95	7.56	0.26
- Printing and stationery	12.45	1.31	0.04
- Fee payable to legal counsels	48.40	5.08	0.17
- Advertising and marketing	38.28	4.02	0.14
- Miscellaneous	35.02	3.68	0.13
Total estimated Offer expenses up to	952.31	100.00	3.43

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, and Non-Institutional Bidders which are directly procured 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 bidding terminal id as captured in the Bid Book of BSE or NSE.

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

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

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

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

Portion for RIBs	*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.

The payment of Selling Commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

The Selling Commission payable to 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.

Uploading Charges/ Processing Charges of ₹30 per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs for applications made by RIBs using the UPI Mechanism

Uploading Charges/ Processing Charges of ₹10 per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:

- *for applications made by Retail Individual Bidders using 3-in-1 type accounts*
- *for Non-Institutional Bids using Syndicate ASBA mechanism/ using 3- in -1 type accounts,*

The Bidding/uploading charges payable to the Syndicate / Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

For Registered Brokers: Selling commission payable to the registered brokers on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers 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.*

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

Sponsor Bank	*₹6 per valid Bid cum Application Form * (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 the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *Based on valid applications.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash 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 HDFC Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds for filing of this Prospectus with the RoC. 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 applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to the Companies Act, the Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Appraising Agency

None of the Objects of the Offer for which the Net Proceeds will be utilized have been appraised by any bank or financial institution or other independent 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, 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 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, the Individual Promoter Selling Shareholder and the Investor 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 176.5 times the face value of the Equity Shares.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Restated Consolidated Summary Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 163, 25, 226 and 306, 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:

- Presence in large, underpenetrated markets with strong growth potential
- Robust risk management architecture from origination to collections leading to superior asset quality
- In-house operations leading to desired business outcomes
- Domain expertise resulting in a business model difficult to replicate by others in our geographies
- Experienced and stable management team with marquee shareholders
- Established track record of financial performance with industry leading profitability
- Focus on the social impact of our business

For further details, see "*Our Business – Competitive Strengths*" beginning on page 165.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Summary Statements. For details, see "*Restated Consolidated Summary Statements*" beginning on page 226.

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 Ind-AS 33:

As derived from the Restated Consolidated Summary Statements:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2021	5.56	5.55	3
Financial Year 2020	4.77	4.74	2
Financial Year 2019	2.83	2.82	1
Weighted Average	4.84	4.83	

Notes:

(1) Pursuant to our board resolution dated May 5, 2021, and shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued, subscribed and paid up share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.

(2) 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.

(3) Basic EPS (₹) = Restated consolidated net profit after tax during the year divided by Weighted average number of equity shares outstanding during the year, read with note 1 above.

(4) Diluted EPS (₹) = Restated consolidated net profit after tax during the year divided by Weighted average number of diluted equity shares outstanding during the year, read with note 1 above.

2. Price/Earning ("P/E") ratio in relation to Offer Price of ₹353 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS for Financial Year 2021	62.23	63.49
Based on Diluted EPS for Financial Year 2021	62.34	63.60

Industry P/E ratio

	P/E Ratio
Highest	67.44x
Lowest	67.44x
Industry Composite	67.44x

Notes:

(1) *The industry high and low has been considered from the industry peer set provided later in this section. 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" beginning on page 96.*

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

As derived from the Restated Consolidated Summary Statements of our Company:

Particulars	RoNW %	Weight
Financial Year 2021	13.49%	3
Financial Year 2020	12.35%	2
Financial Year 2019	15.96%	1
Weighted Average	13.52%	

Notes:

(1) *Return on Net Worth (%) = Restated consolidated net profit after tax for the year divided by total equity at the end of the year.*

(2) *Net worth has been computed as a sum of paid up Equity Share capital and Other equity.*

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

4. Net Asset Value per Equity Share of face value of ₹2 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	41.12
After the completion of the Offer	At the Floor Price: 51.59
	At the Cap Price: 51.62
	At the Offer Price: 51.62

Notes:

(1) *Net Asset Value per Equity Share = Net asset value per share (NAV) is computed as the total equity as of the last day of the relevant year divided by the outstanding number of equity shares as of the last day of the relevant year, adjusted for capital changes.*

(2) *Net worth has been computed as a sum of paid up Equity Share capital and Other equity.*

5. Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Face Value (₹ Per Share)	Total income, for Financial Year 2021 (in ₹ million)	EPS, for Financial Year 2021 (₹)		NAV, as on March 31, 2021 (4) (₹ per share)	P/E(2)	P/B(5)	RoNW, as on March 31, 2021(3) (%)
			Basic(1)	Diluted(1)				
Aptus Value Housing Finance India Limited	2	6,552.42	5.56	5.55	41.12	63.49x	8.58x	13.49%
Listed peers								
Aavas Financiers Limited	10	11,053.35	36.94	36.62	305.86	67.44x	8.07x	12.06%

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, 2021.

Notes:

(1) *Basic and diluted earnings per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Pursuant to our board resolution dated May 5, 2021, and shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company were sub divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.*

(2) *P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 2, 2021, divided by the Diluted EPS.*

(3) *Return on Net Worth (%) = Restated Consolidated profit after tax for the year divided by total equity at the end of the year*

(4) *Net Asset Value per Equity Share = Net asset value per share (NAV) is computed as the total equity as of the last day of the relevant year divided by the outstanding number of equity shares as of the last day of the relevant year, adjusted for capital changes.*

(5) *P/B is computed as closing market price of equity shares on BSE as on August 2, 2021, divided by NAV, as on March 31, 2021.*

The Offer Price of ₹353 per Equity Share has been determined by our Company, the Individual Promoter Selling Shareholder and the Investor 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. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO APTUS VALUE HOUSING FINANCE INDIA LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,
Aptus Value Housing Finance India Limited
No. 8B, Doshi Towers,
8^{th} Floor, No: 205, Poonamallee High Road,
Kilpauk, Chennai-600 010
Tamil Nadu, India.

Dear Sirs,

Re: Statement of Special Tax Benefits available to Aptus Value Housing Finance India Limited, and its shareholders under the Indian tax laws.

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

   - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India; and

   - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017 and relevant rules made thereunder ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India.

   The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts"

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling of such conditions which, based on business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "Proposed IPO") by the Company.

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

   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 views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement is issued solely in connection with the proposed offering of equity shares of face value Rs 2 each of the Company and is not to be used, referred to or distributed for any other purpose.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Aniruddh Sankaran
Partner

Membership Number: 211107
Place of Signature: Chennai
Date: July 26, 2021

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO APTUS VALUE HOUSING FINANCE INDIA LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

I. Special tax benefits available to the Company

1. As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

2. The Company, being a housing finance company and having the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes, is also eligible for a deduction of 20% of the eligible profits or an amount transferred to the special reserve, whichever is lower, as per the provisions of section 36(1)(viii) of the Act in computing its income under the head "Profits and gains of business or profession". However, where the aggregate amounts transferred to such special reserve from time to time, exceeds two hundred percent of the paid-up share capital and general reserves, the Company shall not get a deduction for such excess.

3. The Company, being a public company as defined in section 43D of the Act, is entitled to the benefit of offering to tax the interest income on bad and doubtful loans, which are not credited to profit and loss account of that year, on realization basis. Such benefit is available in respect of certain categories of bad and doubtful loans as may be prescribed having regard to the guidelines issued by the National Housing Bank

4. The Company is entitled to accelerated deduction in respect of bad and doubtful debts up to the limit specified under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession", to the extent of five per cent (5%) of the gross total income, computed before considering any deduction under the aforesaid section and Chapter VI-A of the Act, and subject to satisfaction of prescribed conditions.

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company, and its shareholders under under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

   i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone.
   ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
   iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
   iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
   v) Deduction under section 35AD or section 35CCC (Deduction for specified business agricultural extension project)
   vi) Deduction under section 35CCD (Expenditure on skill development)
   vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M

viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **Aptus Value Housing Finance India Limited**

Chief Financial Officer

Place: Chennai
Date: July 26, 2021

ANNEXURE 2

STATEMENT OF SPECIALTAX BENEFITS AVAILABLE TO APTUS VALUE HOUSING FINANCE INDIA LIMITED (the "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017 and relevant rules made thereunder ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

No special indirect tax benefits available to the Company

II. Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union territory Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017 and relevant rules made thereunder ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India

2. This Annexure 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, 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 Proposed IPO.

3. Our comments are based of the specific activities carried out by the Company from April 1, 2020 till the March 31, 2021. Any variation in the understanding could require our comments to be suitably modified.

4. During the period from April 1, 2020 to March 31, 2021, the Company has:

   i. not claimed any exemption or benefits or incentives under the indirect tax laws;
   ii. not exported any goods or services outside India;
   iii. not imported any goods or services from outside India;
   iv. not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy.

5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. These comments are based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **Aptus Value Housing Finance India Limited**

Chief Financial Officer

Place: Chennai
Date: July 26, 2021

STATEMENT OF SPECIALTAX BENEFITS AVAILABLE TO APTUS FINANCE INDIA PRIVATE LIMITED, AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,
Aptus Finance India Private Limited
No. 8B, Doshi Towers,
8th Floor, No: 205, Poonamallee High Road,
Kilpauk, Chennai-600 010
Tamil Nadu, India.

Dear Sirs,

Statement of Special Tax Benefits available to Aptus Finance India Private Limited (the Company), and its shareholders under the Applicable tax laws prepared in accordance with the requirements under Schedule VI – Part A - Clause (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("the ICDR Regulations")

1. This statement is issued in accordance with the terms of our arrangement letter dated May 12, 2021.

2. We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

    - The Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India; and

    - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India.

    The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts". Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

3. 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.

4. The benefits discussed in the enclosed Annexures cover the special tax benefits available to the Company and the Shareholders and do not cover any general tax benefits available to them.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

6. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors of the Parent Company 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 proposed initial public offering of equity shares (the "Proposed IPO") by the Parent Company. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

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

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

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

- the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

8. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexures to this Statement is intended solely for your information and in connection with the proposed offering of equity shares of face value Rs 2 each of the Parent Company in connection with the Offer to be filed by the Parent Company with the Securities and Exchange Board of India and the concerned stock exchanges, draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Parent Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Geetha Jeyakumar
Partner
Membership No: 029409
UDIN: 21029409AAAAGO9260

Place: Chennai
Date: July 26, 2021

ANNEXURE 1

STATEMENT OF SPECIALTAX BENEFITS AVAILABLE TO APTUS FINANCE INDIA PRIVATE LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

I. Special tax benefits available to the Company

1. As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

2. The Company, being a systemically important non-deposit taking non-banking financial company as defined in section 43D of the Act (inserted by the Act No. 23 of 2019, w.e.f. 1-4-2020), is entitled to the benefit of offering to tax the interest income on bad and doubtful loans, which are not credited to profit and loss account of that year, on realization basis. Such benefit is available in respect of certain categories of bad and doubtful loans as may be prescribed having regard to the guidelines issued by the Reserve Bank of India.

3. The Company is entitled to accelerated deduction in respect of bad and doubtful debts up to the limit specified under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession", to the extent of five per cent (5%) of the gross total income, computed before considering any deduction under the aforesaid section and Chapter VI-A of the Act, and subject to satisfaction of prescribed conditions.

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company, and its shareholders under under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions

   i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone.
   ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
   iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
   iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
   v) Deduction under section 35AD or section 35CCC (Deduction for specified business agricultural extension project)
   vi) Deduction under section 35CCD (Expenditure on skill development)
   vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
   viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
   ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Aptus Finance India Private Limited

Director

Place: Chennai

Date: July 26, 2021

ANNEXURE 2

STATEMENT OF SPECIALTAX BENEFITS AVAILABLE TO APTUS FINANCE INDIA PRIVATE LIMITED (the COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

No special indirect tax benefits available to the Company

II. Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India

2. This Annexure 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, 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 Proposed IPO.

3. Our comments are based on our understanding of the specific activities carried out by the Company from April 1, 2020 till the March 31, 2021 as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.

4. We have been given to understand that during the period from April 1, 2019 to March 31, 2021, the Company has

    i. not claimed any exemption or benefits or incentives under the indirect tax laws;
    ii. not exported any goods or services outside India;
    iii. not imported any goods or services from outside India;
    iv. not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy.

5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. These comments are based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Aptus Finance India Private Limited

Director

Place: Chennai

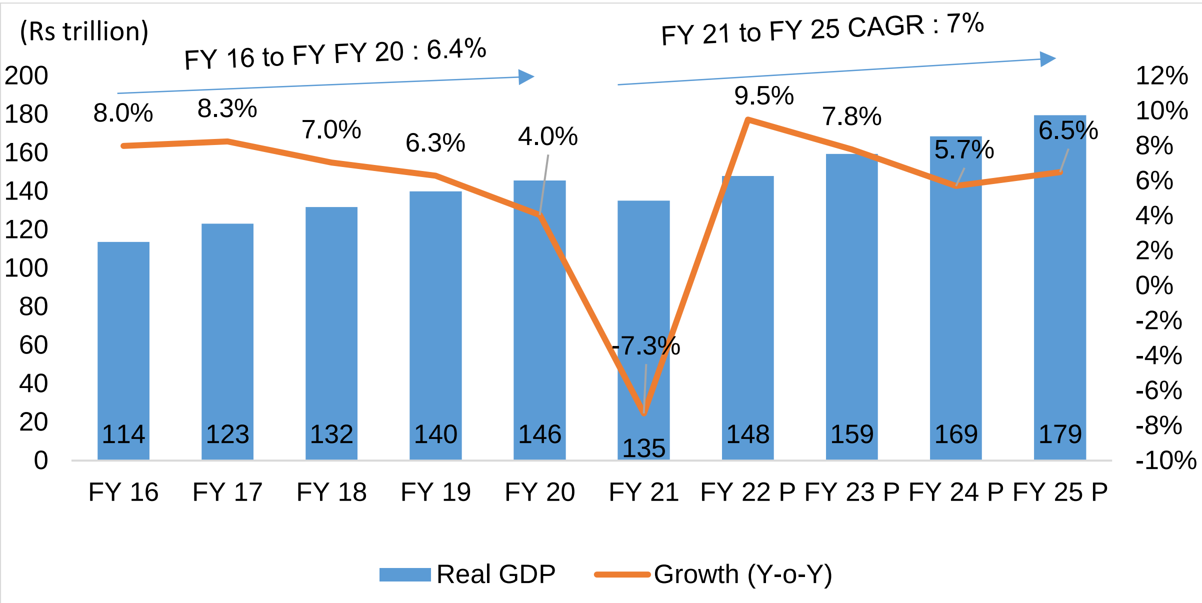
Date: July 26, 2021

INDUSTRY OVERVIEW

*The information contained in this section is taken from and is an excerpt of the industry report titled "Assessment of Housing Finance Market in India", dated July 2021 prepared by CRISIL (the "**CRISIL Report**") which was exclusively commissioned on February 25, 2021 and paid for by our Company only for the purpose of confirming our understanding of the industry in connection with the Offer. There are no parts of, or data or information from the CRISIL Report, which may be relevant for the Offer, which has been left out or changed in any manner. 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.*

Overview

Fiscal 2020 was volatile for the global economy. The first three quarters were ensnared in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainties arising from Brexit. The Indian economy contracted by 7.3% in Fiscal 2021 on account of the COVID-19 pandemic. The pandemic came at the most inopportune time since India was showing signs of recovery following a slew of fiscal/monetary measures. CRISIL forecasts growth to rebound in Fiscal 2022, on the back of a very weak base, a counter-cyclical Union Budget for Fiscal 2022 pushing investments and some benefit from a rising-global-tide-lifting-all-boats effect. The gradual increase in vaccinations against COVID-19 is also expected to boost confidence and support stronger recovery. Even after the strong rebound, the GDP would have grown merely 1% over the pre-pandemic level of Fiscal 2020.



Note: Projected

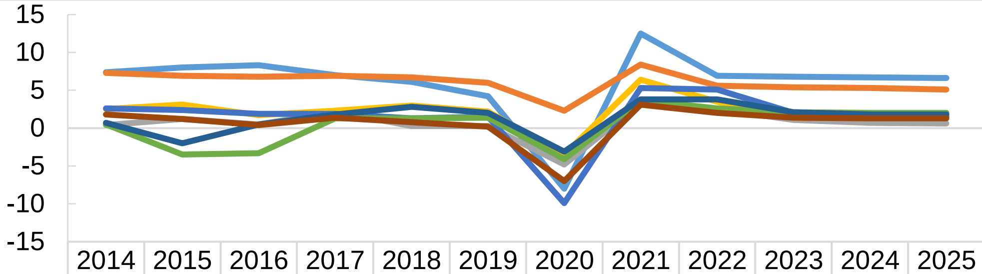
Source: National Statistics Office (NSO), International Monetary Fund (IMF) and CRISIL Research estimates

The resurgence of Covid-19 infections since March 2021 forced many states to implement localised lockdowns and restrictions to prevent the spread of the infection. In the beginning of May, the country witnessed the highest number of daily covid-19 cases being reported. While the case load has come down since then, the restrictions on economic activity and mobility imposed by various state governments in the wake of the resurgence in Covid-19 infections has led to downgrades in GDP growth estimates for the year. CRISIL Research forecasts India's GDP for fiscal 2022 to grow by around 9.5% in our base case scenario, assuming that Covid-19 restrictions will continue and mobility will remain affected in some form or other, at least till August 2021 and that 70% of the adult population will be vaccinated by December 2021. The lockdowns imposed were less restrictive for economic activity as compared with last year. Manufacturing, construction, agriculture and other essential activities have been permitted to continue in most states. Manufacturing sector purchasing managers' Index remained above the 50 level, indicating some resilience. In fiscal 2023, we expect growth to remain strong and become more broad-based, as a sufficient proportion of population gets vaccinated by then. This will particularly strengthen growth for contact-based services, which have been the biggest victims. Beyond that, growth is expected to moderate Nonetheless, the risks to growth are firmly tilted downwards. A third wave would pose a significant downside risk to the growth forecast, as would a slower-than-anticipated pace of vaccination. We forecast India's GDP to grow by 8% in fiscal 2022 in our pessimistic scenario.

As of April 2021, the International Monetary Fund (IMF) estimated India's GDP to decline 8% in calendar year 2020. However, IMF forecast sharp recovery in calendar year 2021 at 12.5% due to lower base of 2020 and approved vaccines and policy measures.

Along with being one of the fastest growing economies in the world, as of 2019, India ranks fifth in the world in terms of nominal GDP and in terms of purchasing power parity, India is the third largest economy in the world following China and United States.

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



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
India	7.4	8	8.3	7	6.1	4.2	-8	12.5	6.9	6.8	6.7	6.6
China	7.3	6.9	6.8	6.9	6.7	6	2.3	8.4	5.6	5.4	5.3	5.1
Japan	0.4	1.2	0.5	2.2	0.3	0.3	-4.8	3.3	2.5	1.1	0.7	0.6
United states	2.5	3.1	1.7	2.3	3	2.2	-3.5	6.4	3.5	1.4	1.5	1.6
United kingdom	2.6	2.4	1.9	1.9	1.3	1.5	-9.9	5.3	5.1	2	1.8	1.5
Brazil	0.5	-3.5	-3.3	1.3	1.3	1.4	-4.1	3.7	2.6	2.1	2	2
Russia	0.7	-2	0.5	1.8	2.8	2	-3.1	3.8	3.8	2.1	1.8	1.8
South Africa	1.8	1.2	0.4	1.4	0.8	0.2	-7	3.1	2	1.4	1.3	1.3

Note: GDP growth is based on constant prices, Data represented is for calendar years, P: Projected

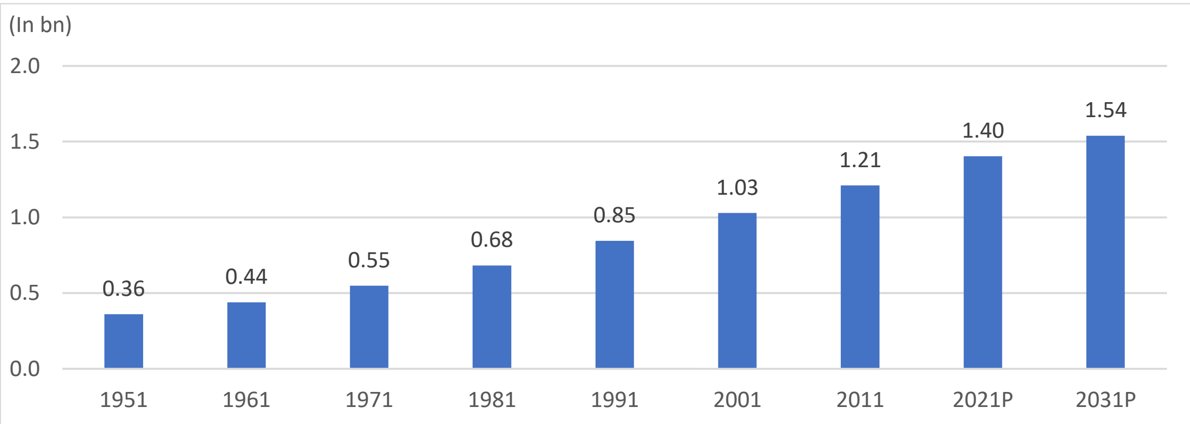
Source: IMF (World Economic Outlook - April 2021 update), CRISIL

Key growth drivers

India has world's second largest population

As per Census 2011, India's population was approximately 1.2 billion, and comprised nearly 246 million households. The population, which grew nearly 18% between 2001 and 2011, is estimated to have increased by 11% over the past decade, thereby touching 1.4 billion by 2021. The population is expected to reach 1.5 billion by 2031 and the number of households are expected to reach approximately 376 million over the same period.

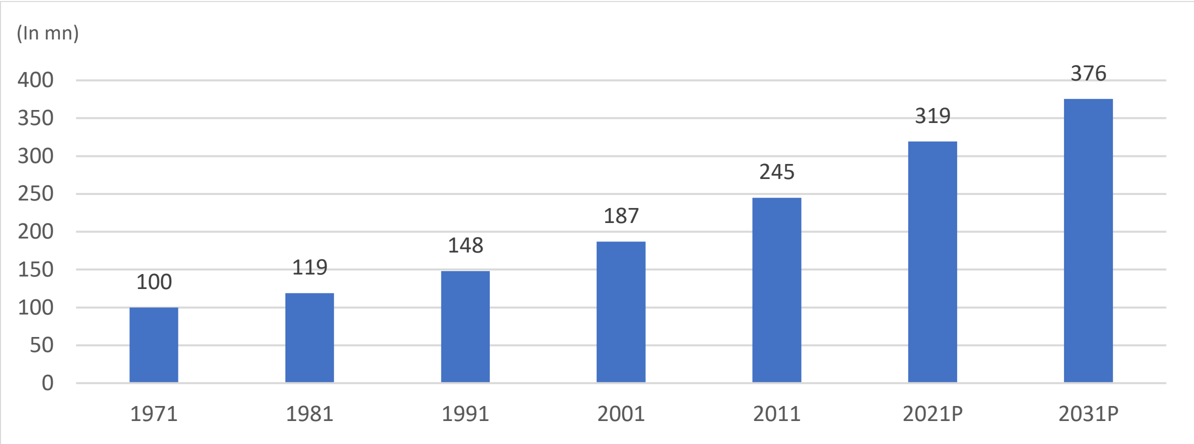
India's population growth trajectory



Note: P: Projected

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

Number of households in India



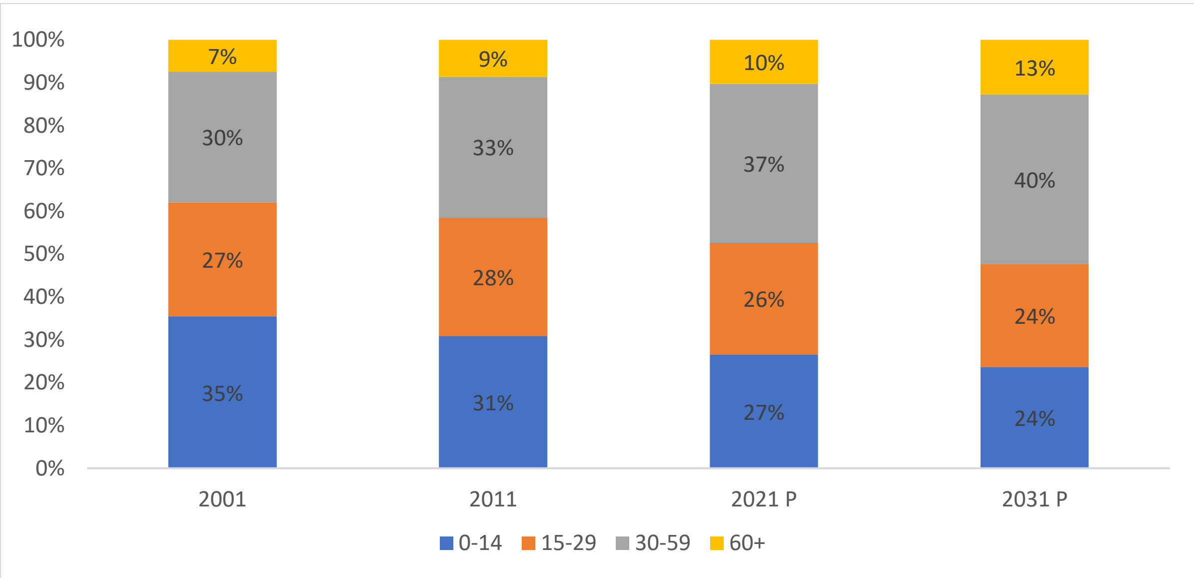
Note: P: Projected

Source: Census India, CRISIL Research

Favourable demographics

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

India's demographic dividend



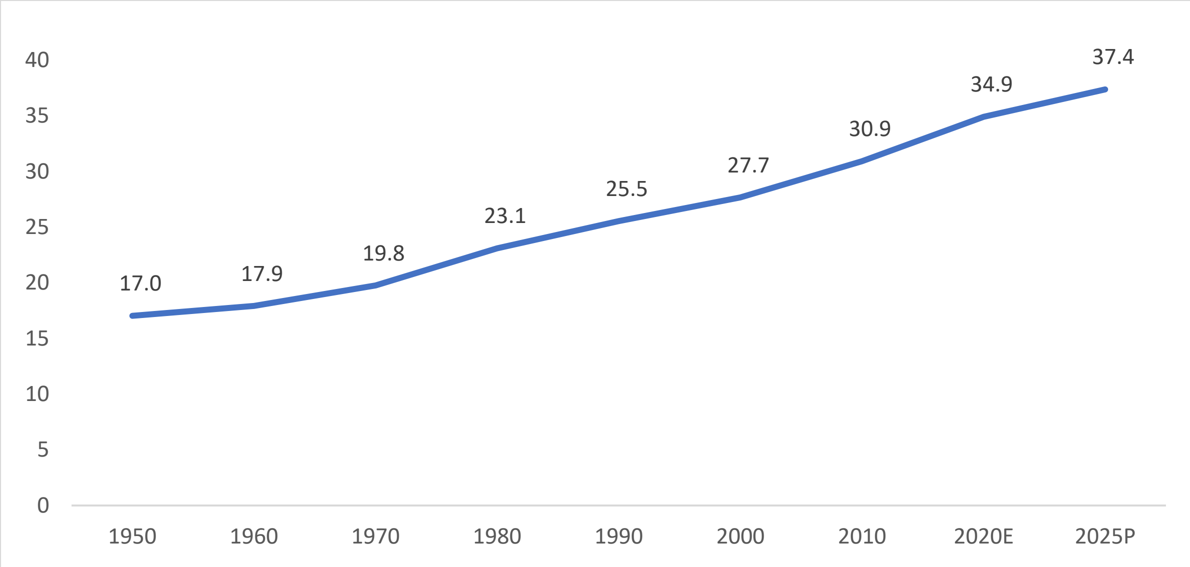
Note: P: Projected

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

Urbanisation

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

Urban population as a percentage of total population (%)



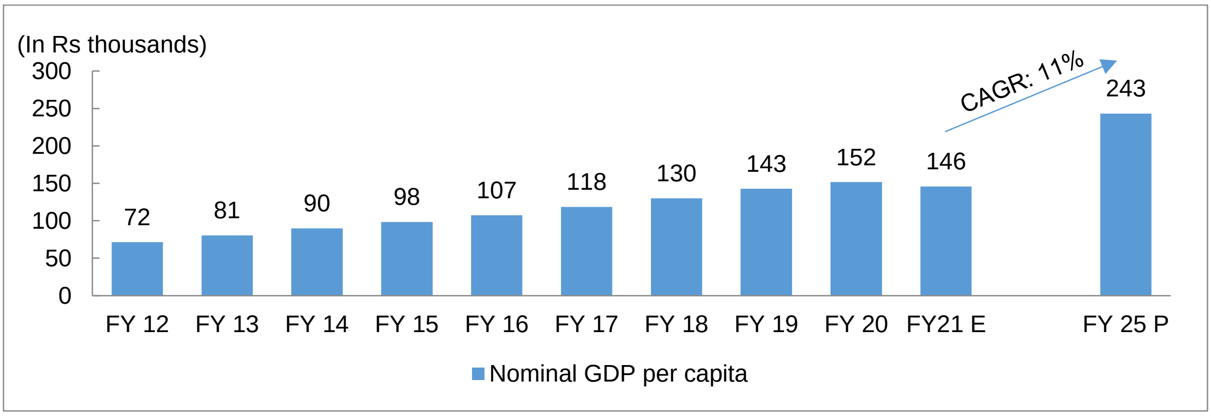
Note: P – projected E - Estimated

Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Increasing per capita GDP

Per capita income is estimated to have grown 3.1% in Fiscal 2020 compared with 5.8% in the preceding fiscal. The per capita income is forecast to improve gradually with pick up in GDP growth and sustained low inflation. This will be an enabler for domestic consumption. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at a CAGR of 6.7% from Fiscals 2020 to 2025.

Trend in Nominal GDP per capita



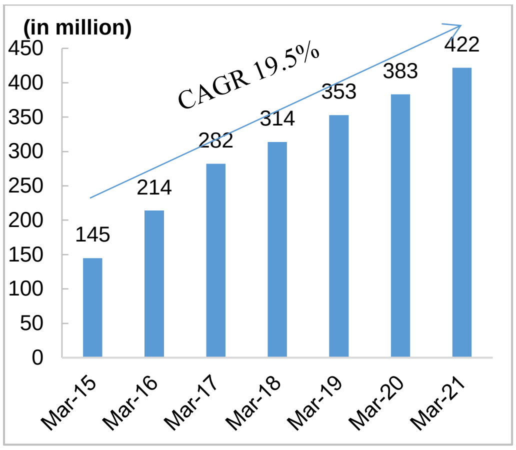
Note: E = Estimated; FY21 Nominal GDP per capita is based on estimated population; P: Projected

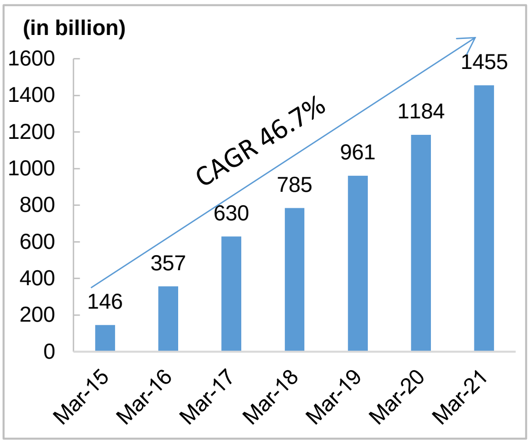
Source: MOSPI, World Bank, CRISIL Research

Financial penetration to rise with increase in awareness of financial products

With increasing financial literacy, mobile penetration, awareness and the Prime Minister's Jan Dhan Yojana ("**PMJDY**") bank accounts, there has been a rise in the participation of individuals from non-metro cities in banking. With more people attached to formal banking sector, the demand for financial products in smaller cities has seen a major uptick in recent years. Going forward, CRISIL Research expects financial penetration to increase on account of increasing financial literacy.

Number of PMJDY accounts **Total balance in PMJDY accounts**





Source: PMJDY; CRISIL Research

Digitisation aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role in the growth of the Indian economy, by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years, and among them, the Unified Payments Interface (“**UPI**”) plays a pivotal role towards financial inclusion. It provides a single-click digital interface across all system for smartphones linked to bank accounts and facilitates easy person-to-person transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI.

UPI usage data statistics

Period	No of banks live on UPI	Volume of transactions (million)	Amount of transactions (₹ in billion)	YoY growth in transactions (%)
FY17	49	18	69.47	NA
FY18	91	915	1,098.32	1,481%
FY19	142	5,353	8,769.70	698%
FY20	148	12,519	21,317.30	143%
FY21	216	22,331	41,036.53	93%

Source: National Payments Corporation of India (NPCI); CRISIL Research

Rural economy is becoming structurally far more resilient

The rural economy is far more resilient today due to two consecutive years of good monsoon, increased spends under MNREGA and irrigation programs, direct benefit transfer, the PM-Kisan scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These Government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services.

The Government has transferred more than ₹ 5.5 trillion in Fiscal 2021 through 318 schemes.

Details of Direct Benefit Transfer Schemes (Fiscal 2021)

Scheme Group Name	Total Direct Benefit Transfer (in Rs. Billion)	Total No. of transactions (in crores)
PAHAL	150.54	111.14
MGNREGS	672.18	47.55
NSAP	72.30	20.38
SCHOLARSHIP SCHEME	91.21	1.30
PMAYG	482.51	1.25
PDS	1,670.99	243.84
FERTILIZER	836.60	7.90
OTHERS	1,548.91	170.05
TOTAL	**5,525.27**	**603.43**

Source: DBT Bharat, CRISIL Research
Note:
PAHAL - Pratyaksh Hanstantrit Labh; MGNREGS – Mahatma Gandhi National Rural Employment Guarantee Scheme; NSAP – National Social Assistance Scheme; Scholarship Scheme - Scheme of National Fellowship for providing scholarships to Scheduled Caste students to pursue programmes in Higher Education; PMAYG – Pradhan Mantri Awaas Yojana Gramin; PDS – Public Distribution Scheme

Access to bare necessities across rural areas has improved considerably over the last few years

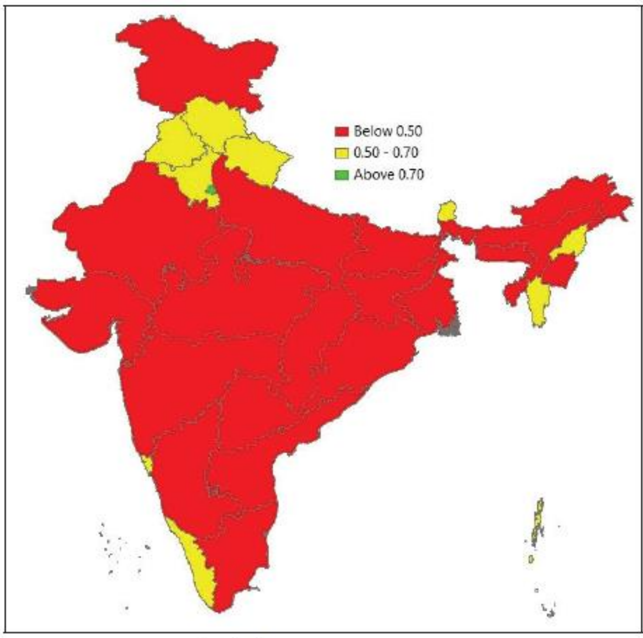
The bare necessities index (BNI), which was included as part of the Economic Survey for 2020-21, indicates how the access to bare necessities in semi-urban and rural areas has improved considerably in the last few years, thereby enhancing the quality of life and aspirations of the populace.

The BNI summarises 26 indicators on five dimensions, being water, sanitation, housing, micro-environment, and other facilities. The BNI has been created for all states for 2012 and 2018 using data from two NSO rounds (69th and 76th) on drinking water, sanitation, hygiene and housing conditions in India. The BNI indicates that access to the bare necessities has improved across all States in the country in 2018 as compared to 2012.

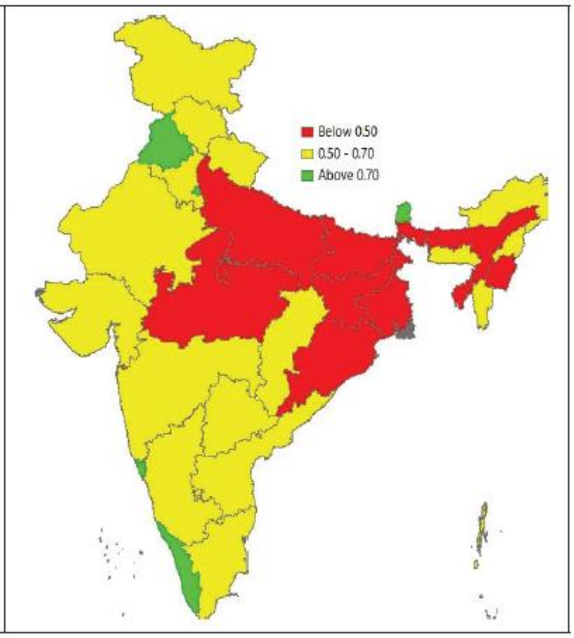
Furthermore, inter-state disparities in the access to bare necessities have declined in 2018 when compared to 2012 across rural and urban areas. This is because the states where the level of access to the bare necessities was low in 2012 have gained relatively more between 2012 and 2018. Access to the bare necessities has improved disproportionately more for the poorest households when compared to the richest households across rural and urban areas.

The below graphs indicate the state-wise values of BNI in 2012 and 2018 for rural areas. A higher value indicates better access to bare necessities in a state and vice-versa. The three colours, green, yellow and red, used in the maps show the level of a state in providing access to bare necessities to its households. Green (above 0.70) indicates high level, followed by yellow (0.50 to 0.70), which indicates medium level. In contrast, red (below 0.50) indicates very low level of access. The difference in colours in the map indicate the regional variation in the access to bare necessities for the households.

BNI for Rural India (2012)



BNI for Rural India (2018)



Source: Economic Survey 2020-21

The structural changes, combined with a positive macro environment, will improve rural business prospects, provide business opportunities for the banking and financial services sector and drive the long term growth of the economy.

Measures to counter the pandemic's onslaught on growth

The Monetary Policy Committee ("**MPC**") of the RBI slashed the repo rate by 115 basis points (bps) to address financial market stress in the wake of the pandemic and the subsequent lockdown. In an unusual move, the MPC also asymmetrically slashed the reverse repo initially by 90 bps and by another 25 bps and 40 bps subsequently. The repo and reverse repo rates now stand at 4.00% and 3.35%, respectively. To tide over any unwarranted volatility, the MPC also increased borrowing limits under the marginal standing facility ("**MSF**") of the liquidity adjustment facility window from 2% to 3%. The MSF rate now stands at 4.25% (down from 5.40%).

The RBI also announced a host of other measures to address financial market stress due to the pandemic / lockdown:

Reducing debt servicing burden through moratorium period: The RBI initially permitted lending institutions to allow a moratorium of three months on repayment of instalments for term loans outstanding as on March 1, 2020 and defer interest payments due on working capital facilities outstanding. The moratorium was further extended by another three months till August 31, 2020. However, the banks were instructed to provide 10% additional provisioning for availing this benefit, which could be later adjusted against the provisioning requirements for actual slippages. These measures are intended to boost confidence in the economy and provide relief to the borrowers.

Loan restructuring: The central bank constituted a committee which identified 26 sectors for restructuring which included aspects related to leverage, liquidity and debt serviceability to be factored by the lending institutions while finalising resolution plans for borrowers. In August 2020, the RBI came out with a one-time restructuring scheme for corporates under stress due to the pandemic. In a first, the restructuring option was extended to retail borrowers as well, facing stress in loan repayments due to salary cuts and job losses. However, only those borrower accounts would be eligible for resolution which were classified as standard, but not in default for more than 30 days with any lending institution as on March 1, 2020. Subsequently, with the objective of alleviating the potential stress on account of resurgence of COVID-19 pandemic in India, the RBI, in its circular dated May 5, 2021, in respect of individuals and small businesses, has announced set of measures which are broadly in line with the contours of the earlier Resolution Framework, with suitable modifications. Salient features of these measures are described under "*Measures during second wave of COVID-19*" below.

Enhancing liquidity: Apart from reducing repo and reverse repo rate, the RBI reduced the cash reserve ratio ("**CRR**") requirements of all banks by 100 bps to 3% of net demand and time liabilities ("**NDTL**"). Further, the minimum daily CRR balance maintenance was reduced to 80% from 90% till June 26, 2020. In view of the exceptionally high volatility in domestic financial markets, the RBI also increased MSF borrowing limit from 2% to 3% of bank's NDTL up to June 30, 2020.

Supporting financial market liquidity: The RBI initially announced targeted long-term repo operations (TLTROs) of up to three years' tenure for a total of up to Rs. 1 trillion. Liquidity availed under the scheme by banks had to be deployed in investment grade corporate bonds, commercial paper, and non-convertible debentures. Subsequently, TLTROs worth Rs. 500 billion were announced specifically for NBFCs and mutual fund institutions ("**MFIs**"), with 50% targeted towards small and mid-sized firms. Investments made by banks under this facility would be classified as held to maturity, and also be excluded under the large exposure framework.

Pushing credit growth: The RBI decided to postpone the implementation of net stable funding ratio to October 1, 2021 to encourage banks to lend in these challenging times. Deferring the last tranche of capital conservation buffer to October 1, 2021 was also a step in the same direction. The central bank also announced Rs. 500 billion refinancing facility for NABARD (Rs. 250 billion), SIDBI (Rs. 150 billion) and NHB (Rs. 100 billion) to increase credit availability to microfinance, micro, small and medium enterprises ("**MSMEs**") and the housing sector.

Addressing rupee volatility: Banks in India which operate International Financial Services Centre banking units have been allowed to participate in the Non-Deliverable Forward ("**NDF**") market with effect from June 1, 2020.

Measures during second wave of COVID-19: In May 2021, the RBI announced several measures to protect small and medium businesses and individual borrowers from the adverse impact of the intense second wave of COVID-19 across India. The RBI announced its Restructuring Framework 2.0, wherein individuals and MSMEs with an aggregate loan exposure of up to ₹ 250 million who have not availed restructuring under any of the earlier restructuring frameworks (including under the Resolution Framework 1.0 dated August 6, 2020), and who were classified as 'Standard' as on March 31, 2021, were allowed to restructure their loans. Restructuring under the proposed framework may be invoked up to September 30, 2021, and has to be implemented within 90 days after invocation. Further, for small businesses and MSMEs that had restructured earlier, banks and NBFCs have also been permitted, as a one-time measure, to review the working capital sanctioned limits, based on a reassessment of the working capital cycle and margins, etc. The RBI also permitted the modification of plans made under the Restructuring Framework 1.0, by increasing the period of moratorium and/or extending the residual tenor up to a total of 2 years. Additionally, the RBI incentivised small finance banks ("**SFBs**") to increase credit flow to small borrowers in two ways: (1) by opening a special long-term repo operation window of ₹100 billion for SFBs for extending loans of up to Rs. 10 lakhs to individuals and small businesses; and (2) by classifying on-lending by SFBs to small microfinance institutions with assets as less than ₹500 crore as priority sector lending. In June 2021, the RBI further enhanced the exposure limit for availing restructuring under the Restructuring Framework 2.0 from ₹50 million to ₹500 million.

'Aatmanirbhar' package is a timely relief amid the pandemic

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

Change in MSME definition: To bring in more enterprises under the ambit of MSMEs and the relief package being offered by the regulator, the Government revised the MSME investment limit across each category and introduced an alternate/additional criteria of turnover buckets to the definition. It further helped remove the difference between the definition of manufacturing based and services based MSMEs.

Collateral-free loans to MSMEs (Rs. 3 trillion): Banks and NBFCs are directed to offer up to 20% of entire outstanding credit to MSMEs. MSMEs with up to Rs. 250 million outstanding credits and Rs. 1 billion turnover are eligible for these loans. It will have four-year tenure with a moratorium of 12 months on principal payment and can be availed till October 31, 2020. The Government will provide complete credit guarantee cover to lenders on principal and interest amount.

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

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

Clearing MSME dues; guarantee scheme: The Government has requested central public sector enterprises to release all pending MSME payments within 45 days. It will boost transaction-based lending by fintech enterprises. Under the Emergency Credit Line Guarantee Scheme (ECLGS), banks will offer Rs. 3 trillion government guaranteed loans to MSME borrowers that are not non-performing assets (NPAs) to address short-term liquidity concerns and boost the MSME sector.

Global tenders disallowed up to Rs. 2 billion: The Government will not allow foreign companies in government procurement tenders of value up to Rs. 2 billion. This is likely to ease the competition faced by the MSMEs against foreign companies.

Loan interest subvention scheme (Rs. 15 billon): Under this scheme, the Government has provided 2% interest subvention for loans given under Mudra-Shishu scheme. These loans are up to the ticket size of Rs. 50,000 and are mostly given by NBFC-MFIs benefiting low income groups customers.

Special credit facility for street vendors (Rs 50 billon): The Government announced this scheme to facilitate easy access of credit to street vendors to offset the adverse effect of pandemic on their livelihoods.

'Aatmanirbhar 3.0' stimulus package rolled out to boost economy in November 2020

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

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

Stamp duty reduction in Maharashtra

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

Gujarat registered the highest GDP growth over past three fiscals in the top 20 states

GDP growth has been varied across states with Gujarat growing at the fastest rate of 9.1% CAGR in the last 3 fiscals ending FY20 followed by Bihar (8.7%) and Andhra Pradesh (7.4%), amongst the top 20 states/union territories in terms of absolute GDP in India.

As per the Ministry of Statistics and Programme Implementation ("**MOSPI**"), India's overall real GDP per capita at constant prices stood at Rs. 108,645 in Fiscal 2020. Compared with this, states such as Tamil Nadu, Maharashtra, Gujarat, Karnataka, Delhi, Haryana and Telangana have significantly higher real per capita income ("**PCI**") than other states as well as the PCI of the country.

States	Real per capita income (FY20) - Rs	Real GDP (FY20) - Rs Billion	GDP growth - CAGR (FY17-FY20)	Contribution to India's GDP
Delhi	2,54,001	5,790	3.1%	4.28%
Gujarat*	1,65,359	12,742	9.1%^	9.43%
Haryana	1,63,992	5,281	3.7%	3.91%
Uttarakhand*	1,58,919	1,997	6.0%^	1.48%
Tamil Nadu	1,56,389	13,394	6.6%	9.91%
Maharashtra*	1,52,566	21,341	5.7%^	15.79%
Karnataka	1,49,825	11,138	4.3%	8.24%
Kerala*	1,49,563	5,686	5.4%^	4.21%
Telangana	1,47,397	6,435	6.1%	4.76%
Andhra Pradesh*	1,13,927	6,688	7.4%^	4.95%
Punjab	1,09,839	3,862	2.3%	2.86%
Odisha	74,669	3,770	2.8%	2.79%
Rajasthan	72,297	6,432	1.9%	4.76%
Chhattisgarh	72,236	2,455	3.5%	1.82%
West Bengal*	71,757	7,932	6.7%^	5.87%
Assam*	62,796	2,488	7.2%^	1.84%
Madhya Pradesh	58,425	5,608	4.5%	4.15%
Jharkhand*	57,863	2,400	7.5%^	1.78%
Uttar Pradesh	41,023	10,926	1.9%	8.09%
Bihar*	31,287	4,150	8.7%^	3.07%

Note: (*) – As of FY20, (^) CAGR FY17 to FY20; Contribution to India's GDP is calculated by calculating state GDP as a percentage of India's total GDP (for states where GDP is as of FY20 share is calculated as a % of FY21 GDP of India); Top 20 states basis Real GDP and arranged basis their real per capita income.
Source: MOSPI, CRISIL Research

Among the top 10 states and union territories in terms of gross state domestic product, Delhi has the highest per capita income followed by southern states of Karnataka, Telangana, Tamil Nadu and Andhra Pradesh which contribute to 4.3%, 8.1%, 4.5%, 8.9% and 4.6% to India's GDP, respectively.

Amongst the few states for which data has been released, states showing an estimated positive growth include Tripura (5.9%), Goa (2.5%) and Tamil Nadu (2.0%) in GDP for Fiscal 2021 as against a decline of 7.3% in India's GDP, denoting that the state is expected to perform better even in the wake of COVID-19. Some states like Telangana (-1.3%), Karnataka (-2.6%), Chhattisgarh (-1.8%), Odisha (-4.9%), Madhya Pradesh (-3.4%), Himachal Pradesh (-6.2%), Haryana (-5.7%), Delhi (-5.7%), Punjab (-6.4%) and Rajasthan (-6.6%) too are expected to perform better than the overall India GDP performance in FY21. The southern states of Tamil Nadu, Karnataka, Andhra Pradesh and Telangana combined contribute to 26.1% of India' GDP. Given the higher level of industrialisation in these states and the higher per capita incomes, they are expected that they are better positioned to recover from the impact of COVID-19.

Data on deposits and credit growth for scheduled Commercial Banks ("**SCBs**") post the onset of COVID-19 pandemic indicates better performance from the southern region of the country. The southern region comprising of states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Kerala and union territories of Lakshadweep and Puducherry have shown the fastest growth in terms of deposits garnered by the SCBs. In terms of credit growth too, they have shown a growth of approximately 9.0%. Credit growth in the central region of the country has been faster but on a lower base.

Indicators of recovery from COVID-19 (y-o-y growth in % as of March 2021):

Region	Growth in Deposits of SCBs	Growth in Credit of SCBs
Southern	14.4	8.8
Andhra Pradesh	11.7	16.2
Lakshadweep	13.2	0.7
Karnataka	13.0	6.6
Kerala	11.5	6.7
Puducherry	13.4	13.0
Tamil Nadu	13.4	7.3
Telangana	24.4	10.0
Northern	14.2	1.9

Region	Growth in Deposits of SCBs	Growth in Credit of SCBs
Central	11.8	11.3
Western	11.0	3.2
Eastern	9.0	7.4

Source: RBI, CRISIL Research

The southern states (Tamil Nadu, Karnataka, Andhra Pradesh and Telangana) had a cumulative share of 36% as at the end of September 2020. From then on, these states have seen better recovery with the share of COVID-19 induced cases falling to 29% in December 2020 and 25% till April 4, 2021 across these four states. However, after the second wave, as of July 15, 2021, these states account for around a cumulative share of 34%. In terms of vaccination too, these four states combined accounted for 15.4% of the overall doses given to beneficiaries and account for 13.7% in the overall beneficiaries having availed both the doses of the vaccination drive as on April 4, 2021.

State-wise total COVID-19 cases progression:

S no	States	Sep-20		Dec-20		Mar-21*		Jul-21**	
		Total cases	Share in India	Total cases	Share in India	Total cases	Share in India	Total cases	Share in India
1	Maharashtra	8,08,306	21%	18,28,826	19%	30,10,597	24%	61,81,247	20%
2	Kerala	76,525	2%	6,08,358	6%	11,35,233	9%	31,03,310	10%
3	Tamil Nadu	4,33,969	12%	7,83,319	8%	8,99,807	7%	25,26,401	8%
4	Karnataka	3,51,481	9%	8,86,227	9%	10,15,155	8%	28,76,587	9%
5	Andhra Pradesh	4,45,121	12%	8,68,731	9%	9,07,676	7%	19,29,579	6%
6	Delhi	1,77,060	5%	5,74,380	6%	6,76,414	5%	14,35,281	5%
7	Uttar Pradesh	2,35,757	6%	5,45,545	6%	6,30,059	5%	17,07,585	6%
8	West Bengal	1,65,721	4%	4,86,799	5%	5,93,615	5%	15,14,708	5%
9	Rajasthan	83,159	2%	2,70,406	3%	3,39,325	3%	9,53,224	3%
10	Telangana	1,27,146	3%	2,69,767	3%	3,13,237	2%	6,33,895	2%
11	Odisha	1,06,561	3%	3,19,103	3%	3,42,695	3%	9,45,749	3%
12	Gujarat	97,745	3%	2,11,256	2%	3,18,438	3%	8,24,346	3%
13	Haryana	66,426	2%	2,35,997	2%	2,98,133	2%	7,69,383	2%
14	Madhya Pradesh	65,490	2%	2,07,485	2%	3,06,851	2%	7,91,594	3%
15	Punjab	55,508	1%	1,52,709	2%	2,51,460	2%	5,97,929	2%
	India Total	**37,64,894**		**94,98,425**		**1,25,89,067**		**3,09,87,880**	

Note: (*) Data as on April 4th, 2021; (**) Data as on July 15th, 2021

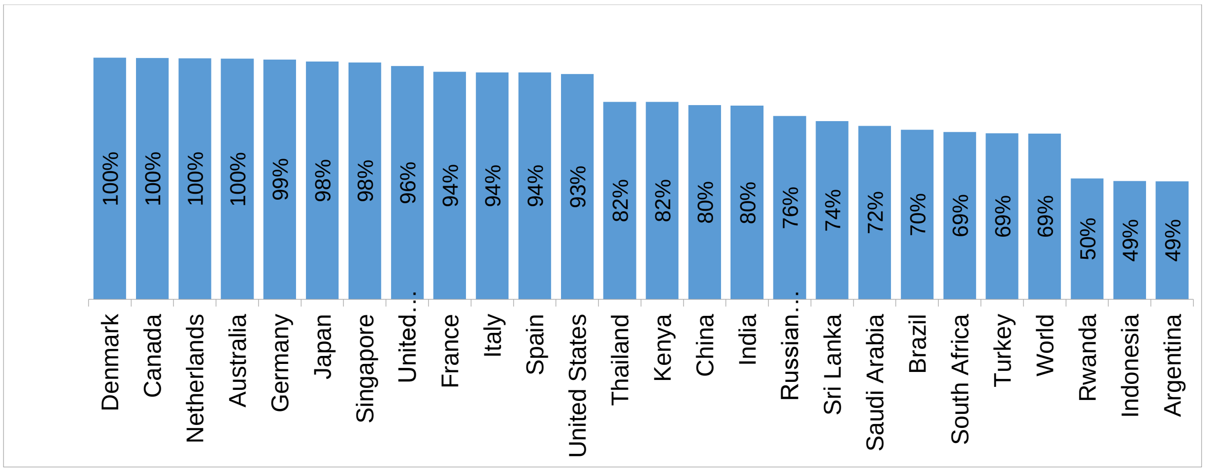
Source: MOHFW, CRISIL Research

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

PLI scheme to boost manufacturing in the long run: The government has budgeted approximately Rs. 2 trillion to give incentives to the locally manufacturing units to 13 key sectors. The key sectors likely to get benefit from the scheme include automobiles, pharma, telecom, electronics, food, textile, steel and energy.

Financial inclusion: India's financial inclusion has improved significantly in the past three years, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to 80% in 2017 with concentrated efforts by the government to promote financial inclusion and the proliferation of supporting institutions. That said the rise in the number of bank accounts has not translated into a corresponding increase in the number of transactions and fruitful usage of those accounts.

Adult population with a bank account (%): India vis-à-vis other countries (2016)



Note: 1. Global Findex data for India excludes the north-eastern states, remote islands and selected districts. 2. Account penetration is for the population of 15 years and above

Source: World Bank - The Global Findex Database 2017, CRISIL Research

GST implementation: Introduced on July 1, 2017, the GST is an indirect tax regime that subsumed multiple cascading taxes levied by the central and state governments. Its implementation has spawned structural changes in the supply chain and logistics network in the country. The GST regime has been stabilising fast and is expected to bring more transparency and increase in formalisation, eventually leading to higher economic growth.

Thrust on affordable housing: The residential real estate segment saw two policy changes – Real Estate (Regulation and Development) Act ("**RERA**") and GST, which had a direct impact on the sector's demand-supply dynamics. Consequently, new launches dropped sharply, with developers focussing on completing ongoing projects. The sector had been battling weak demand for the past couple of years, and one of the key reasons was unaffordability, as developers focussed on the middle and premium income-category projects. However, Government initiatives have prompted developers to explore affordable housing as a new area. Going ahead, about half of the incremental supply being added in urban stock is expected to be via affordable housing. Additionally, the formalisation of the industry is likely to bring in more transparency, leading to an increase in consumer demand.

In a major relief to the real estate sector, the government has extended the timelines of RERA projects by six months. Further, in affordable housing, it has extended the deadline to March 31, 2022, for first-time homebuyers to avail of an additional Rs. 150,000 interest deduction on home loans. During Fiscals 2020-24, CRISIL Research expects overall residential construction to increase at a CAGR of 6-7% in value terms compared with -1.5% in the past five years, primarily driven by the PMAY scheme.

The PMAY was launched in 2015 with a target of constructing 50 million new housing units by 2022, of which 30 million units are proposed to be constructed in rural areas (through PMAY-Rural or PMAY-G) and 20 million in urban areas (through PMAY-Urban or PMAY-U).

PMAY-U and G have been focused on providing affordable housing for lower income groups and economically weaker sections of households. The Government of India remains focused on the PMAY-U and G, and as of July 2021, construction of close to 18.5 million homes across urban and rural regions have been completed.

PMAY-U was launched with a target of building 11 million houses in urban areas across the country over seven years from 2016 to 2022. As of June 25, 2021, the progress under PMAY-U was as follows:

Houses sanctioned	11.24 million
Houses grounded for construction	8.27 million
Houses completed	4.95 million
Total investment	Rs. 7,140 billion
Central assistance released	Rs. 955.87 billion

Source: MOHUA, CRISIL Research

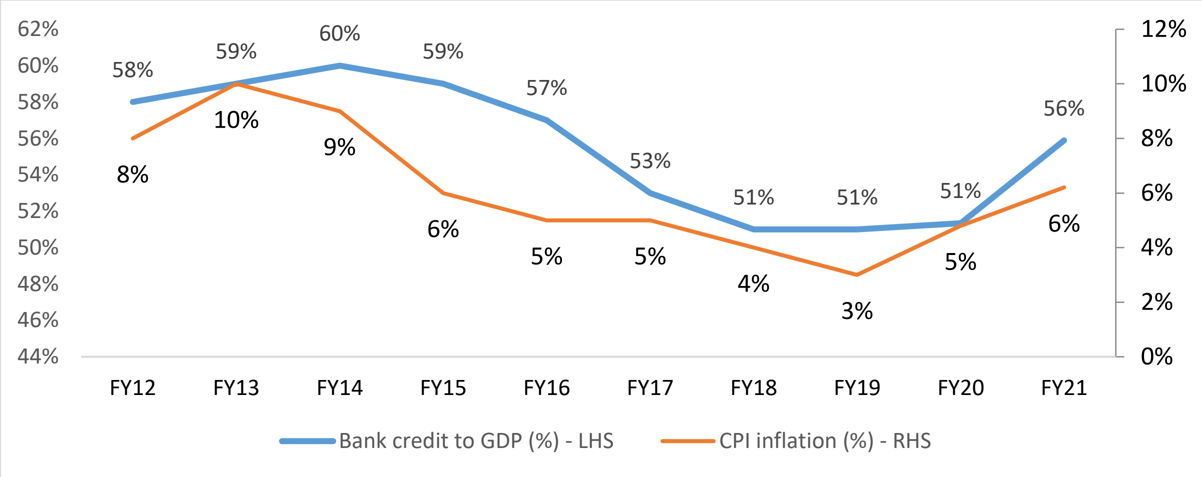
IBC a key long-term structural positive: The Insolvency and Bankruptcy Code ("**IBC**") is a reform that will structurally strengthen the identification and resolution of insolvency in India. The IBC enhances the credit enforcement structure and provides certainty around the timeframes for insolvency resolution. It attempts to simplify legal processes, preserve value for creditors and provide them with greater certainty of outcome. With this reform, the RBI has sent a strong signal to borrowers to adhere to credit discipline and also encourage banks to break resolution deadlocks by introducing definite timelines. IBC will enhance investors' confidence when investing in India.

Credit penetration in India

Increasing retail penetration to support credit growth: Household debt-to-GDP ratio measures the credit penetration of the household sector in an economy. India ranks one of the lowest in this parameter. However, this ratio has been rising with increase in formalisation, rise in income levels, and improving banking penetration in the country. This is further supported by strong retail focus by banks, as this segment offers better risk-to-reward. CRISIL Research expects this pace to continue in medium term, given huge under-penetration in the segment, and supported by rapid growth in income levels.

Credit to GDP ratio to remain largely stable till Fiscal 2021: Credit to GDP ratio is expected to marginally increase in Fiscal 2021 in the wake of the economic slowdown and the intensifying pandemic in turn impacting the GDP. Given the heavy contingency upon the intensity, spread, and duration of the pandemic, economic recovery is expected to be weak in Fiscal 2021. Hence, banking credit growth is estimated to be at 2-3% in Fiscal 2021.

Trend in banking credit to GDP and CPI inflation



Source: RBI, CRISIL Research

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

Household savings to increase due to cut down in discretionary spending: India's slowing economy took a toll on much-needed savings too, with the savings rate touching a 15-year low, and household savings also falling. This has weakened India's macro-economic position which is already hobbled by low investment and rising external borrowing to fund capital needs. Household savings also declined as consumers spent more in purchasing durables and travelling. Indian households contribute to about 60% of the country's savings. But India remains favourable compared with emerging market peers such as Brazil.

According to World Bank, the savings rate, or the proportion of gross domestic savings ("**GDS**") in GDP in the Indian economy has trended down in the past decade. India's GDS peaked at 36.8% of GDP in Fiscal 2008 and dipped to 32.0% in Fiscal 2009. That was largely on account of a sharp slowdown in public savings, as the Government resorted to fiscal stimulus to address the external shock from global financial crisis ("**GFC**").

CRISIL Research expects India to continue being a high savings economy. However, household savings as a percentage of GDP has been sliding since Fiscal 2012, with its share in total savings falling significantly from 23.6% in Fiscal 2012 to 18.1% in Fiscal 2017. The household savings as % of GDP rose marginally to 19.3% in Fiscal 2018 and further to 19.6% in Fiscal 2020. CRISIL Research expects the household savings to increase further on account of expected decline in discretionary spending during the pandemic. However, the absolute amount of savings might not increase at the same pace since the GDP growth is expected to be negative in Fiscal 2021.

Gross Fixed Capital Formation (GFCF) by Indian household sector in dwellings, buildings and other structures is on the rise as against other organizations

On the investment front, the share of fixed investments in dwellings, buildings and other structures has been falling from 57% of the total GFCF in FY15 to 48% in FY20. Out of these, the household sector is the highest contributor accounting for 49% of the overall GFCF in dwellings, buildings and other structures in Fiscal 2020. These levels have shown a gradual rise to Rs. 2.26 trillion in Fiscal 2020 from Fiscal 2015 when the overall GFCF in dwellings, buildings and other structures was Rs. 1.87 trillion.

Gross Fixed Capital Formation by asset

Parameter (Rs Cr.)	FY15	FY16	FY17	FY18	FY19	FY20
GFCF	32,78,096	34,92,183	37,87,568	40,83,079	44,86,205	47,30,416
Dwellings, Other buildings & Structures	18,71,193	18,45,551	19,24,840	20,21,471	22,21,975	22,65,212
Machinery & equipment	11,00,577	12,51,045	13,89,157	16,15,278	17,79,284	18,66,816
Cultivated biological resources	7,118	8,447	9,474	5,910	5,223	5,355
Intellectual property products	2,99,208	3,87,139	4,64,097	4,40,421	4,79,723	5,93,035

Source: National Account Statistics 2021, MOSPI, CRISIL Research

Gross Fixed Capital Formation in dwellings, buildings and other structures by various institutional sectors

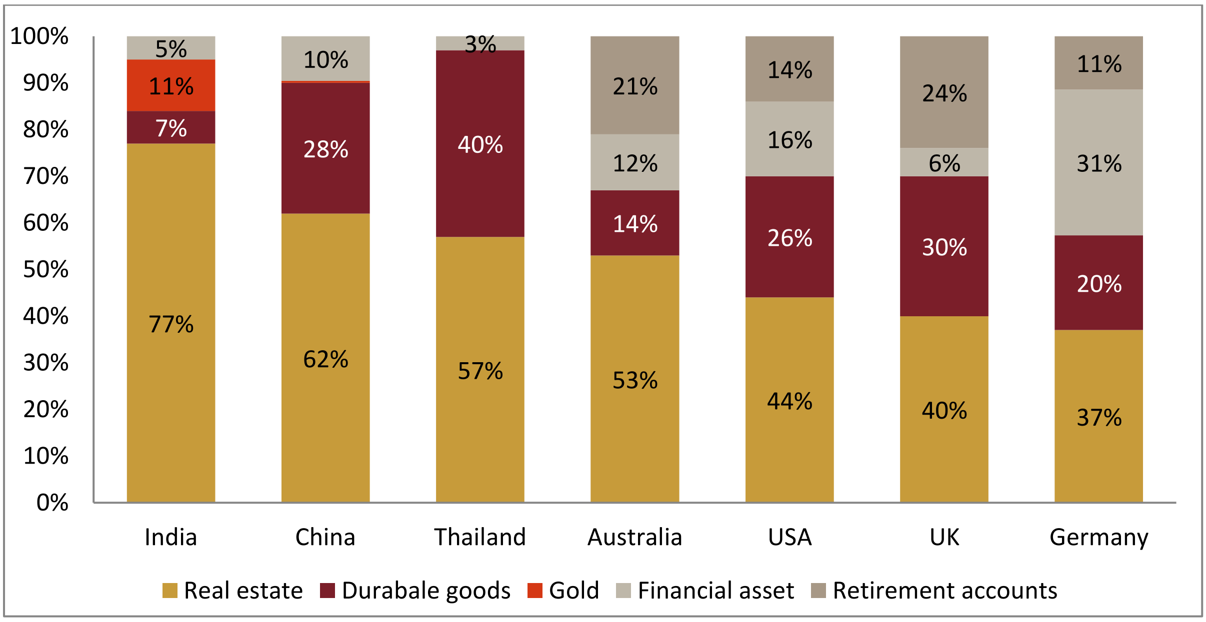
Institutional Sector (Rs Cr.)	FY15	FY16	FY17	FY18	FY19	FY20
Public Non-Financial Corporations	1,55,775	2,03,120	1,89,414	2,29,150	2,76,178	2,44,909
Private Non-Financial Corporations	3,19,320	3,96,341	3,77,062	3,72,103	3,75,871	3,97,173
Public Financial Corporations	1,614	3,399	4,008	3,853	5,599	5,728
Private Financial Corporations	10,660	13,727	11,237	4,843	10,917	17,760
General Government	2,97,419	3,56,739	4,00,515	4,02,071	4,16,513	4,86,931
Household Sector	10,86,405	8,72,225	9,42,604	10,09,451	11,36,897	11,12,711
Total	**18,71,193**	**18,45,551**	**19,24,840**	**20,21,471**	**22,21,975**	**22,65,212**

Source: National Account Statistics 2021, MOSPI, CRISIL Research

Housing scenario in India

Indian household investment in Real estate: As per the RBI housing finance committee report, the average Indian household holds 77% of its total asset in real estate which includes residential buildings, buildings used for farm and non-farm activities, constructions such as recreational facilities, and rural and urban land. The remaining 23% of its total asset invested in gold, other durable goods and financial assets. The average Chinese household has a relatively lower share of real estate to 62%.

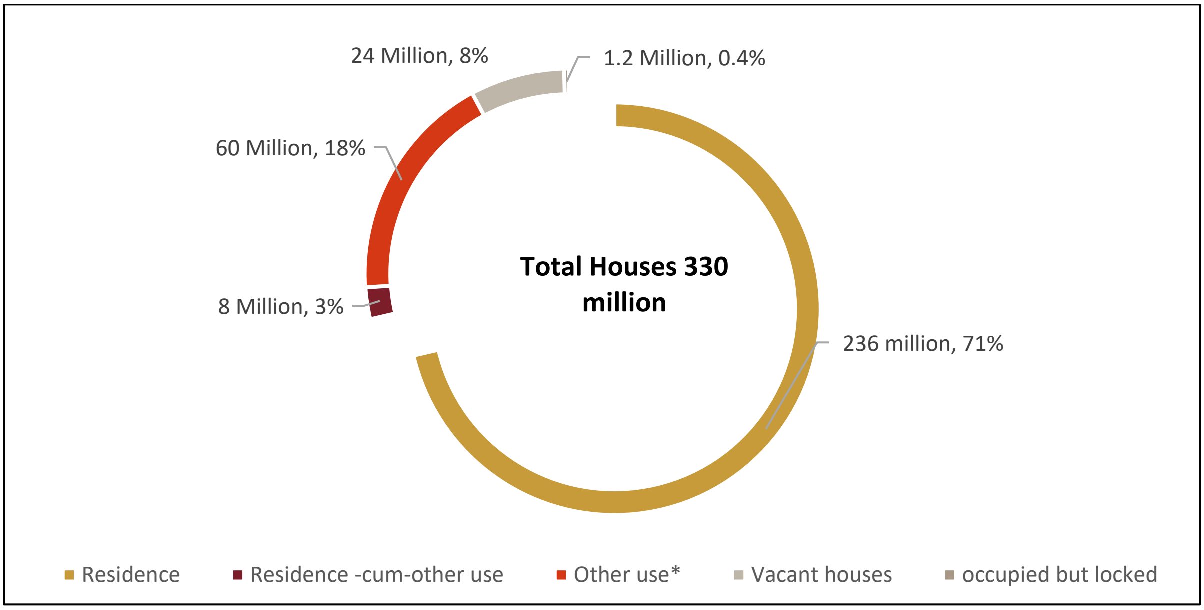
Composition of Household investment in different asset class



Source: Housing finance committee Report 2017 (RBI), CRISIL Research

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

Housing stock in India

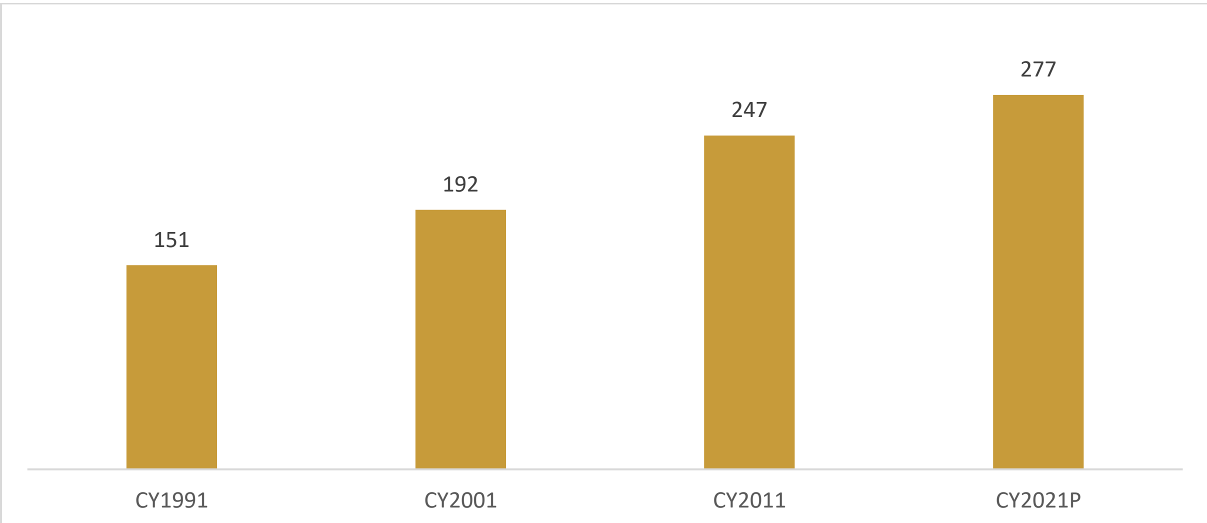


**Other use – Shop, Office, School, College, Hotel, lodge, guest house, hospital dispensary, Factory, workshop, work shed, place of worship, etc.*

Source: Census 2011, CRISIL Research

As per Census 2011, the number of households increased from 192 million in 2001 to 247 million as of 2011, at a CAGR of 1.3%. During the same period, housing stock (Residence + Residence-cum-other use) increased from 187 million (2001) units to 245 million (2011). Out of these 245 million units, about 61 million units are obsolete, very congested or non-serviceable. It is expected that the number of households will increase to 277 million units at a CAGR of 1.2% during the period.

Increment in households (in million units)



P: Projected

Source: Census 2011, CRISIL Research

As per 2011 census, India has a total of 449,787 homeless households which consisted of population of 1.8 million which is around 0.2% of total households in India. 57% of homeless households reside in urban areas of country.

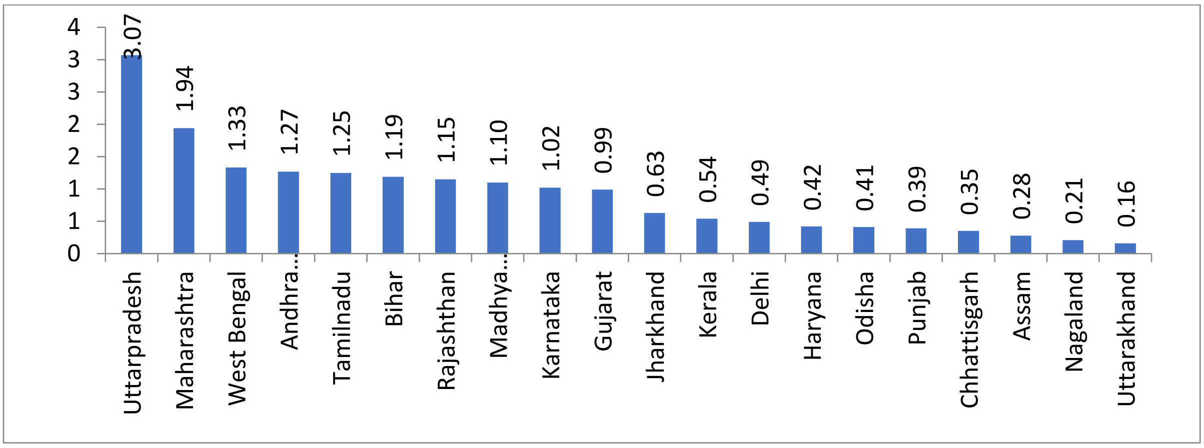
Estimated shortage and requirement of ~100 million houses by 2022

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

Distribution of Urban Housing shortage across major States

Housing shortage across major states is highly skewed towards few states. As per twelfth five-year plan, the top 5 states accounted for approximately 47% and top 10 states accounted for approximately 76% of the urban housing shortage. Uttar Pradesh has a housing shortage of over 3 million, followed by Maharashtra (1.94 million), West Bengal (1.33 million), Andhra Pradesh (1.27 million) and Tamil Nadu (1.25 million). The migration from Rural to urban places are putting strain on the urban infrastructure. The affordable housing could be the way to reduce the housing shortage.

State-wise urban housing shortage in India (2011)



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

Source: Report of the Technical Urban Group on Urban Housing Shortage (TG-12), CRISIL Research

Comparison between renting and purchasing a house

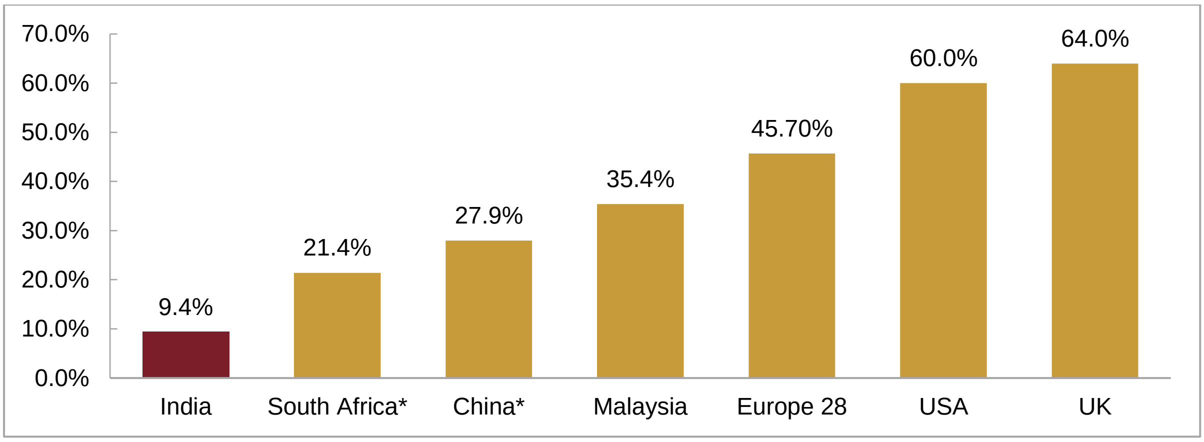
From the end-user perspective, it may be difficult to choose between owning and renting a house, as each option has its own advantages and disadvantages. In terms of the monthly monetary outlay, renting a house initially appears to be cheaper than buying a house, as the monthly rent payable is likely to be lower than the equated monthly instalment ("**EMI**") payable under a mortgage for the purchase of a house. Further, unlike a tenant, a homeowner may have to incur maintenance costs. Additionally, renting has benefits such as greater flexibility of relocation, tax benefits on the house rent allowance component (for salaried individuals) and the possibility of residing in a higher-quality house for lower monthly expense.

On the other hand, owning a home may provide the end-user with a sense of satisfaction and pride. The purchasers may also be able to benefit from tax exemptions Additionally, homeowners may benefit from any capital appreciation in their property value. Also, the perception of 'settling down' has been linked to buying a house. In comparison, unlike home ownership, a lease may be terminated or may expire without renewal, or the rent payable may increase, resulting in the individual having to relocate. In this regard, an individual's experiences during the COVID-19 pandemic may possibly influence her decision to own a home instead of renting one.

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

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

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



Note: (*) – As of CY17, Europe 28 includes the 28 European Union Member states as on December 2018

Source: HOFINET, European Mortgage Federation, NHB, CRISIL Research

Trend in Mortgage to GDP ratio of different countries

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
India	6.2%	6.6%	6.1%	5.5%	6.3%	6.6%	6.9%	7.7%	7.5%	8.7%	9.4%
South Africa	45.4%	33.2%	29.7%	23.3%	24.0%	21.3%	21.2%	18.1%	22.0%	21.4%	NA
China	11.6%	11.8%	14.5%	14.1%	14.1%	15.5%	16.6%	18.4%	23.0%	27.9%	NA
Malaysia	28.2%	35.0%	33.9%	31.7%	34.7%	35.0%	36.1%	33.6%	37.4%	42.5%	35.4%
USA	82.7%	75.9%	80.1%	72.8%	68.8%	66.3%	63.8%	62.7%	61.5%	61.2%	60.0%
UK	78.2%	80.2%	77.1%	74.2%	73.3%	71.3%	69.0%	68.7%	67.3%	67.0%	64.0%

Note – NA – Not available. The above data is as per calendar year.

Source – HOFINET, Peoples Bank of China, IMF, National Mortgage Corporation of Malaysia, NHB, CRISIL Research

Trend in Mortgage to GDP ratio of various Indian states

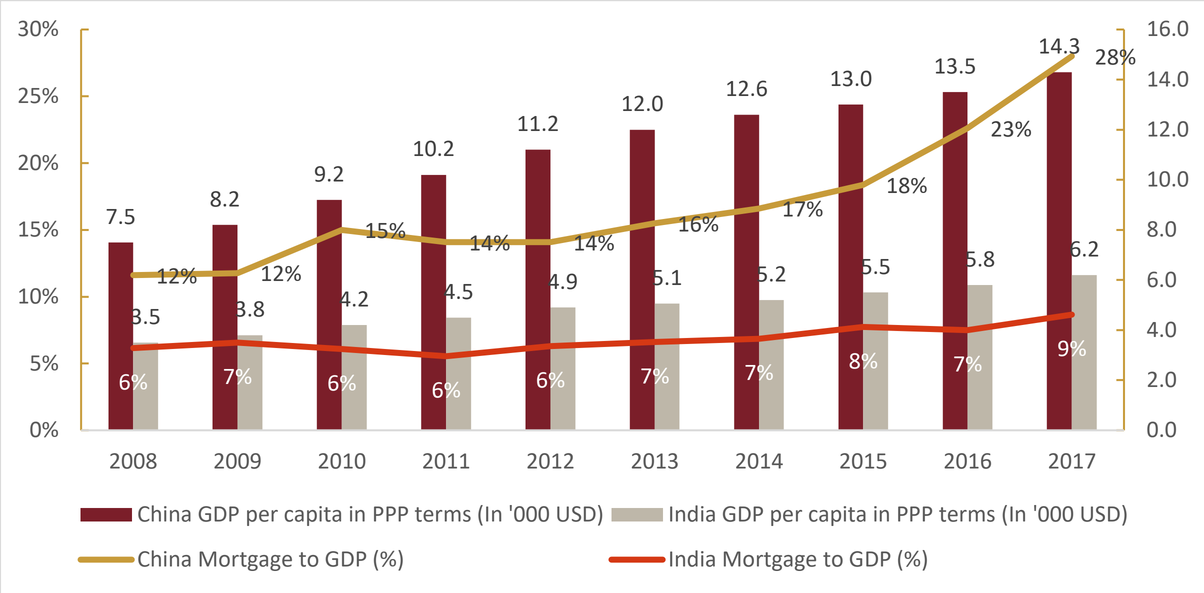
States	FY16	FY17	FY18	FY19	FY20
Maharashtra	14%	14%	16%	16%	NA
Tamil Nadu	7%	6%	7%	7%	7%
Karnataka	11%	10%	11%	11%	11%
Uttar Pradesh	12%	10%	12%	12%	12%
Gujarat	7%	8%	9%	10%	NA
West Bengal	5%	5%	5%	6%	6%
Rajasthan	6%	6%	7%	7%	7%
Andhra Pradesh	7%	7%	8%	9%	10%
Telangana	11%	11%	12%	13%	13%
Delhi	7%	6%	7%	7%	7%

Note: Mortgage includes only home loans data

Source – Experian, MOSPI, CRISIL Research

Rise in per capita income to drive the growth of mortgage penetration in India

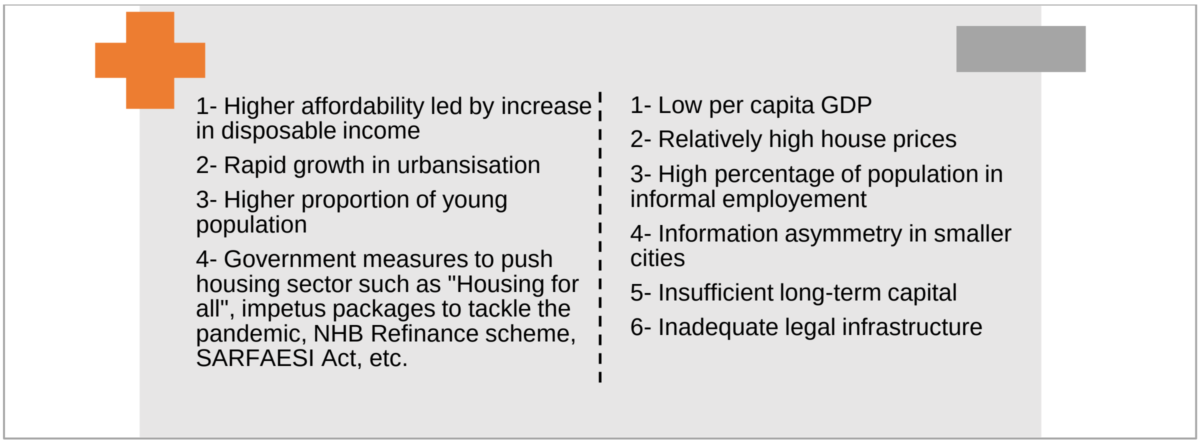
The mortgage penetration in China is correlated to the GDP per capita of the country and the GDP-to-mortgage ratio of China has grown from 12% in 2008 to 26% in 2017. The per capita income of the country has increased from USD 7,900 in 2008 to USD 15,300 in 2017. India has gone through a similar trajectory with mortgage penetration in the country increasing from 6% in 2008 to 9% in 2017 which 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 close to 15% by Fiscal 2024.



Source – HOFINET, Peoples Bank of China, World Bank, CRISIL Research

Factors affecting mortgage-to-GDP ratio in India

Mortgage penetration in India is far 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, favourable demographics and government measures will lead to higher mortgage penetration going forward.



Source – CRISIL Research

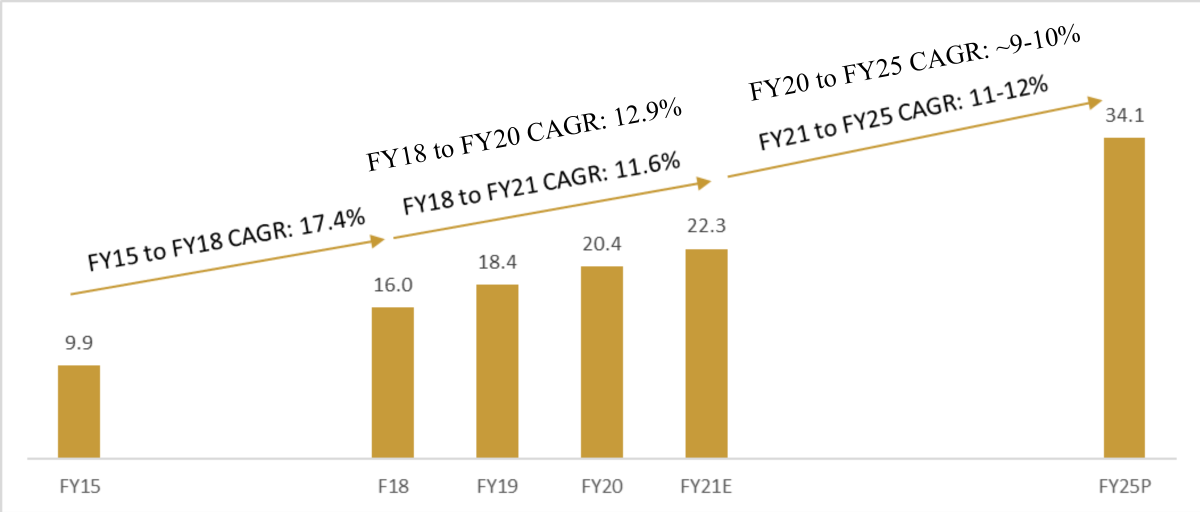
Availability of multiple financing options as well as benefits on taxation: Buying a house on loan comes with multiple tax benefits in the form of deduction for interest paid on housing loans, deduction in respect of interest paid towards home loan during pre-construction period, deduction on principal repayment, deduction for stamp duty and registration charges, and additional tax deduction on interest payment on home loans. With host of such benefits, attracting the home buyers with other sops like stamp duty exemption, the mortgage penetration is expected to increase. In addition, the option of availing home loans, flexible EMI payment options, longer payment tenures, lower rates of interest on mortgage loans are some of the other factors that will aid increase in mortgage penetration.

Indian housing finance market

Overall housing finance market to log a CAGR of 11-12% in the long term

The Indian housing finance market clocked a healthy CAGR of approximately 12% (growth in loan outstanding) over Fiscals 2018 to 2021 on account of a rise in disposable income, healthy demand emanating from smaller cities and markets, attractive interest rates and government impetus on housing. In the past also, the housing finance market has shown secular growth with outstanding loans increasing from Rs. 9.9 billion as of FY15 to Rs 16 trillion as of FY18, translating into a CAGR of 17.4%.

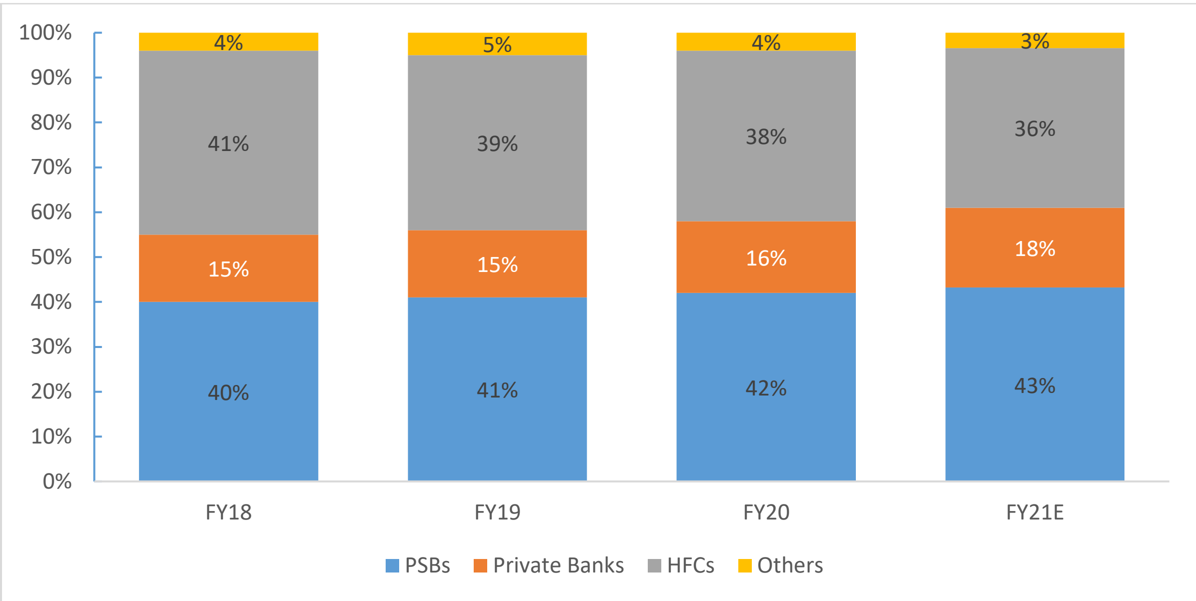
Growth in housing loans outstanding (Rs trillion)



Note: E = Estimated; P- Projected

Source: Company reports, RBI, CRISIL Research

Player group wise share in home loans outstanding



Note: E = Estimated; The above classification of player groups is done as per RBI. Others primarily include foreign banks, NBFCs (excluding HFCs), Regional Rural Banks (RRBs), Small Finance Banks (SFBs) and cooperative banks.

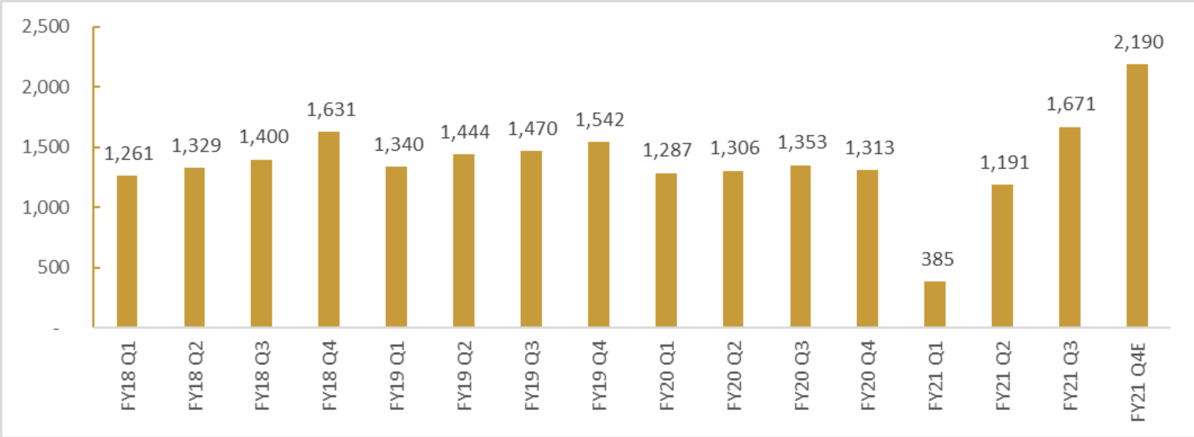
Source: Experian, CRISIL Research

Total home loans outstanding in the country is estimated at approximately Rs. 22.3 trillion as of March 2021, approximately double the amount five years back. Growth slowed down somewhat from the earlier years in Fiscals 2019 and 2020 in the wake of sluggish growth of HFCs post the IL&FS crisis and economic slowdown, respectively in addition to the tighter liquidity conditions faced by the NBFCs and HFCs.

However, the latent demand for housing in India remains strong, given the vast housing shortage in India and the psychological comfort provided by owning a house post the uncertainty created by the COVID-19 pandemic. With low disbursements and low repayments in the first half of Fiscal 2021, growth of housing loans outstanding of HFCs and NBFCs was low at 1% to 3% on-year as on September 2020 as compared to March 2020. Sharp revival of the economy subsequently propelled an increase in disbursements to all-time highs in the third and fourth quarters of Fiscal 2021, with disbursements even crossing the quarterly averages of Fiscal 2020. CRISIL Research expects the home loan market to bounce back more strongly in the long term and grow at 11-12% CAGR in between Fiscals 2021 and 2025.

Home loan enquiries have increased post the first quarter of Fiscal 2021 on the back of pent up demand, reduced interest rates and attractive schemes provided by developers and have continued the trend in the third quarter as well. There is some demand for balance transfers of existing loans as well due to the attractive home loan rates. Home prices too have seen a drop in some markets, and this, along with steps taken by state governments such as reduction in stamp duty for homes registered during a certain period, has made home buying more attractive for consumers. However, the players are still a little cautious in retail lending and have become conservative in customer selection. The approval rates are below the pre-COVID-19 levels but are better than in the previous months this fiscal.

Home loans disbursements have grown post the first quarter into the pandemic (Rs billion)



Note: E = Estimated

Source: Experian, CRISIL Research

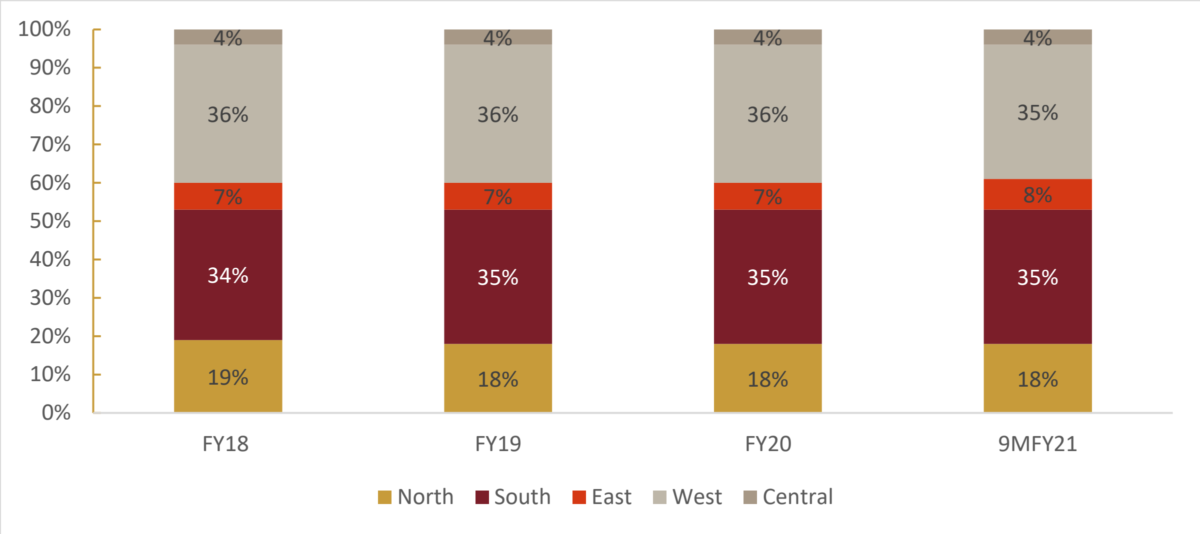
Share of top 15 states in housing loan outstanding

The housing loan market remains fairly concentrated in top 15 states which account for ~92% of the loan outstanding as of March 2020. Maharashtra tops with the overall share of 23% followed by Karnataka (10%), Tamil Nadu (10%), Gujarat (8%) and Uttar Pradesh (6%). Cumulatively, the top four states account for half (50%) of the housing loans outstanding as of March 2020. Within these, out of the top 7, 4 of the states are from the southern region of the country.

States	FY18	FY19	FY20	9MFY21
Maharashtra	24%	23%	23%	23%
Karnataka	10%	10%	10%	9%
Tamil Nadu	10%	9%	10%	9%
Gujarat	8%	8%	8%	8%
Uttar Pradesh	6%	6%	6%	6%
Telangana	6%	6%	6%	6%
Andhra Pradesh	4%	4%	5%	5%
Kerala	4%	4%	4%	4%
Delhi	4%	4%	4%	4%
Rajasthan	3%	4%	4%	4%
Haryana	4%	4%	3%	4%
West Bengal	3%	3%	3%	4%
Madhya Pradesh	3%	3%	3%	3%
Punjab	2%	2%	2%	2%
Bihar	1%	1%	1%	1%

Source: Experian, CRISIL Research

South and West India contributes to ~70% of total home loan outstanding as of 9MFY21



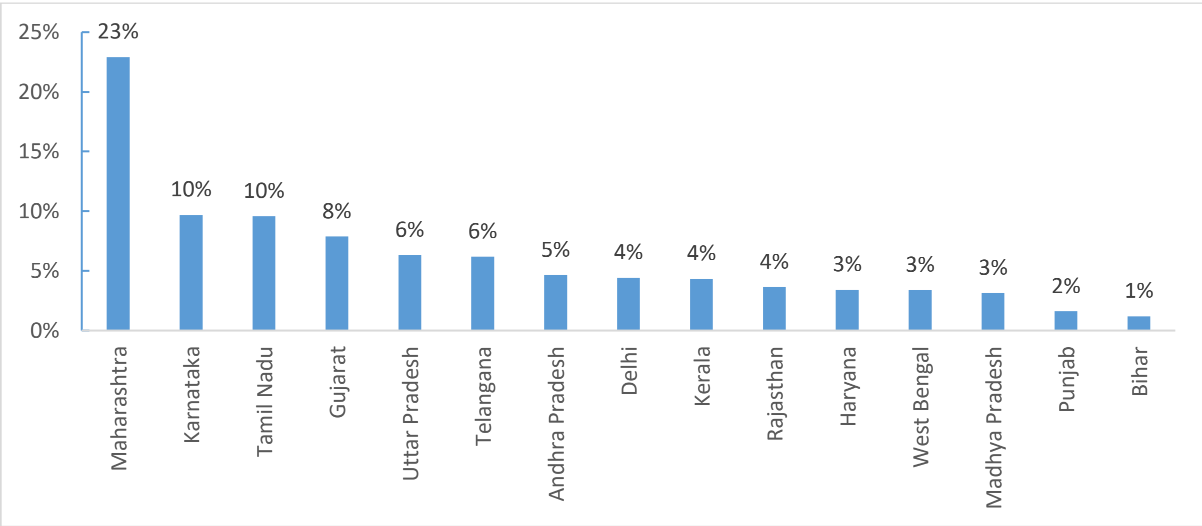
Source: Experian, CRISIL Research

Top 15 states accounts for more than 90% of overall housing finance outstanding

The size of the housing finance market in a state is strongly linked to its level of GDP and economic growth. The top 8 states viz. Maharashtra, Karnataka, Tamil Nadu, Gujarat, Uttar Pradesh, Telangana, Andhra Pradesh, and Delhi account for ~70% of the overall housing loans outstanding in the country. Going forward also, we expect these markets to continue to drive the industry volumes, given the sheer population in these states and the level of industrial activity. Increasing upcoming supply into mid ticket size segments and strong progress in PMAY houses sanctioned/ completed are also key factors that will support growth. Furthermore, players are also likely to focus more on markets that exhibit relatively lower delinquency trends compared to other markets.

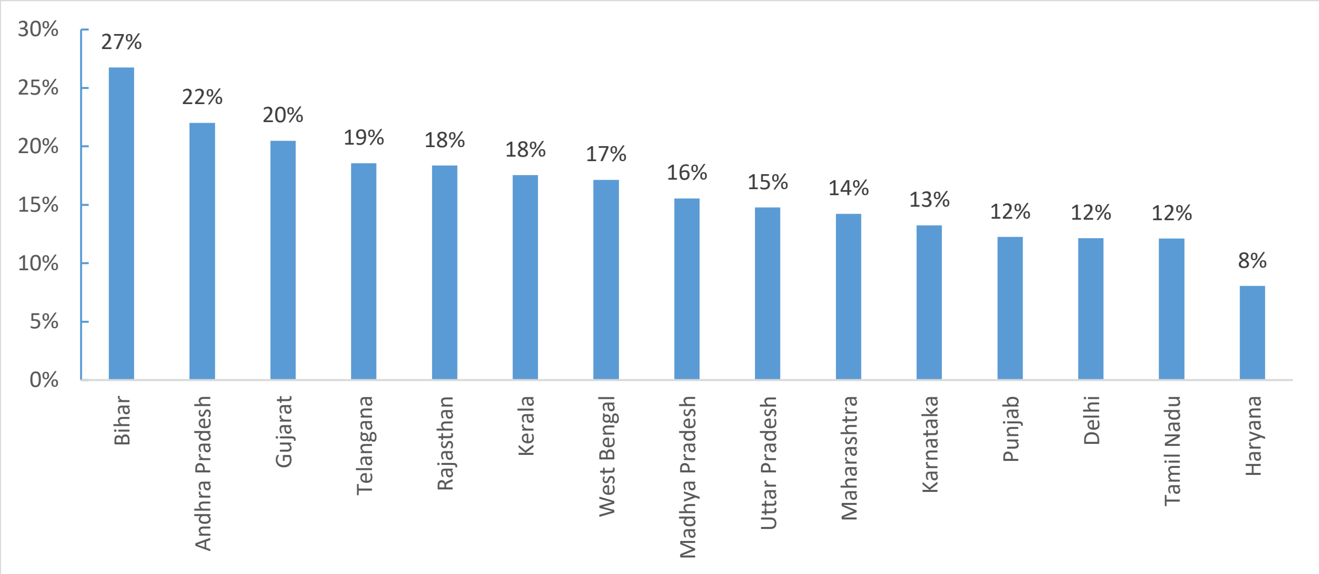
Amongst the top 15 states, Bihar recorded the fastest CAGR (FY16 to FY20) of 27% in housing loans growth, followed by Andhra Pradesh at 22%. In terms of asset quality, Telangana had the lowest GNPA ratio of 0.9% as of fiscal 2020, followed by Andhra Pradesh (1.3%), Rajasthan (1.5%) and Gujarat (1.8%) as of March 2020. States like Maharashtra, West Bengal, Tamil Nadu and Kerala had GNPA ratio of around 2.3-2.5% during the same period.

Share of various states in overall housing finance outstanding



Note: As of Fiscal 2020
Source: Experian, CRISIL Research

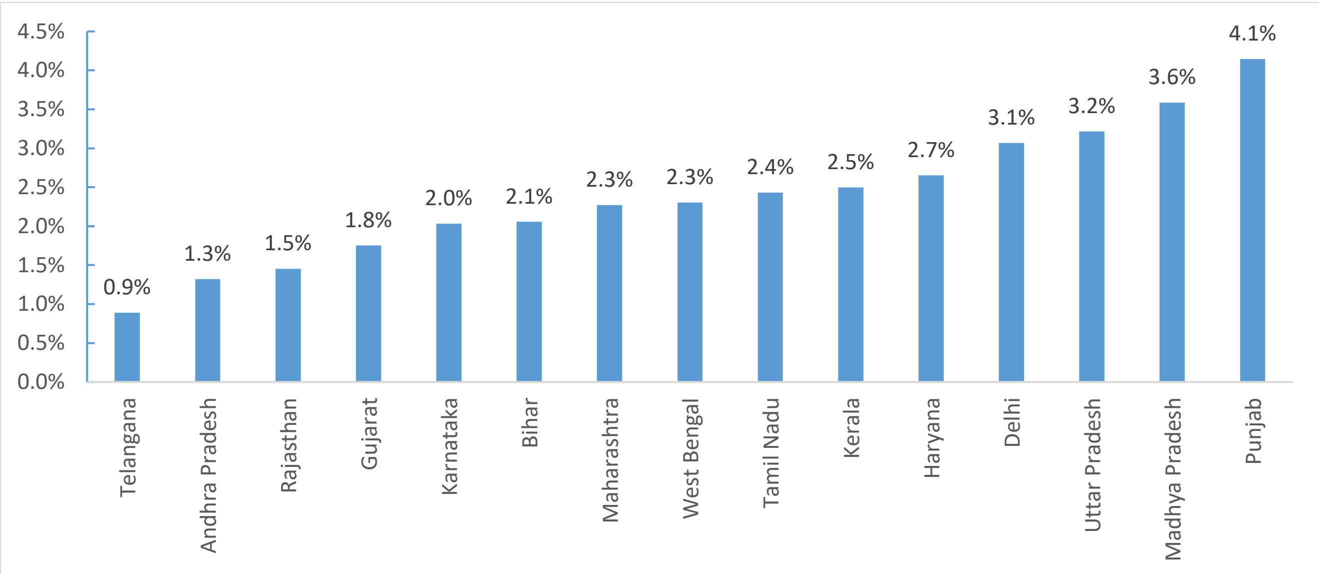
Bihar and Andhra Pradesh record the fastest growth (FY16-FY20) amongst the top 15 states



Note: FY16 to FY20 CAGR growth

Source: Experian, CRISIL Research

Andhra Pradesh ranks second in terms of GNPA ratio as of Fiscal 2020



Note: As of Fiscal 2020

Source: Experian, CRISIL Research

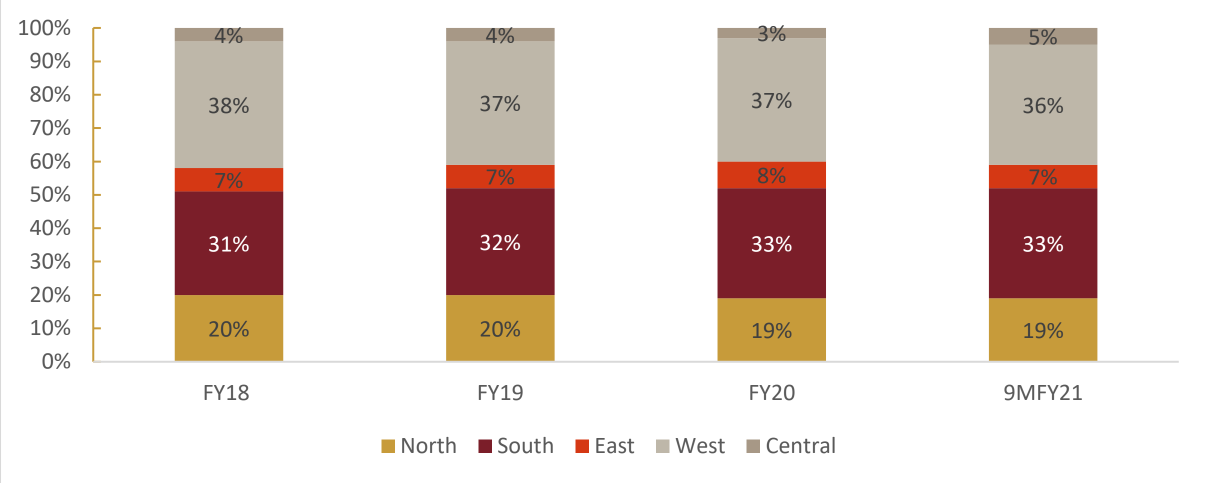
Top 15 states also contribute to ~93% of loan disbursements as of Fiscal 2020. Maharashtra tops with the overall share of 24% followed by Karnataka (9%), Gujarat (8%), Tamil Nadu (8%) and Uttar Pradesh (6%). This indicates that home loan disbursements in the bigger states are higher than the rest of India. As of 9MFY21, the top-15 states contributes to ~93% of overall home loan disbursements. Within these, out of the top 7, 4 of the states are from southern region of the country.

States	FY18	FY19	FY20	9MFY21
Maharashtra	25%	24%	24%	23%
Karnataka	9%	9%	9%	10%
Gujarat	9%	8%	8%	8%
Tamil Nadu	8%	8%	8%	8%
Uttar Pradesh	6%	6%	6%	7%
Telangana	6%	6%	7%	6%
Andhra Pradesh	4%	4%	5%	5%
Haryana	4%	4%	4%	4%
Rajasthan	4%	4%	4%	4%

States	FY18	FY19	FY20	9MFY21
Delhi	5%	6%	5%	4%
Kerala	4%	3%	4%	4%
West Bengal	3%	3%	4%	3%
Madhya Pradesh	3%	3%	3%	3%
Punjab	2%	2%	2%	2%
Bihar	1%	1%	1%	1%

Source: Experian, CRISIL Research

South and West India contributes to ~70% of total home loan disbursement during 9MFY21

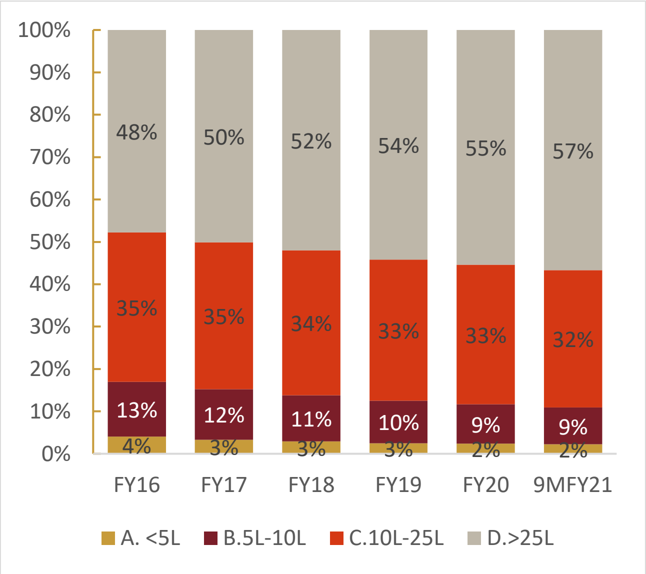


Source: Experian, CRISIL Research

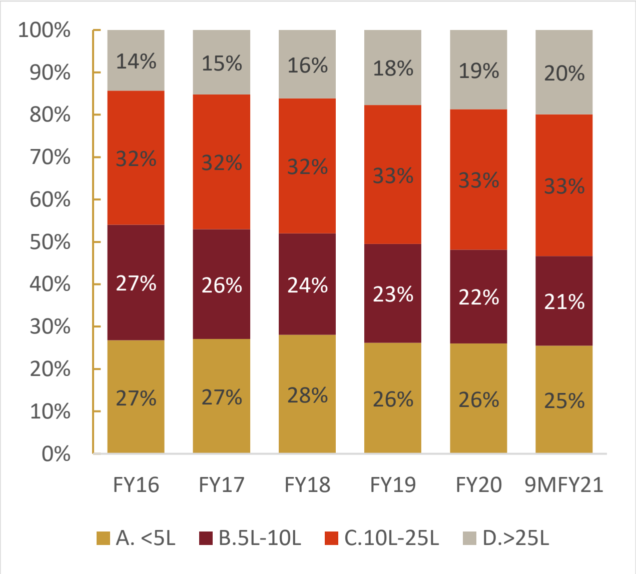
Majority of the market dominated by lower ticket size loans in volume terms

Their share of loans up to Rs. 25 lakhs declined from 52% in Fiscal 2016 to 45% in Fiscal 2020 in terms of value. The share further declined to ~43% as of 9MFY21. However, majority of the housing loan volumes are still in the lower ticket size segment (upto Rs. 25 Lakhs), with this segment accounting for ~80% of housing loans outstanding volumes as of 9MFY21.

Ticket size-wise loan outstanding mix: Value terms



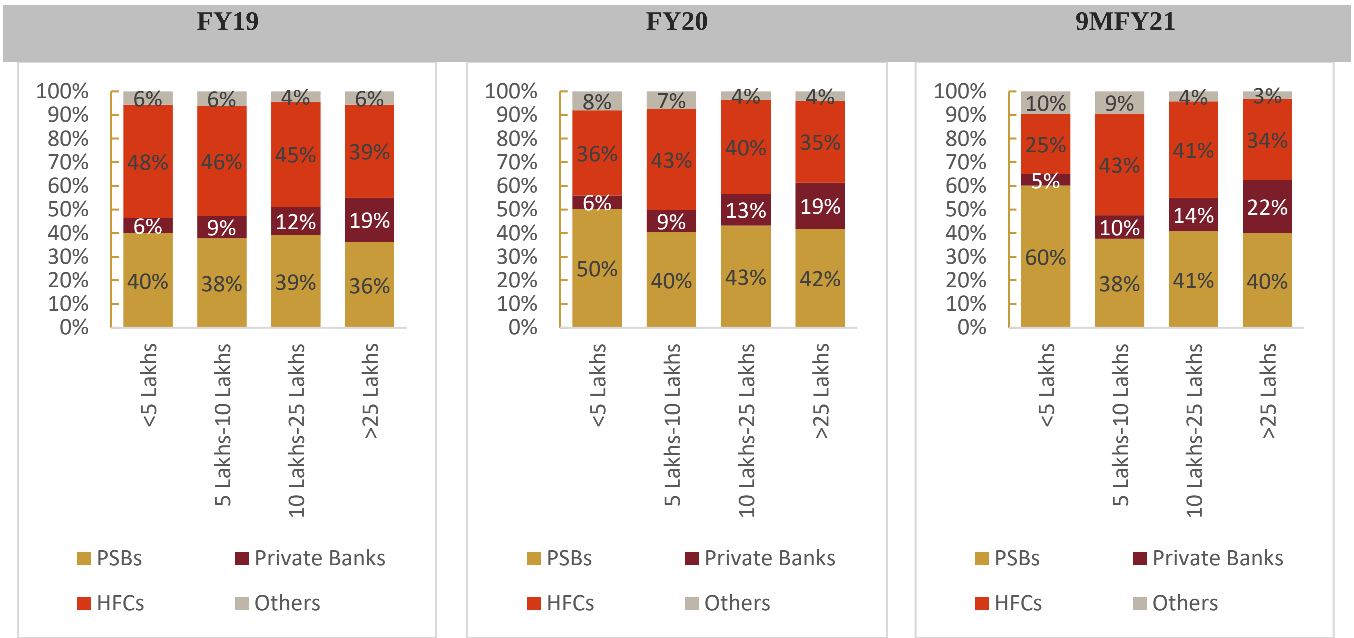
Ticket size-wise loan outstanding mix: Volume terms



Source: Experian, CRISIL Research

Banks mostly provide loans to customers whose income sources, banking behavior and credit history can be easily assessed. On the other hand, several HFCs cater to customers whose formal income proofs may not be strong, and therefore, an HFC's understanding of underwriting for this customer segment as well as micro market related dynamics are critical for success. Besides, banks also have a lower cost of funds than HFCs, allowing them to offer loans at more attractive rates to customers with good credit scores. Both banks and HFCs are exposed to general risks in the housing finance market such as delay in project approvals and construction, title and valuation related risks. In lower ticket size loans up to Rs. 10 lakhs, public sector banks have seen a strong competition from the HFCs. These both combined have more than 80% share between them in Fiscal 2020 in the housing loans disbursements in lower ticket size buckets (upto Rs. 10 lakhs).

Player group-wise – ticket size mix of housing loan disbursement

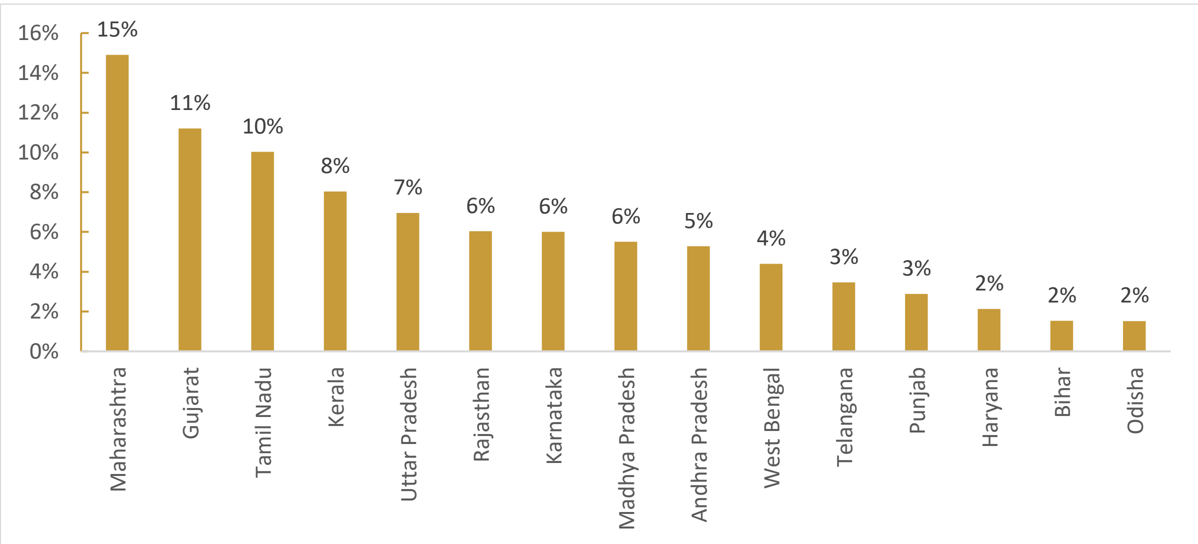


Note: The above classification of player groups is done as per RBI. Others primarily include foreign banks, NBFCs (excluding HFCs), Regional Rural Banks (RRBs), Small Finance Banks (SFBs) and cooperative banks.

Source: Experian, CRISIL Research

HFCs have a stable portfolio across last three years for various ticket size buckets with share of higher ticket loans only partially increasing.

Between Rs 5-10 Lakhs

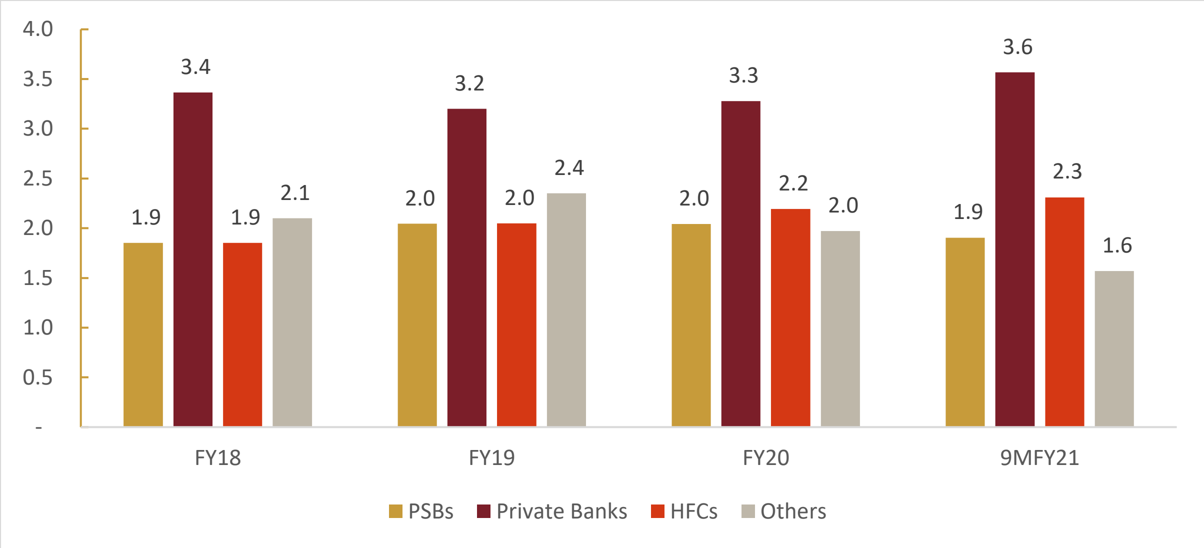


Note: As of Fiscal 2020

Source: Experian, CRISIL Research

In ticket size between Rs 5-10 lakhs, the above 15 states comprise 90% share of loan outstanding. Maharashtra tops in the list again with an 15% share, followed by Gujarat (11%), Tamil Nadu (10%), Kerala (8%) and Uttar Pradesh (7%) as of Fiscal 2020.

Average ticket size at origination (Rs million)



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

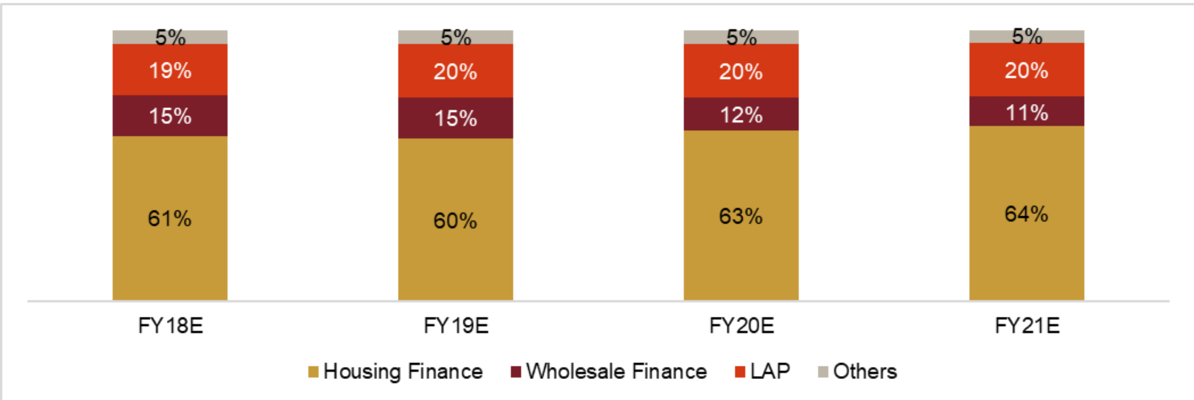
Source: Experian, CRISIL Research

The ticket size across player groups has seen a gradual rise on account of increasing affordability of consumers and higher property prices, especially in smaller markets. Higher prices in turn lead to higher funding requirement from the financiers.

HFCs have increased the share of home loans in their product profile

CRISIL Research estimates that housing loans account for ~60-65% of the HFCs' total loan portfolio. Loan against property ("**LAP**") comprised ~20% of the HFCs' loan portfolio as of Fiscal 2020 with share of developer loans and other corporate loans marginally declined compared to the previous year at ~10-15%. Over the next two to three years, with HFCs increasingly looking at conserving liquidity and getting cautious on funding developers, CRISIL Research expects the share of developer loans in the overall outstanding loans to further come down. The growth in the LAP portfolio of HFCs is also likely to moderate, given growing concerns on asset quality within the MSME segment. Consequently, the share of housing finance in the overall portfolio is expected to increase further. It is important to note that a large proportion of loans currently tagged as LAP are also in multiple cases housing loans taken for renovation, reconstruction, self-construction, plot purchase related housing activities with the security of the property. However, the HFCs cannot tag them as housing loans on account of the classification guidelines set forth by NHB. However, despite them not being housing loans, the risk emerging out of these loans is lower than in case of LAP. Advanced appraisal mechanism and monitoring systems as well as robust collection systems help these HFCs maintain good asset quality despite providing a considerable chunk of loans under wholesale finance, developer loans, loans against property and other such riskier categories than the usual home loans.

Trend in portfolio mix of HFCs



E: Estimated. Note: Wholesale finance includes developer loan. The above numbers are estimated.

Source: Company reports, CRISIL Research

Home loans followed by Loans against property have the lowest annual credit losses across major asset segments

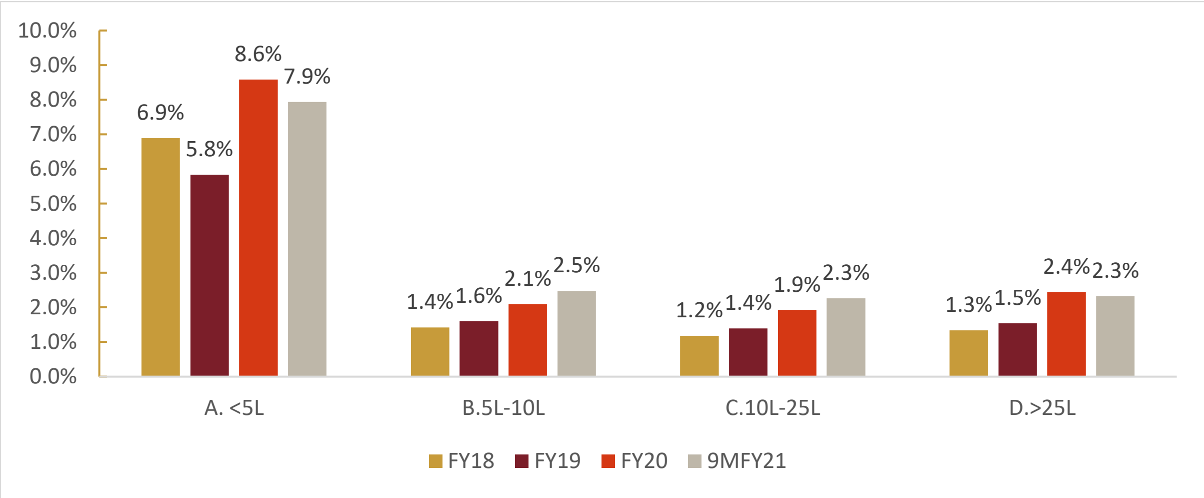
Housing finance as an asset class has the lowest annual credit losses amongst all large financial asset classes mainly on account of the collateral and the secured nature of the funding. The GNPA ratio for MSME loans has been in the range of 4-6% for NBFCs in the past three years and that for auto loans has been between 5-7% for NBFCs whereas, for housing loans it has been comparatively better at 1-3%. Thus, for HFCs the asset quality is better in comparison to other NBFCs operating in asset classes having higher GNPA levels. The average credit costs as a percentage of average annual assets across FY 19-21 for NBFCs are estimated to be approximately 0.9% in the case of housing loans as against 1.4% for LAP, 1.7% for auto loans, 2.9% for micro finance loans and 4.5% for unsecured MSME loans. Thus, credit losses for mortgage loans (home loans and LAP) are the lowest amongst all the major asset classes.

Average credit costs as a % of average total assets for NBFCs/HFCs across major asset classes during FY 19-21

Asset Class	FY 19-21E average
Housing Finance	0.9%
Auto Finance	1.7%
Micro Finance	2.9%
MSME Finance (LAP)	1.4%
MSME (unsecured loans)	4.5%

Source: CRISIL Research Estimates

Ticket size wise asset quality of HFCs in housing loan – GNPA (%)



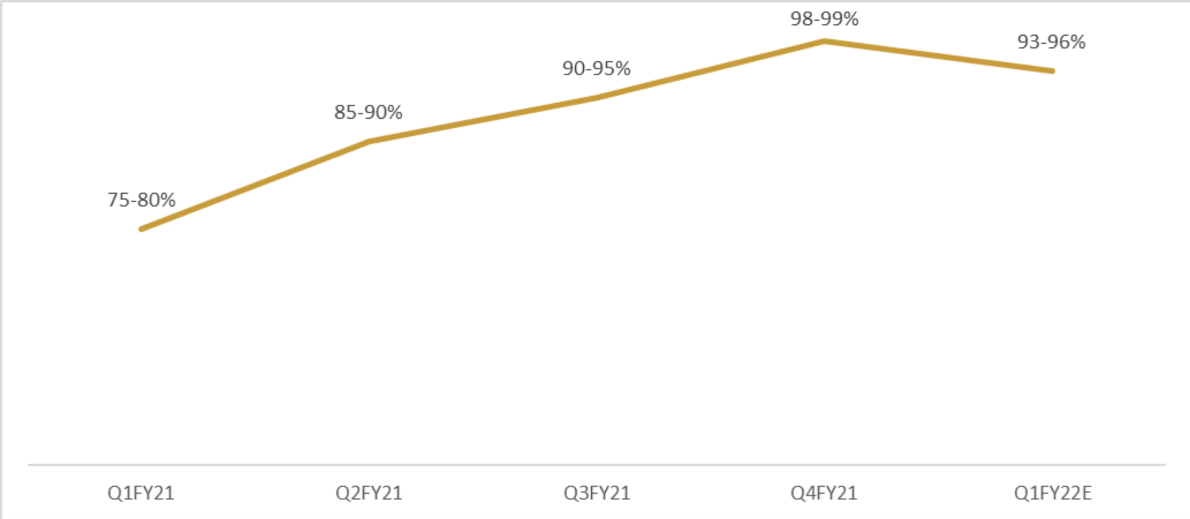
Source: Experian, CRISIL Research

Monthly collection efficiency impacted by second wave of COVID-19; asset quality to improve in long term

Collections in the home loans segment were impacted by the second wave of COVID-19 and the subsequent lockdowns in various states across the country. However, the overall collection efficiency trends have been better than in the other asset classes. CRISIL Research estimates the collection efficiency to have declined to around 95% and 93% in the months of April and May 2021, respectively, but in June 2021, there has been a strong rebound with collection efficiency reaching close to normal levels.

During the first wave of COVID-19 as well, the home loans segment had seen a strong bounce-back in collections efficiency after an initial stutter. Collections in the housing finance segment, which had slipped to ~70-75% in April 2021 because of the nationwide lockdown due to the pandemic, rebounded to 85-90% in July and August after the Government relaxed restrictions gradually. In October and November 2020, collection efficiency rose further to 90-95%, as per CRISIL Research estimates, and in December 2020, the collection efficiency is estimated to have further increased to 98-99%. Collection efficiency continued to be strong at around the same level as December 2020 in the fourth quarter of Fiscal 2021 as well.

Collection Efficiency in housing loans in comparison to pre-COVID-19 levels (%)



Note: E = Estimated

Source: CRISIL Research

In the securitised pools too, the collection efficiency ratios are exhibiting similar trends and visibly nearing pre-COVID-19 levels.

Relatively better collection efficiencies of NBFCs under home loans category as compared to other asset classes

Monthly Collection Efficiency (%)	April 2020	August 2020	November 2020	January 2021	March 2021	May 2021	June 2021
Home Loans	70-75%	85-90%	90-95%	92-97%	98-99%	92-95%	95-98%
Gold loans	25-30%	90-95%	90-95%	92-97%	92-97%	85-90%	90-95%
Auto loans	25-40%	60-70%	90-95%	90-95%	92-97%	80-85%	85-90%
MSME loans	25-30%	65-70%	80-85%	85-90%	90-95%	75-85%	85-90%
Unsecured loans	25-30%	65-75%	80-85%	85-90%	92-97%	70-75%	80-85%

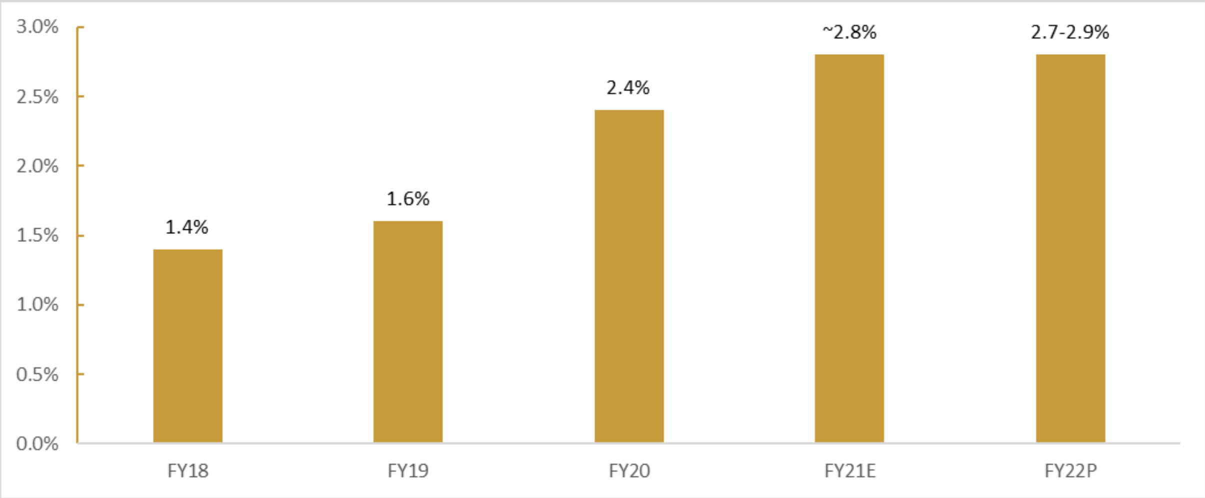
Collection efficiency is calculated as follows - total collections excluding foreclosures during a month divided by scheduled billings unadjusted for moratorium during the month.

Source: CRISIL Research

Despite increases in delinquency, home loans to be least affected

Despite the rising monthly collections in home loans, lower income generation on account of COVID-19 will impact the asset quality in Fiscals 2021 and 2022. Players with significant exposure to developer finance and having aggressive underwriting policies will be more vulnerable in comparison to others. The rapid increase in COVID-19 infections and intermittent local lockdowns have impacted self-employed borrowers and informal salaried more than the formal salaried segment. The formal salaried borrower segment, which forms a significant chunk of borrowers especially for HFCs, is more resilient despite pay cuts and job losses. For overall housing finance, where salaried customers make up for majority of the overall home loan portfolio, CRISIL Research expects the GNPA of HFCs to increase by ~40 bps in Fiscal 2021 from 2.4% as of March 2020, but slightly decline in Fiscal 2022.

GNPA levels are expected to moderate down in Fiscal 2022 for HFCs in overall loans outstanding



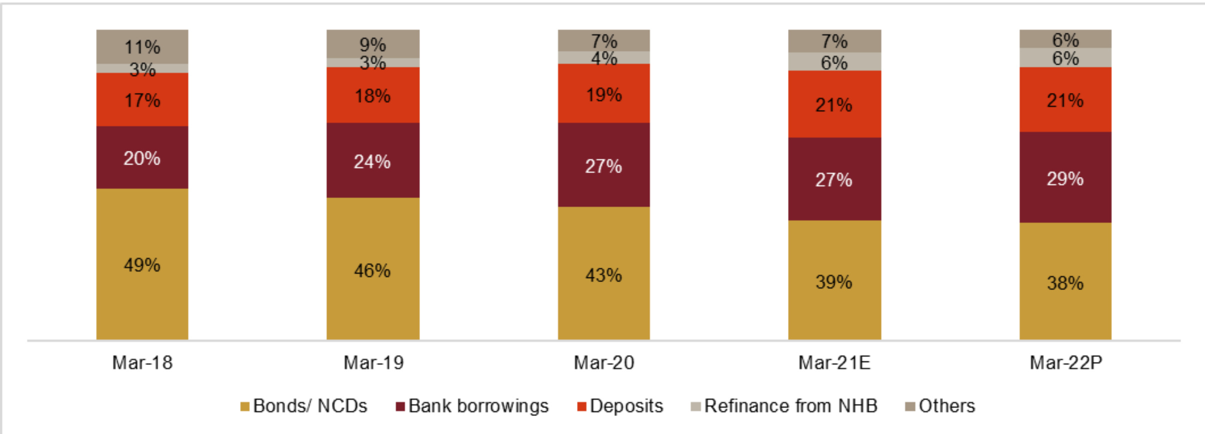
Source: Experian, CRISIL Research

Banks borrowing to gain further share in the borrowing mix of stronger HFCs

CRISIL Research expects the share of bank borrowings in the resources mix of HFCs to increase further over the medium term due to continuing support offered by banks to the stronger HFCs and liquidity support measures announced by RBI. Risk in the housing finance sector increased after late 2018, which restricted the HFCs' easy access to market borrowings. During this period, while players with high asset liability management ("**ALM**") mismatch and higher share of non-retail portfolio found it difficult to raise funds, players with strong parent company support and relatively higher proportion of retail assets were able to raise funds from the market. However, over time and with aggressive repo rate cuts by the RBI, the benchmark commercial paper and non-convertible debentures rates have softened.

Bank borrowings have been gaining share in the resources profile for HFCs, especially the smaller HFCs, on account of difficulty in accessing the capital markets post the liquidity crisis of 2018. CRISIL Research expects the proportion of bank borrowings to increase further over the medium term.

Resources mix of HFCs: Share of bank borrowings is rising as a reliable continued source of funding



Note: E – Expected; P: Projected

Source: CRISIL Research

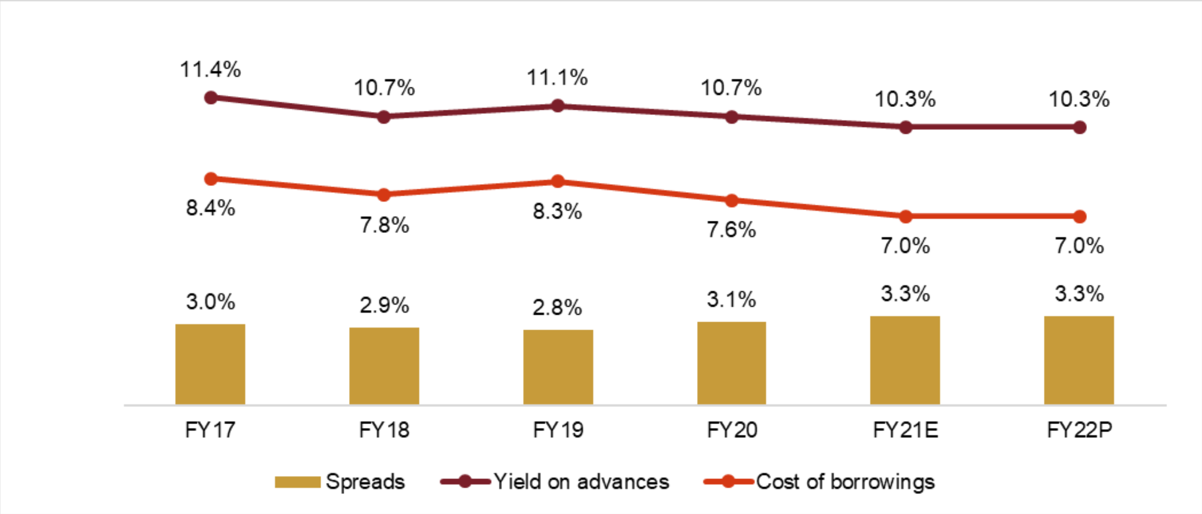
Cost of borrowings for HFCs has come down after the sudden spike post liquidity crisis

After the liquidity crunch that occurred in the second half of Fiscal 2019, the cost of borrowing had gone up making it difficult for companies in the housing finance sector to raise funds from the market. However, despite the yields on advances going down, the spreads have improved for HFCs in Fiscal 2020 and Fiscal 2021, as the costs have declined by ~100-150 bps in Fiscal 2021 as compared to Fiscal 2019. This indicates that the HFCs have been effective in passing on the funding cost fluctuations to their customers. By further mechanisms such as selective targeting of their customers, different interest rates for different riskiness levels, efficient underwriting practices, the HFCs have been able to maintain their profitability.

Lower reduction in yields of HFCs leading to improvement in the overall spreads

The yield on advances of HFCs is estimated to have declined by a lower ~40 bps in Fiscal 2021 in accordance with the decline in market rates, but the cost of funds declined by a faster rate, thus improving the spreads for HFCs to ~3.3% from 3.1% in Fiscal 2020. The spreads in Fiscal 2019 had marginally dropped by ~10 bps post the liquidity crisis, as HFCs witnessed an increase in the cost of borrowings by ~50 bps.

Improvement in spreads of HFCs in Fiscal 2021



Note: E: Estimated P: Projected

Source: NHB, CRISIL Research

Overview of housing finance market focusing on low income housing segment

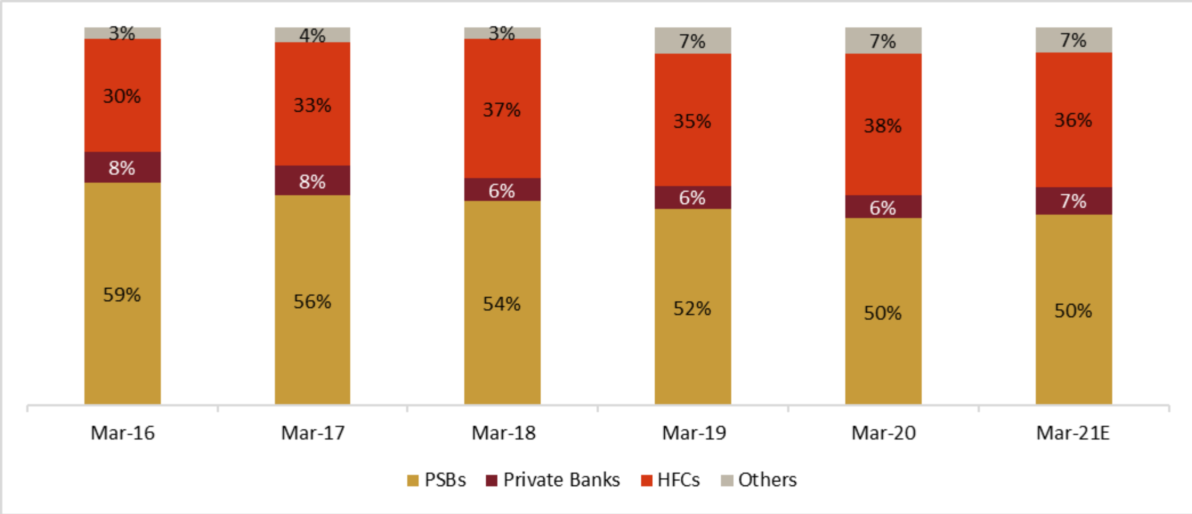
India's mortgage market can broadly be divided into two segments by ticket size of the housing loan at the time of disbursement - loans with ticket size of more than Rs. 10 lakhs, and loans with ticket size of Rs. 10 lakhs and below. The former can be called normal mortgage market, which is prominent in the metro/urban areas, and the latter which generally includes houses in the outskirts of these areas and semi-urban and rural areas can be defined as housing finance market focusing on low income housing segment. Housing loans with ticket size greater than Rs. 10 lakhs are termed normal housing loans, and loans with ticket size lower than Rs. 10 lakhs are referred to as housing loans focusing on low income housing segment.

Encouraging trends in housing finance market focused on low income housing segment (loans up to Rs. 10 lakhs); market to bounce back more strongly in long term

The overall size of the housing finance market focusing on low income housing segment in India was around ₹2.6 trillion as of March 2021. The housing finance market focused on low income housing segment (ticket size less than ₹1 million) accounts for around 10-11% of the overall housing finance market. Of the total outstanding housing finance focused on low income housing segment of ₹2.6 trillion, PSBs accounted for 50% of the market with an absolute value of ₹1,326 billion, private banks accounted for 7% with an absolute value of ₹191 billion, while HFCs accounted for 36% with loans outstanding of ₹937 billion as of March 2021.

Growth in the market, in terms of loans outstanding, has come down over the last four years due to the slowdown in economic growth, challenges faced by some HFCs in availing funding subsequent to the IL&FS meltdown, and in the more recent past, the onset of the COVID-19 pandemic. The housing finance market focused on low income housing segment logged a growth of ~5.9% CAGR between Fiscal 2016 and 2021 after growing at a higher cliff in the years before that.

Share of HFCs in the low cost housing segment is on the rise over the years



Note: Others include NBFCs, Foreign Banks and Others

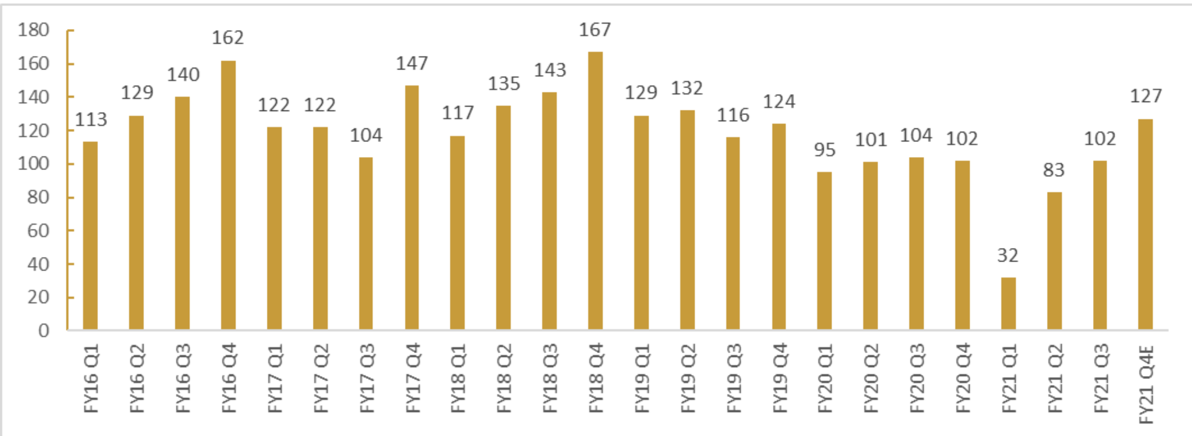
Source: Experian, CRISIL Research

While the market has grown at a tepid pace in the past 3-4 years, CRISIL Research expects future growth due to the following reasons:

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

CRISIL Research expects the industry to pick up steam gradually and the loans outstanding in housing finance focused on low income housing segment to touch Rs. 4,100 billion by March 2025, translating into a ~9% CAGR between Fiscals 2021 and 2025 after a strong growth of ~10% in Fiscal 2021.

Quarterly disbursement in housing loans focused on low income housing segment – Rs. billion



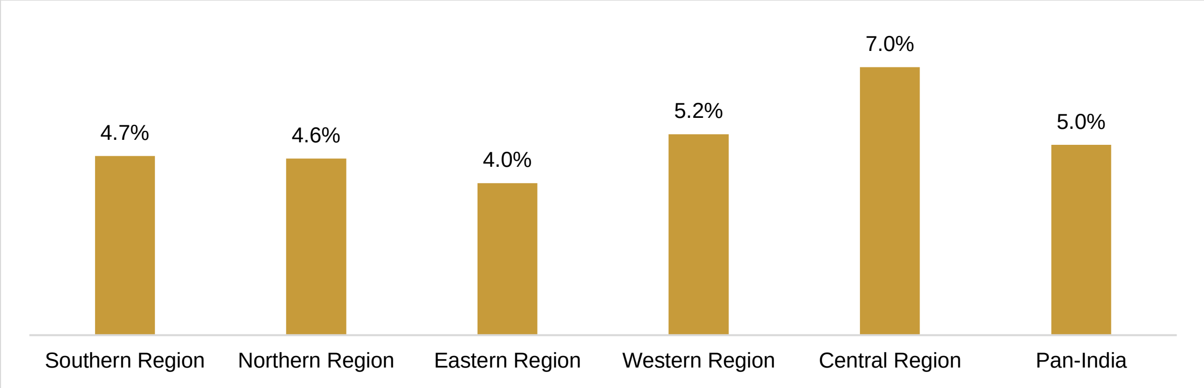
Note: E = Estimated

Source: Experian, CRISIL Research

Region-wise loans outstanding

The western and southern regions account for 33% each of the outstanding loans focused on low income housing segment with balance being accounted for by northern region (16%), eastern region (10%) and central region (8%). The loans outstanding for southern region grew by 4.7% CAGR during March 2016 to March 2020.

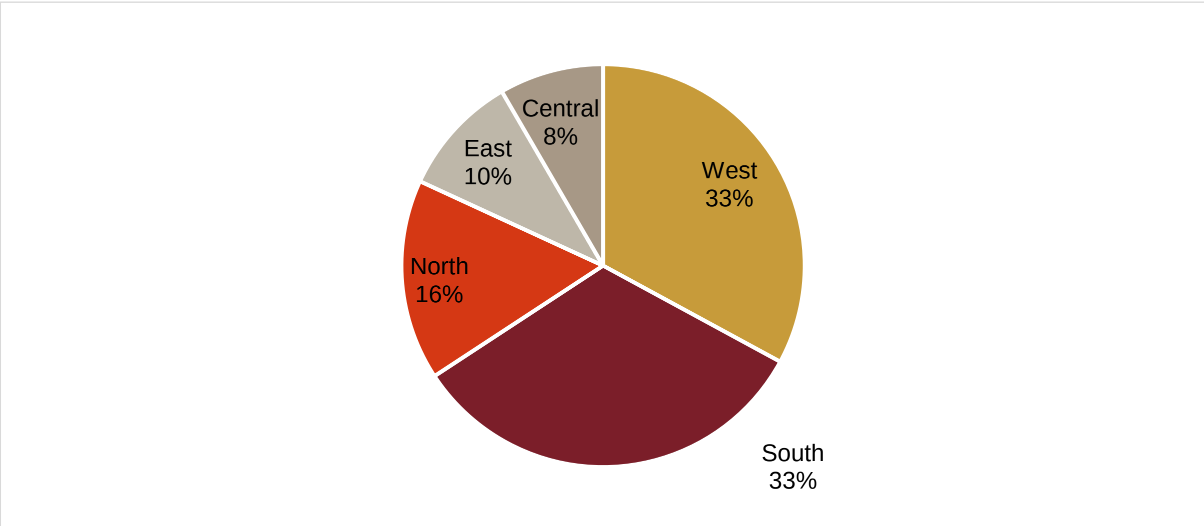
Growth in loans outstanding focused on low income housing segment (March 2016 to March 2020 CAGR)



P: Projected

Source: Experian, CRISIL Research

Western and Southern region have the highest share in outstanding loans focused on low income housing segment (March 2020)



Source: Experian, CRISIL Research

Based on the home loans outstanding in the low income housing segment, the top 10 states and union territories account for ~79% of the loans in this segment as of March 2020. Maharashtra tops the list with the highest share of 15.5%, followed by Gujarat (11%), Tamil Nadu (10%), Kerala (8%) and Uttar Pradesh (6.5%). Among top 10 states, Rajasthan has seen highest increase in outstanding housing finance focused on low income housing segment by 9.3% CAGR between March 2016 and March 2020 followed by Gujarat (7.7%) and Madhya Pradesh (7.1%).

State-wise housing finance focused on low income housing segment (March 2020)

State	No. of districts	Total outstanding housing finance focused on low income housing segment as of March 2020 (In Rs. Billion)	Share of outstanding housing finance focused on low income housing segment in total housing loans as of March 2020	Top 5 districts based on outstanding housing finance focused on low income housing segment	Share of top 5 districts in outstanding housing finance focused on low income housing segment in value terms (March 2020)
Maharashtra	34	368	8%	Pune, Thane, Mumbai, Nashik, Nagpur	54%
Gujarat	26	253	16%	Surat, Ahmedabad, Vadodara, Rajkot, Valsad	63%

State	No. of districts	Total outstanding housing finance focused on low income housing segment as of March 2020 (In Rs. Billion)	Share of outstanding housing finance focused on low income housing segment in total housing loans as of March 2020	Top 5 districts based on outstanding housing finance focused on low income housing segment	Share of top 5 districts in outstanding housing finance focused on low income housing segment in value terms (March 2020)
Tamil Nadu	32	235	12%	Coimbatore, Kanchipuram, Chennai, Madurai, Tiruvallur	37%
Kerala	16	190	22%	Ernakulum, Thiruvananthapuram, Thrissur, Kozhikode, Kannur	56%
Madhya Pradesh	50	162	25%	Indore, Bhopal, Jabalpur, Ujjain, Gwalior	43%
Uttar Pradesh	72	155	12%	Ghaziabad, Lucknow, Kanpur Nagar, Agra, Varanasi	42%
Rajasthan	32	144	19%	Jaipur, Jodhpur, Bhilwara, Bikaner, Ajmer	51%
Karnataka	31	138	7%	Bengaluru, Dakshina Kannada, Mysuru, Udupi, Belgaum	50%
Andhra Pradesh	14	127	13%	East Godavari, Vishakhapatnam, Krishna, Guntur, West Godavari	60%
West Bengal	20	105	15%	Kolkata, North and South 24 Parganas, Hooghly, Bardhaman	59%

Source: Experian, CRISIL Research

Growth drivers for housing finance

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

Government Initiatives

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

Regulatory Framework

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

Other factors

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

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

Regulatory Framework

Existing risk weight allocation

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

Source: RBI, CRISIL Research

Revised risk weight allocation as per RBI circular "Individual Housing Loans – Rationalisation of Risk Weights" dated October 16, 2020

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

Source: RBI, CRISIL Research

RBI basis its Master Direction – NBFC-HFC (Reserve Bank) Directions, 2021 dated February 17, 2021 assigns different risk weights from those mentioned in the circular dated October 16, 2020

Outstanding loan	LTV ratio	Risk weight
<Rs. 30 lakh	<=80%	35%
	>80 to <=90%	50%
Rs. 30-75 lakh	<=75% (loan sanctioned before 01-08-2017	35%
	>75% to <=80% (loan sanctioned before 01-08-2017)	50%
	<=80% (loan sanctioned on or after 01-08-2017)	35%
>Rs. 75 lakh	<=75% (loan sanctioned before 01-08-2017)	75%
	<=75% (loan sanctioned on or after 01-08-2017)	50%
Outstanding amount of Loans given for the purpose of insurance of the property/ borrower		Same as applicable to the respective housing loan

Source: RBI, CRISIL Research

Regulatory Authority on HFCs shifted from NHB to the RBI

The Union Budget 2019-20 announced the transfer of regulatory power on housing finance companies from National Housing Bank to the Reserve Bank of India. This will result in more streamlined regulations and implementation as well as better risk management framework for HFCs. The RBI Act will be amended to give the central bank powers to regulate HFCs. This move is expected to ensure there is greater parity in regulations for NBFCs and HFCs.

PSL eligibility increased

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

NHB's refinance to aid borrowing cost for HFCs catering to affordable housing segment

While access to the debt markets allows large HFCs to mobilise resources at competitive rates, niche HFCs have benefited from the NHB's refinance schemes. The NHB runs various schemes under which it refinances banks and HFCs.

Access to SARFAESI helps HFCs accelerate recoveries

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**"), allows lenders in India auction commercial or residential properties to recover loans. For HFCs, SARFAESI recovery is allowed for all loans of greater than Rs. 0.10 million ticket size. Over time, SARFAESI has proved to be an effective tool in the lender's hands and has acted as a deterrent against wilful defaulters.

Tax holiday for affordable housing developers

During the Union Budget 2020-21, the tax holiday on affordable housing projects approved was extended till March 2021. Under this provision, developers can avail deduction of 100 per cent of the profits on affordable housing projects under Section 80IBA of the Income Tax Act, 1962, subject to meeting the criteria such as:

- Carpet area of units should not be more than 60 square meters within National Capital Region (NCR), Mumbai Metropolitan Region (MMR), Bengaluru, Chennai, Hyderabad and Kolkata and 90 square meters for other areas

- The area of plot of land where the project is situated should not be more than 1,000 square metres in National Capital Region (NCR), Mumbai Metropolitan Region (MMR), Bengaluru, Chennai, Hyderabad and Kolkata and 2,000 square meters for other areas

- Projects have to be completed within five years of receiving approval.

Infrastructure status to ease financing for affordable housing developers

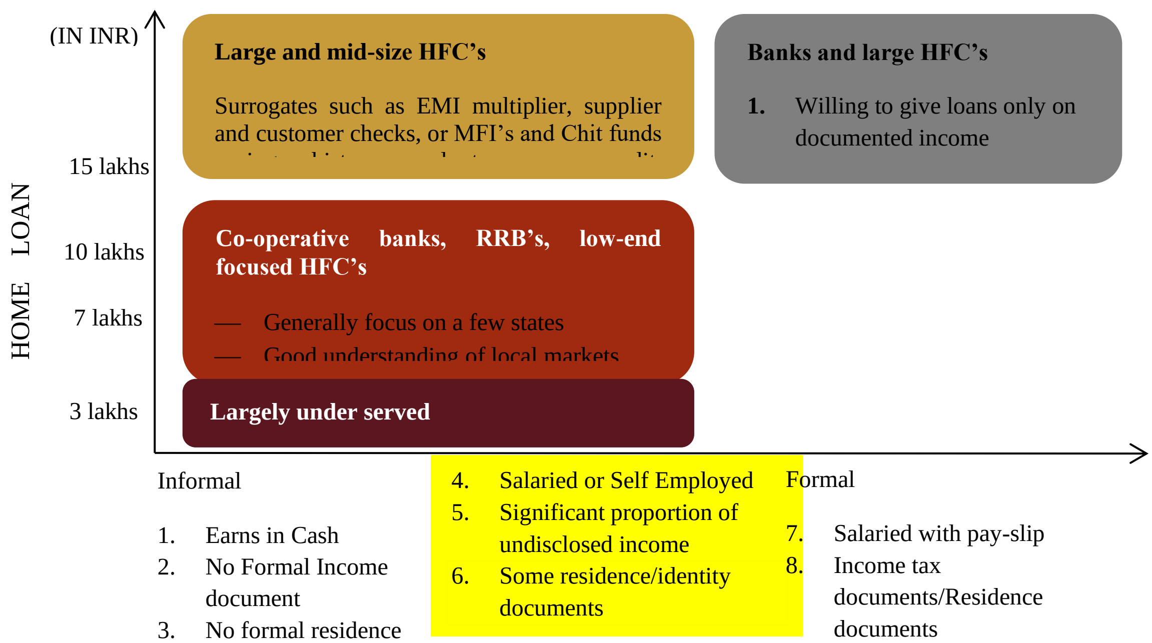
In November 2017, the Union government notified infrastructure status to the affordable housing sector. Projects having at least 50% of floor space index (FSI) consumed in units having carpet area of less than 60 square meters qualify as infrastructure projects. This move is aimed at increasing the availability of financing and reducing financing costs for affordable housing projects.

Business Model of housing financiers focused on low income housing segment

Housing financiers focused on low income housing segment typically serve the underserved category of low-income or mid-income customers who may be salaried, working in the informal sector or self-employed running a small business. Many a times, these customers do not have adequate documentation that can serve as proof of their income. The high cost of serving this category of customers has prompted financiers to adopt innovative models to source business. An HFC targeting this segment of customers usually has a hub and spoke model where retail branches of the HFC operate as ‘hubs’ in urban areas, while small kiosks are set up near areas where construction activity is taking place to source customers. Financiers also spread awareness about their products in rural areas by setting up kiosks at ‘gram sabhas’ and arranging ‘loan melas’ for potential customers. However, some players also rely on customers indulging in self-construction of their houses in tier-2 and 3 cities in need of credit. These players have sourcing strategies focussed on attracting customers with touch points in nearby locations.

Usually, close to 70% of the overall business of housing finance companies focused on low income housing segment is sourced through direct sales teams. Direct customer contact through these teams enables better visibility and helps limit fraud, thus making for reliable customer assessment. Moreover, all critical functions like origination, verification and credit appraisal are performed in-house, while certain non-core activities like loan documentation and document processing may be outsourced. This allows HFCs in this segment to allocate more internal resources towards vital aspects of lending such as verification, credit appraisal and credit assessment.

Exploring the low income housing (<Rs 10 lakhs) segment



Source: CRISIL Research

The type of borrower’s profile and higher risk-taking ability of players focused on low income housing segment lead these financiers to charge higher yields in comparison to that charged by normal housing players. Given below is the list of factors explaining higher yields charged by housing players focused on low income housing segment:

Parameters	Housing finance players focused on low income housing segment	Normal housing finance players
Borrower profile	Mostly self-employed customers and customers having weaker income documents; some HFCs though focus on salaried but low-income customers	Majorly focus on customers having proper income documents
Surrogate usage	High surrogate usage to derive the income of borrowers	Very minimal usage of surrogates
Geographical focus	Mainly focus on smaller towns, semi-urban areas and outskirts of larger cities	Mainly present in major locations and Tier 1 cities
Credit appraisal	Credit appraisal process involves high level of subjectivity to derive income and cash flow patterns	Credit appraisal process is based on pre-defined income and eligibility policies
Collection	Relatively lower share of repayment through ECS / NACH leading to higher OPEX	Higher proportion of ECS and NACH in EMI payment leading to higher collection efficiency
Cost and sources of funds	Higher reliance on bank borrowings leading to relatively higher cost of funds	Higher reliance on capital markets leading to cheaper funds

Source: CRISIL Research

Operational parameters

CRISIL Research estimates the proportion of direct sales teams ("**DSTs**") in sourcing business for players focused on low income housing segment at ~70% in comparison with ~60% for normal housing players. In terms of customer profile, players focused on low income housing segment have higher share of self-employed customers (~50-55%) 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 LTV.

Parameters	Housing finance players focused on low income housing segment	Normal housing finance players
Sourcing mix	DSTs: 70%, DSAs: 20%, Branch walk-ins & others: 10%	DSTs: 60%, DSAs: 30%, Branch walk-ins & others: 10%
Average TAT	8-10 Working days	9-11 Working days
Loan to value	Average: 68%	Average: 75%
Customer profile mix	Salaried: 45-50%, Self-employed: 50-55%	Salaried: 50-60%, Self-employed: 40-50%

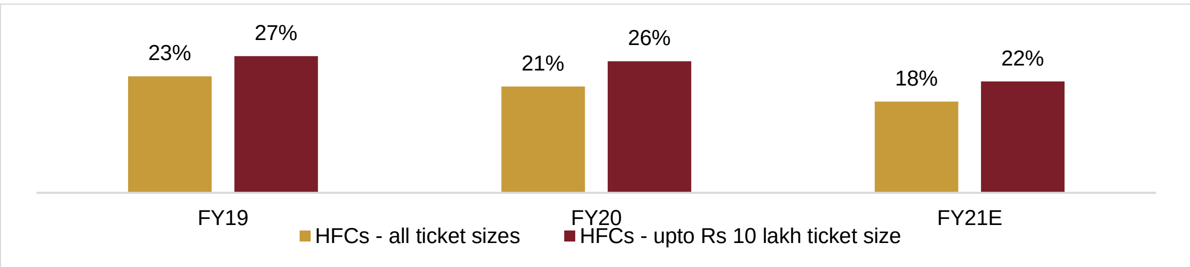
Note: DSTs - Direct Sales Teams, DSAs – Direct Selling Agents

Source: Industry, CRISIL Research

First time availing loan facility (New to Credit)

First time credit customers in housing finance focused on low income housing segment are higher than as compared to normal housing (ticket size more than Rs. 10 lakhs). The declining share of first time credit customers also indicates better availability of loan repayment records of customer while assessing them for credit underwriting.

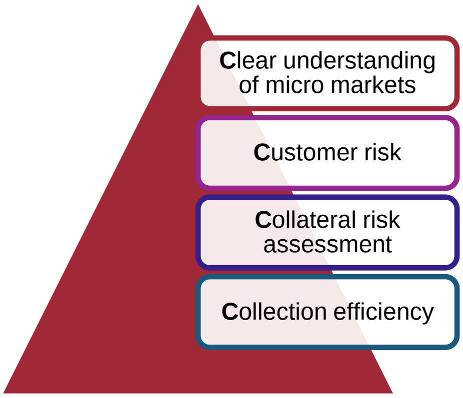
New customers to Credit (In volume terms)



Source: Experian, CRISIL Research

First time home loan consumers account for close to 62% of housing loan disbursements in case of housing finance focused on low income housing segment. However, in first time home loan consumers, the share is high in higher ticket sizes as well on account of comfort drawn from availability of prior credit history of the borrowers.

4C's to succeed in Housing Finance focused on low income low housing segment



Clear understanding of micro markets

Given the target borrower's profile, players need to have a clear and deeper understanding of 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 housing finance focused on low income housing segment are generally in formal sector jobs with low incomes, or are self-employed (such as a carpenter, plumber, vegetable vendor, driver), 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 low income 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, this 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.

PSBs and HFCs have the highest share in housing finance focused on low income housing segment

HFCs have 41% market share in the housing finance focused on low income housing segment, which is higher than their 38% market share in the normal housing finance market.

New HFCs focused on low income housing segment have higher growth rate vis-à-vis other lenders focused on low income housing segment

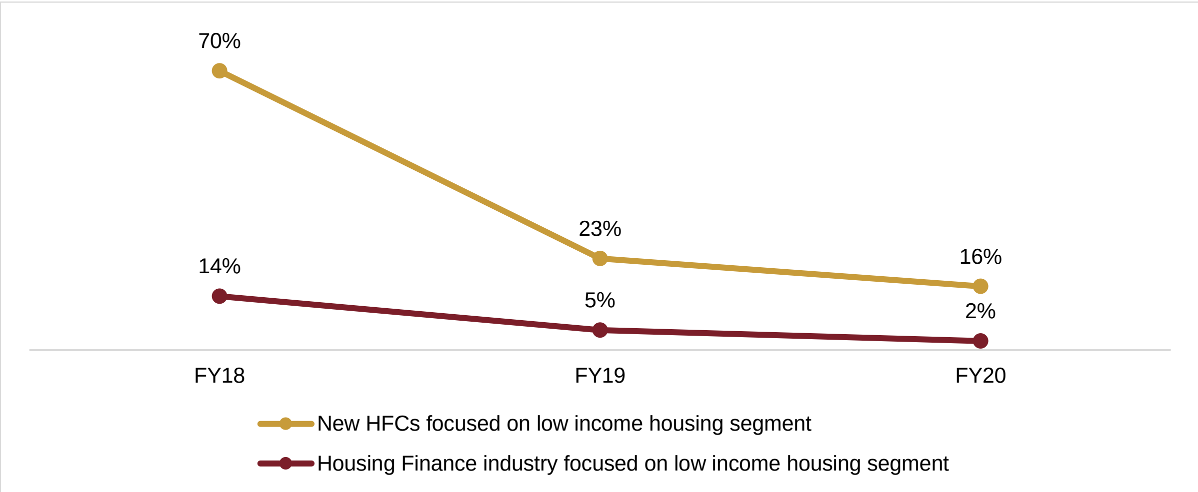
New HFCs focused on low income housing segment are defined as HFCs incorporated on or after Fiscal 2010 with focus on the low income housing segment. These include, Aadhar Housing Finance Limited, Aavas Financiers Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Fullerton India Home Finance Company Limited, JM Financial Home Loans Limited, MAS Rural Housing & Mortgage Finance Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, Home First Finance Company India Private Limited and New Habitat Housing Finance And Development Limited.

New HFCs focused on low income housing segment grew at CAGR of ~19.4% from March 2018 to March 2020 whereas market for housing finance focused on low income housing segment grew by 3.2% only during this period. The defining characteristic of HFCs focused on low income housing segment is their strong focus on their target segment (i.e. housing loans lower than Rs. 1 million ticket size to low-income customers), deep understanding of the micro- markets they operate in, and relatively lower focus on other products such as LAP and developer loans. Their credit assessment processes are fine-tuned to serve their target segment.

Category	**HFCs Included**
New HFCs focused on low income housing segment	Aadhar Housing Finance Limited*, AAVAS Financiers Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Fullerton India Home Finance Company Limited, JM Financial Home Loans Limited, MAS Rural Housing & Mortgage Finance Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Shriram Housing Finance Limited, Shubham Housing Development Finance Company Limited, Home First Finance Company India Private Limited, New Habitat Housing Finance And Development Limited

* *Aadhar Housing Finance Limited which was incorporated as Aadhar Housing Finance Private Limited in 2010 has been considered above. Aadhar Housing Finance Private Limited was later converted into a public company and consequently its name was changed to Aadhar Housing Finance Limited. Subsequently, Aadhar Housing Finance Limited merged with DHFL Vysya Housing Finance Limited in 2017. Pursuant to such merger, the name of DHFL Vysya Housing Finance Limited was changed to Aadhar Housing Finance Limited.*

Housing finance industry focused on low income housing segment vs new HFCs focused on low income housing segment (Loan outstanding growth rate)



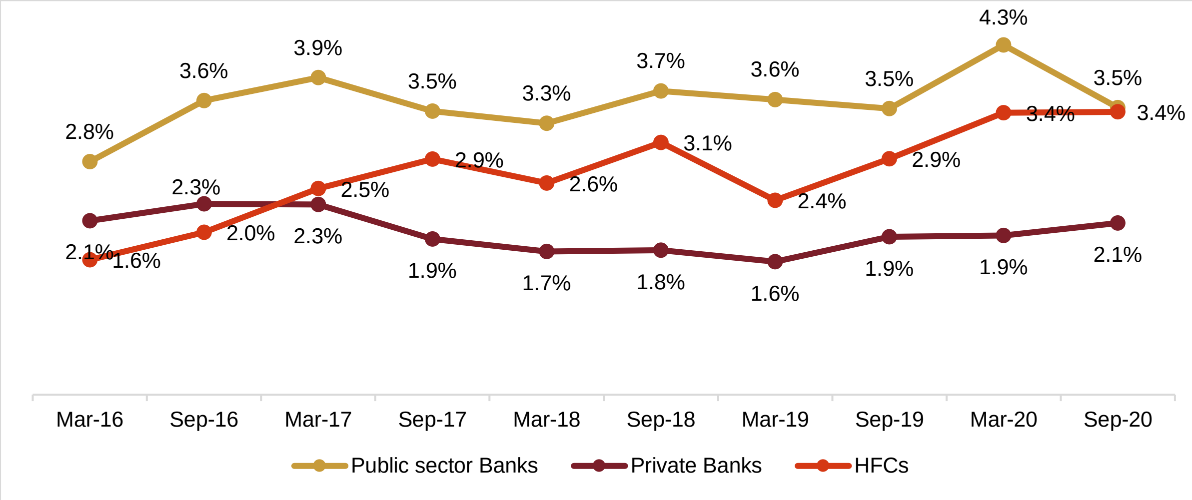
Note:

1) *HFC's which are incorporated from Fiscal 2010 are classified as New HFC's focused on low income housing segment*

2) *New HFCs focused on low income housing segment includes Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Fullerton India Home Finance Company Limited, JM Financial Home Loans Limited, MAS Rural Housing & Mortgage Finance Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, Home First Finance Company India Private Limited and New Habitat Housing Finance And Development Limited.*

Source: Experian, CRISIL Research

Player group-wise trend in GNPA for low income housing segment (%)



Source: Experian, CRISIL Research

State-wise asset quality

State wise (based on credit outstanding focused on low income housing segment) variation in asset quality

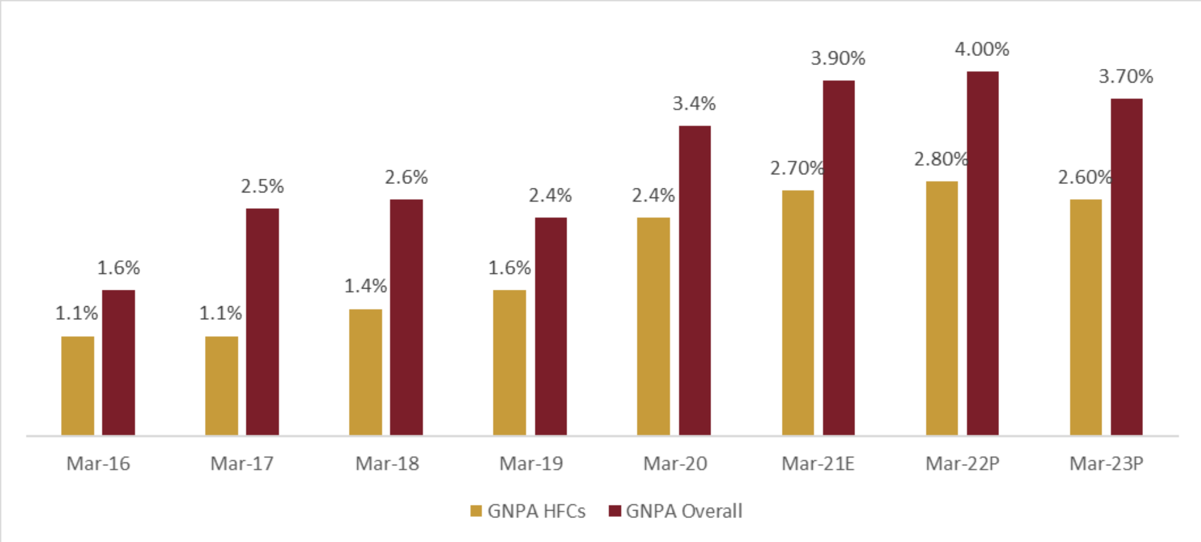
State	GNPA ratio as of March 2020	GNPA ratio as of December 2020
Maharashtra	5.9%	5.9%
Gujarat	2.2%	2.4%
Tamil Nadu	2.9%	2.7%
Kerala	3.7%	3.8%
Madhya Pradesh	8.0%	9.9%
Uttar Pradesh	4.4%	4.0%
Rajasthan	1.8%	1.7%
Karnataka	4.7%	3.7%
Andhra Pradesh	2.4%	2.4%
West Bengal	4.6%	4.5%
Telangana	2.6%	2.3%

Source: Experian, CRISIL Research

Asset quality of HFCs' focused on low income housing segment to improve with increase in information availability and higher technology usage for credit assessment

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 salaried segment, delinquency rates have moved up. Moreover, due to their presence in a few geographies, HFCs focused on low income housing segment are more susceptible to local events and developments that impact the repayment behaviour compared with their larger counterparts. CRISIL Research expects delinquencies to further inch up over the course of the current fiscal and next as a result of the slowdown in economic growth induced by COVID-19; subsequently, CRISIL Research expects to witness an improvement in the asset quality. Ability to manage credit costs by appropriately leveraging information availability as also technology and data analytics will be a key differentiator among players in the HFCs focused on low income housing segment.

Asset quality trend and outlook for HFCs



Note: E: Estimated; P: Projected

Source: Experian, CRISIL Research

In Fiscal 2021, HFCs focused on low income housing segment changed their borrowing mix significantly. They have increased their borrowing from Banks and FIs and reduced from Bonds/NCDs. Their share of refinance from NHB has also increased from 9% in Fiscal 2020 to 15% in Fiscal 2021. CRISIL Research expects the proportion of bank borrowings to increase further over the medium term.

Profitability of HFCs focused on low income housing segment to decline in Fiscal 2022 but improve over a long term

In Fiscal 2019, HFCs focused on low income housing segment saw a decline in RoA on-year, because of an increase in cost of funding following the default by IL&FS. However, they have witnessed improvement in RoA during the Fiscal 2020. A majority of the players had already made provisioning in Fiscal 2020, hence, RoA improved due to relatively low credit cost in Fiscal 2021. In Fiscal 2022, CRISIL Research estimates the profitability of HFCs to deteriorate, mainly due to increase in credit costs as they cater to riskier segments (self-employed and informal segment) which are more vulnerable to economic slowdown. Over the long term, CRISIL Research expects the industry's profitability to gradually improve. Cost of funds, which has shot up since the second half of Fiscal 2019, is expected to gradually normalise, once risk aversion wanes and capital availability for better performing HFCs improves. Additionally, for players in the low income housing category, operating expenses, too, would moderate, as business volumes increase and the level of standardisation and digitalisation in credit assessment increases.

Analysis of housing finance companies based on book size

CRISIL Research has analysed the variation in performance of HFCs on the basis of assets under management (including home loans, loan against property, developer loans and any other loans by the HFC) as well as focus segment in terms of ticket size. Accordingly, the HFCs have been classified as large HFCs, medium HFCs, small HFCs, and mini HFCs based on the book size of the company. HFCs have also been classified as HFCs focused on low income housing segment, based on higher share of housing loans with ticket size less than Rs. 1 million in their portfolio. The entities included in their analysis together account for ~99% of the outstanding retail home loans given by HFCs as on March 2020.

The following table details the categorisation of HFCs used for the analysis:

Category	HFCs Included	HFCs focused on low income housing segment (HFCs with higher share of housing loans with ticket size (at the time of disbursement) less than Rs 1 million in their portfolio)
Large HFCs (AUM more than Rs 300 billion, as of March 2020)	Dewan Housing Finance Corporation Ltd., Housing Development Finance Corporation Limited, Indiabulls Housing Finance Ltd., LIC Housing Finance Ltd., Piramal Capital and Housing Finance Limited, and PNB Housing Finance Limited	Nil

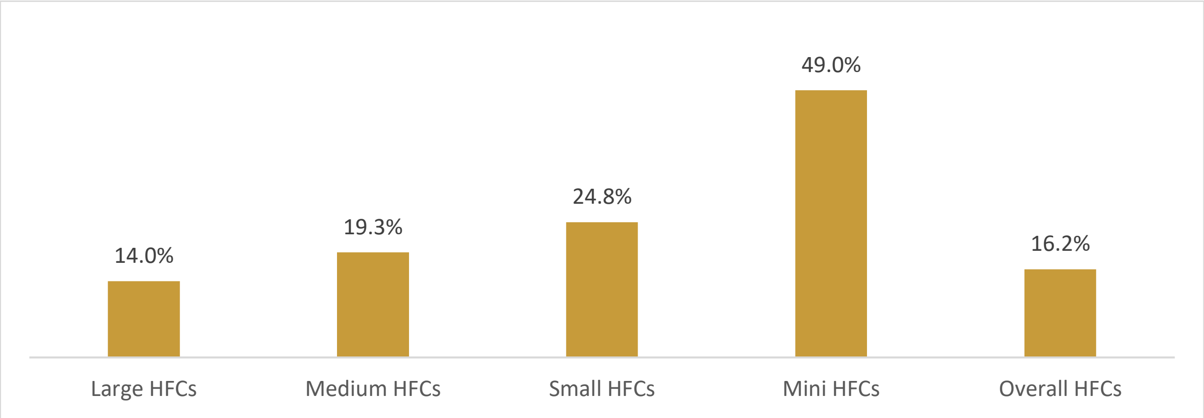
Category	HFCs Included	HFCs focused on low income housing segment (HFCs with higher share of housing loans with ticket size (at the time of disbursement) less than Rs 1 million in their portfolio)
Medium HFCs (AUM between Rs 150 billion and Rs 300 billion, as of March 2020)	Bajaj Housing Finance Limited, Can Fin Homes Ltd., Gruh Finance Ltd.*, India Infoline Housing Finance Limited, L&T Housing Finance Ltd*, Reliance Home Finance Limited, and Tata Capital Housing Finance Limited	Gruh Finance Ltd.*
Small HFCs (AUM between Rs 50 billion and Rs 150 billion, as of March 2020)	Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, GIC Housing Finance Ltd., Mahindra Rural Housing Finance Limited, REPCO Home Finance Ltd., and Sundaram BNP Paribas Home Finance Limited	Aadhar Housing Finance Limited, AAVAS Financiers Limited
Mini HFCs (AUM less than Rs 50 billion, as of March 2020)	Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, DMI Housing Finance Private Limited, Edelweiss Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, Khush Housing Finance Private Limited, Magma Housing Finance, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housingfina Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited	Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, DMI Housing Finance Private Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, Khush Housing Finance Private Limited, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housingfina Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited

**Note: - Gruh Finance has been included in our aggregates despite its merger with Bandhan Bank with effect from October 2019 so that the data is comparable across time periods*

Home loans given by mini HFCs have grown the fastest amongst various player groups

Over the last four years ending Fiscal 2020, the credit outstanding of HFCs has grown at a CAGR of 16.2%. Among the various player groups, the credit outstanding of mini HFCs grew the fastest at 49.0% CAGR. Medium and small HFCs grew faster than overall HFCs, clocking 19.3% and 24.8% CAGR, respectively, in this period.

March 2016 to March 2020 CAGR in home loans outstanding of HFC groups in overall housing finance industry

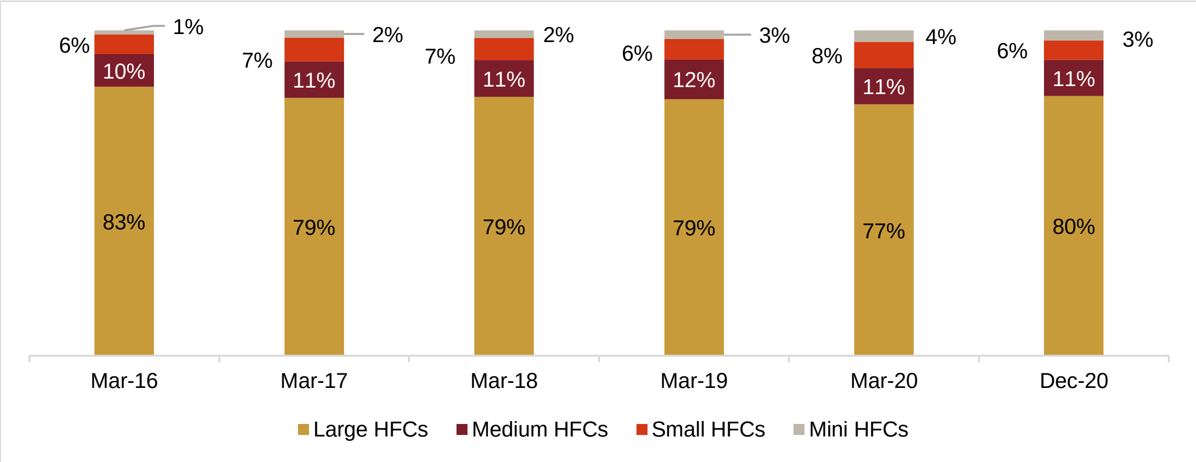


Source: Experian, CRISIL Research

Medium and mini HFCs have increased their market share in overall home loans outstanding

The large HFCs continue to have a dominant share of the housing finance market within the HFC pie. However, their market share has been coming down, as several new HFCs focused on specific target segments such as low income housing have emerged. As of March 2020, large HFCs had a market share of 77% in housing loans outstanding, down from 83% as of March 2016. Medium HFCs increased their market share to 11% from 10% in terms of outstanding loans in overall housing finance market during the same period. Mini HFCs too gained market share with their share increasing to 4% in March 2020 from the earlier 1% as on March 2016.

Market share of HFC groups based on credit outstanding in overall housing finance industry



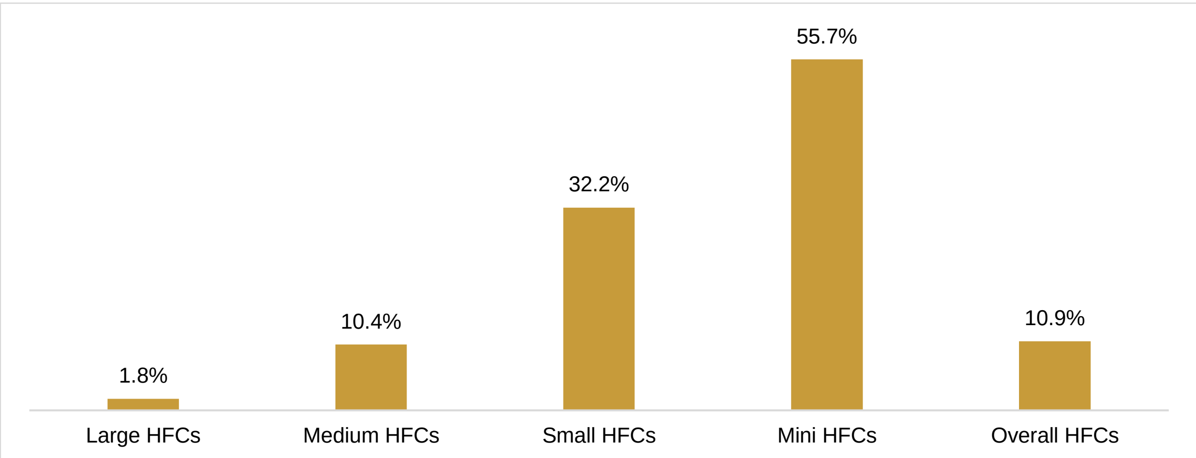
Source: Experian, CRISIL Research

However, in terms of disbursement, the share of large HFCs has marginally increased from 74% in FY16 to 76% in FY20. In FY21, the share of large HFCs is expected to have increased on account of easier access to funds and conservative lending across all the HFCs.

Home loans given by mini HFCs have grown the fastest amongst various player groups in low income housing segment

Not surprisingly, mini HFCs, most of whom have a larger focus on home loans focused on low income housing segment, have outperformed the other player groups, clocking 55.7% CAGR in loans in this category over the last four years ending Fiscal 2020. As against this, the overall market for HFCs in this segment clocked 10.9% CAGR from March 2016 to March 2020. Even the small HFCs have grown at a CAGR of 32.2% over this period.

Four-year CAGR (March 2016 to March 2020) of HFC groups in housing finance focused on low income housing segment



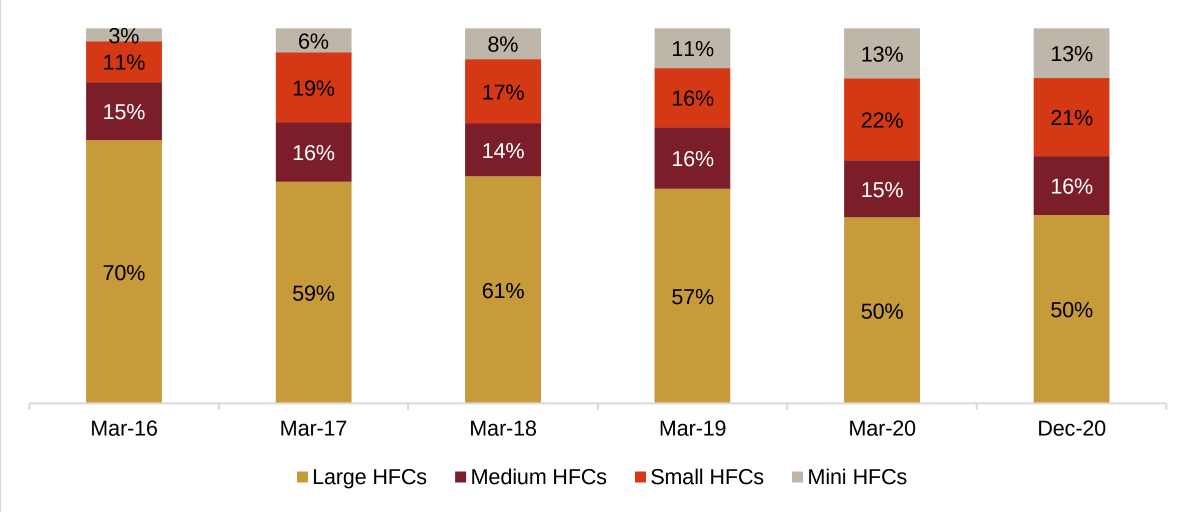
Source: Experian, CRISIL Research

Competitive landscape among HFCs focused on low income housing segment

Among the HFCs, the market share of large HFCs has reduced drastically from 70% as on March 2016 to 50% as on March 2020 and remaining stable in December 2020 in terms of home loan outstanding in the low income housing segment. With respect to credit disbursement also, the share of large HFCs has reduced gradually from 48%, as of FY16 to 38%, as of FY20. The small and mini HFCs have been able to garner a modest industry share. The share of small HFCs, in terms of credit outstanding, increased from 11%, as of March 2016, to 22%, as of March 2020, and that of mini HFCs increased from 3% to

13% in the same period. This increase in market share was majorly driven by penetration of these financiers in rural markets and semi-urban areas, government and regulatory thrust, as well as increased affordability and aspirations of the borrowers.

Market share of HFC groups based on credit outstanding focused on low income housing segment

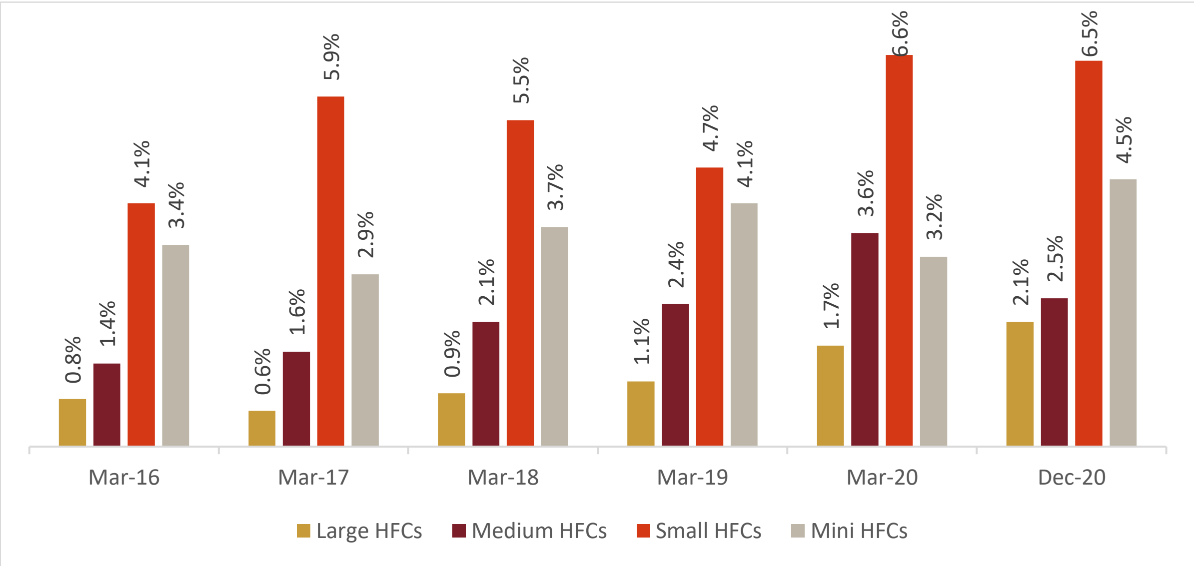


Source: Experian, CRISIL Research

Significant variation in asset quality across player-levels observed

Among the HFCs, there is a fair amount of variation in the asset quality of various HFC groups. The GNPA ratio is the least for large HFCs, followed by medium HFCs. Small HFCs have the highest amount of GNPA as a proportion of total advances (6.6% as of March 2020), majorly due to high penetration in the low-income group segment where credit assessment is a challenge. For mini HFCs, GNPA stood at 3.2% of overall advances, as of March 2020.

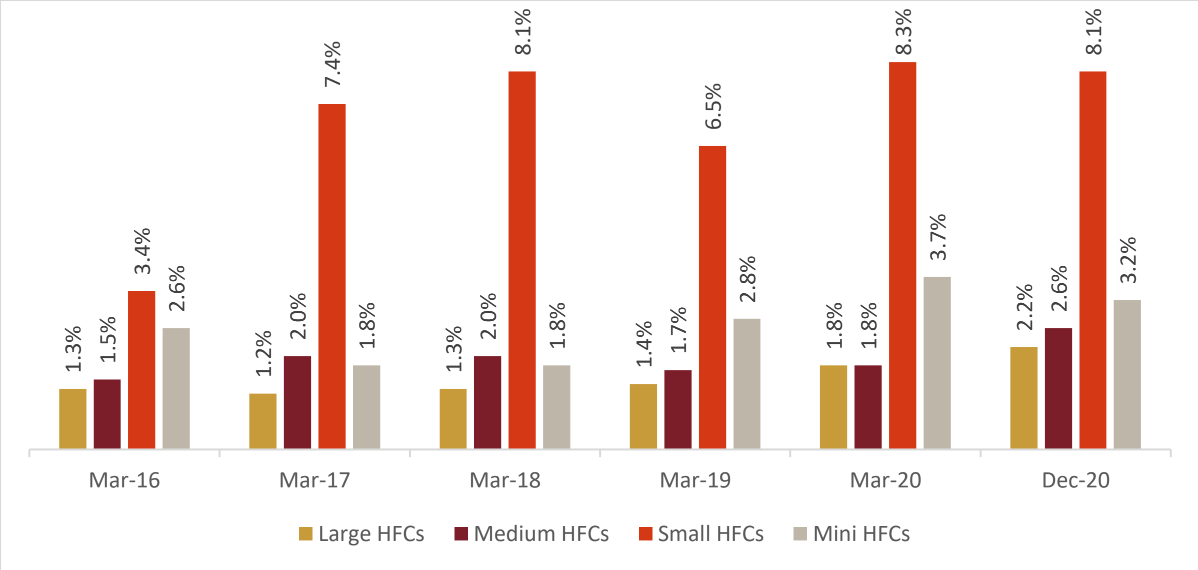
GNPA (90 DPD) ratio of HFC groups in the housing finance industry



Source: Experian, CRISIL Research

In the housing loans focused on low income housing segment as well, the GNPA ratio for large and medium HFCs is low. Large and medium HFCs have the least GNPA as a proportion of total advances in this segment (both at 1.8% of total advances), followed by mini HFCs at 3.7% as on March 2020. Small HFCs have the highest GNPA ratio of 8.3%, as of March 2020, up from 3.4%, as of March 2016.

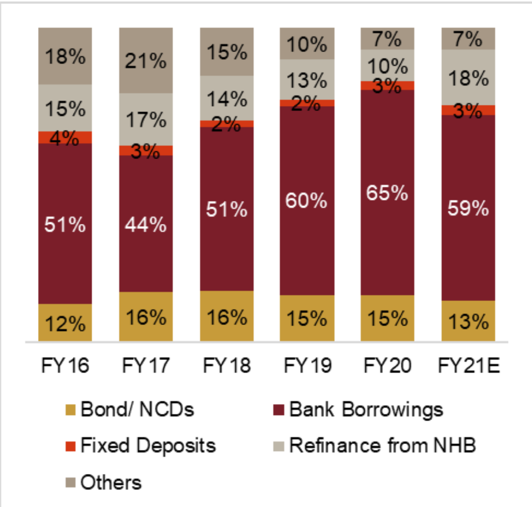
GNPA (90 DPD) ratio of HFC groups in the low income housing segment



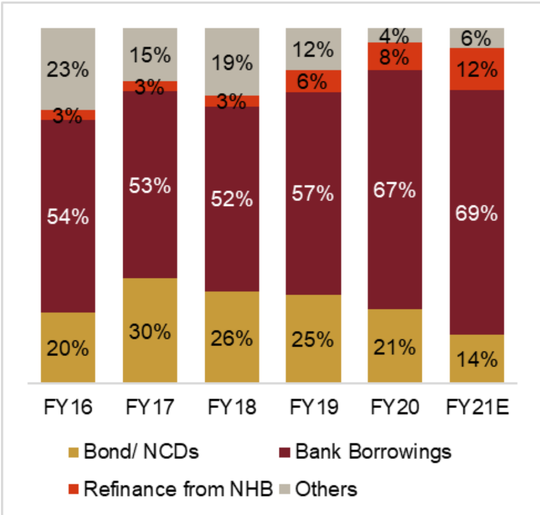
Source: Experian, CRISIL Research

Small and mini HFCs as well as the HFCs focused on low income housing segment traditionally rely on commercial banks and the NHB for their borrowings. The share of bank borrowings in the overall borrowing mix of small, mini and HFCs focused on low income housing segment has been increasing from Fiscal 2016 to Fiscal 2021. It has grown from 51% to 59% for small HFCs, 54% to 69% for mini HFCs and 57% to 59% for HFCs focused on low income housing segment. 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 and low income housing.

Increasing share of bank borrowings for small HFCs



Highest dependency of mini HFCs on Bank borrowings in funding mix



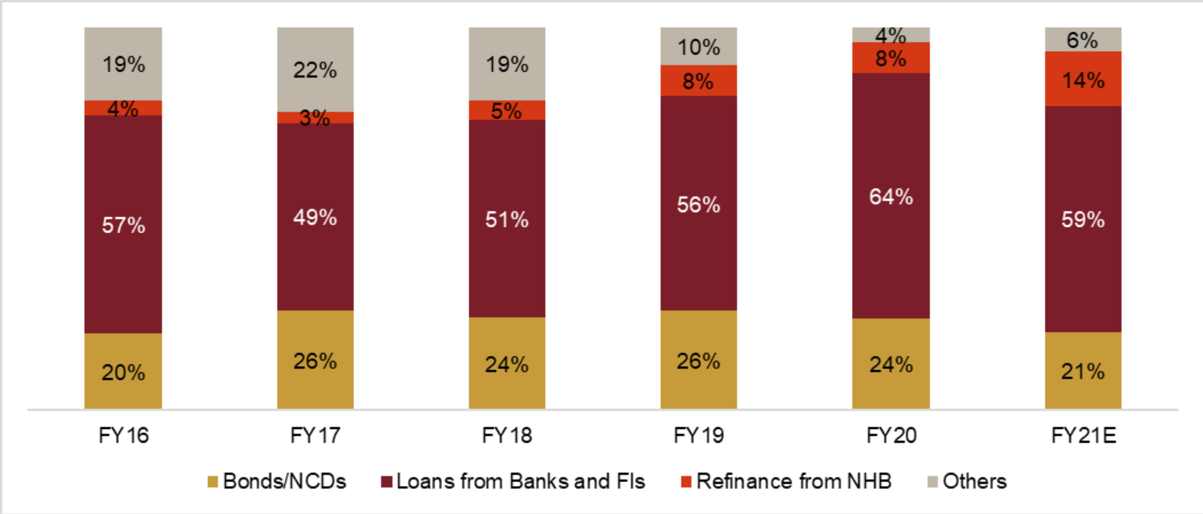
Note: E = Estimated;

1) *Small HFCs include data for GIC Housing Finance Ltd, REPCO Home Finance Ltd, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited and Mahindra Rural Housing Finance Limited*

2) *Mini HFCs include data for Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Edelweiss Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, Magma housing finance, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, Sahara Housingfina Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*

Source: CRISIL Research

Funding mix of HFCs focused on low income housing segment



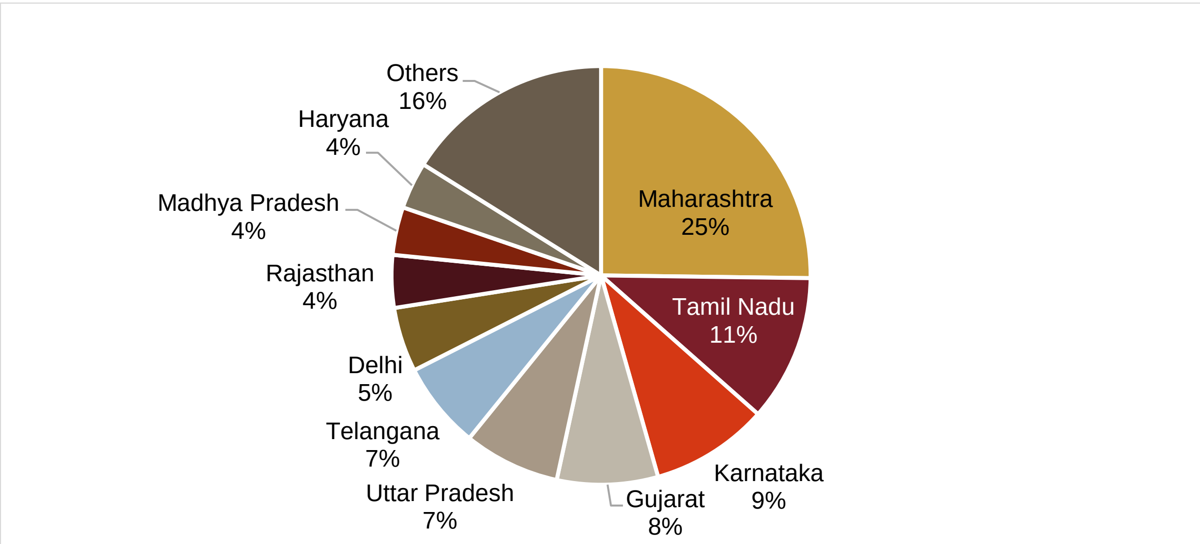
Note: E = Estimated; HFCs focused on low income housing segment include data for Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Mahindra Rural Housing Finance Limited, Fullerton India Home Finance Company Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Ltd., India Home Loans Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Vastu Housing Finance Corporation Limited, and Home First Finance Company India Private Limited

Source: CRISIL Research

State-wise analysis of HFC Groups in overall housing finance industry

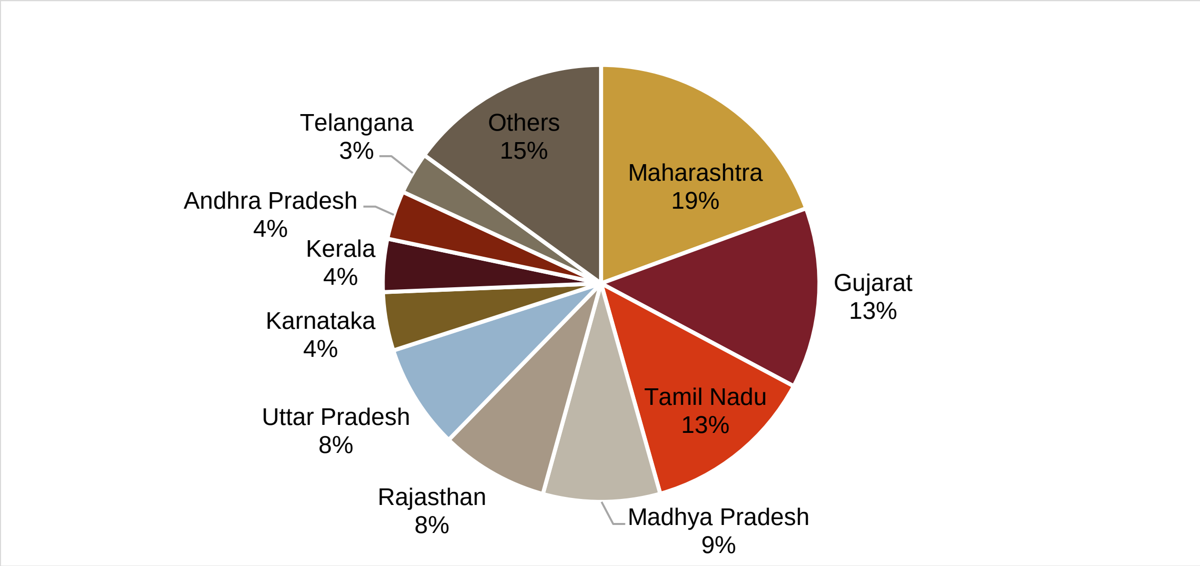
In the overall housing finance industry, the credit extended by HFCs is approximately Rs. 7.8 trillion, as of March 2020. The top-ten states have a market share of 85% in terms of credit outstanding of HFCs in the industry as on March 2020. Maharashtra is at the top with a market share of 25%, followed by Tamil Nadu (11%), Karnataka (9%), Gujarat (8%) and Uttar Pradesh (7%).

HFCs in top-10 states contribute to 85% of overall credit outstanding of HFCs, as of March 2020



Source: Experian, CRISIL Research

HFCs in top 10 states contribute to 85% of credit outstanding of HFCs as of March 2020 – housing finance focused on low income housing segment



Source: Experian, CRISIL Research

Large HFCs have a significant market share of more than 70% in Kerala and Uttar Pradesh. Consequently, the share of mini and small HFCs in these states is quite small. Large HFCs have exhibited a four-year CAGR of 1.8% in home loans outstanding focused on low income housing segment (four-year CAGR of large HFCs in overall housing finance market is 14%). Medium HFCs have a market share of more than 20% in Gujarat and Madhya Pradesh. Mini and small HFCs have a market share of more than 30% in many of the states including Maharashtra, Gujarat, Tamil Nadu, Rajasthan, Madhya Pradesh and Andhra Pradesh.

State- and district-wise assessment of housing loans focused on low income housing segment (as of March 2020)

State	No. of districts	Outstanding housing finance focused on low income housing segment of HFCs in the state (in Rs billion)	HFC Groups	% of credit outstanding for HFC Groups	Growth in Credit outstanding of HFC Groups (Mar-16 to Mar-20 CAGR)	Top 5 districts On the basis of credit outstanding for overall HFCs in housing finance focused on low income housing segment	Concentration of credit outstanding in the top 5 district in respective player groups
Maharashtra	34	175	Large	40%	-2%	Thane, Pune, Mumbai, Nashik, Nagpur	64%
			Medium	16%	6%		54%
			Small	26%	31%		35%
			Mini	16%	79%		64%
Gujarat	25	121	Large	33%	4%	Surat, Ahmedabad, Vadodara, Rajkot, Valsad	68%
			Medium	30%	8%		57%
			Small	14%	75%		47%
			Mini	21%	78%		76%
Tamil Nadu	32	116	Large	47%	-1%	Coimbatore, Kanchipuram, Tirunelveli, Tiruvallur, Madurai	43%
			Medium	8%	10%		53%
			Small	30%	18%		32%
			Mini	13%	53%		34%
Madhya Pradesh	50	78	Large	34%	6%	Indore, Bhopal, Gwalior, Ujjain, Dhar	63%
			Medium	28%	15%		44%
			Small	22%	106%		38%
			Mini	15%	52%		57%
Rajasthan	32	72	Large	36%	0%	Jaipur, Ajmer, Bhilwara, Jodhpur, Bikaner	62%
			Medium	10%	19%		47%
			Small	28%	42%		54%
			Mini	20%	43%		59%
Uttar Pradesh	72	70	Large	70%	6%	Lucknow, Ghaziabad, Gautam	44%
			Medium	6%	18%		75%
			Small	16%	59%		59%

State	No. of districts	Outstanding housing finance focused on low income housing segment of HFCs in the state (in Rs billion)	HFC Groups	% of credit outstanding for HFC Groups	Growth in Credit outstanding of HFC Groups (Mar-16 to Mar-20 CAGR)	Top 5 districts On the basis of credit outstanding for overall HFCs in housing finance focused on low income housing segment	Concentration of credit outstanding in the top 5 district in respective player groups
			Mini	6%	80%	Buddha Nagar, Kanpur Nagar, Agra	66%
Karnataka	31	39	Large	58%	3%	Bengaluru, Mysuru, Dharwad, Hubli, Gulbarga	63%
			Medium	15%	3%		71%
			Small	13%	6%		45%
			Mini	10%	53%		55%
Kerala	16	35	Large	76%	5%	Ernakulum, Thiruvananthapuram, Kozhikode, Thrissur, Alappuzha	57%
			Medium	4%	5%		90%
			Small	17%	28%		53%
			Mini	3%	15%		66%
Andhra Pradesh	14	32	Large	48%	2%	Visakhapatnam, Krishna, East Godavari, Guntur, West Godavari	53%
			Medium	11%	25%		73%
			Small	31%	29%		59%
			Mini	9%	48%		58%
Telangana	9	28	Large	59%	2%	Hyderabad, KV Rangareddy, Warangal, Karim Nagar, Nalgonda	87%
			Medium	13%	18%		88%
			Small	18%	22%		81%
			Mini	8%	32%		78%

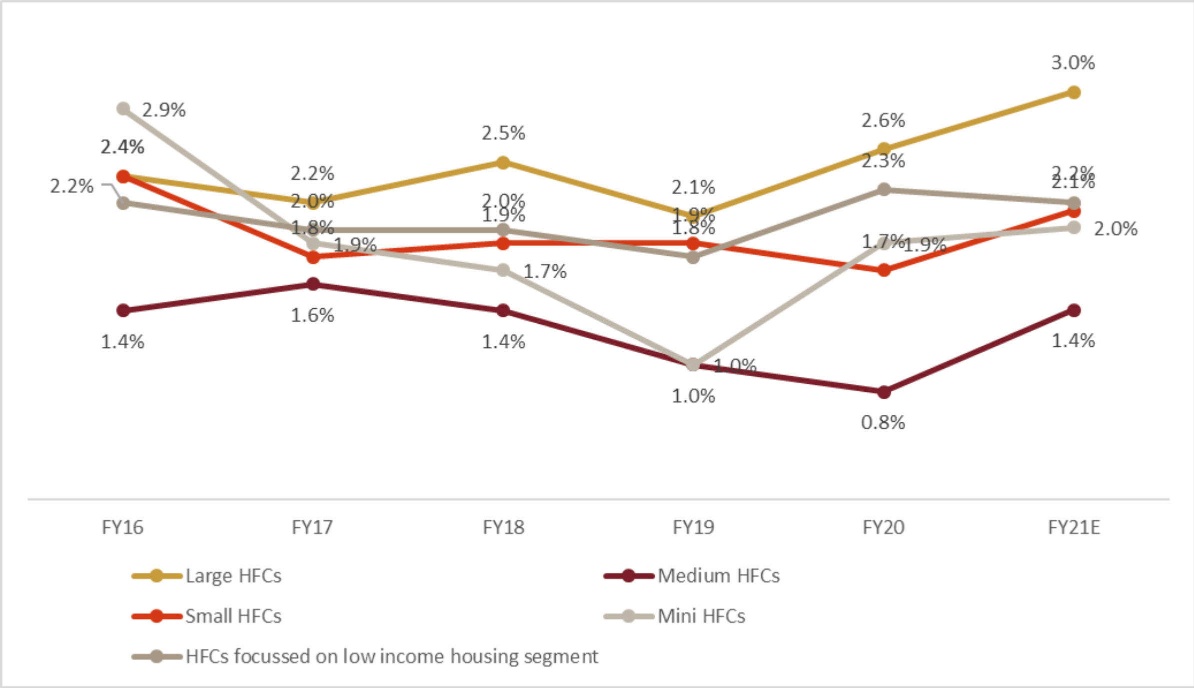
Note: Top 10 states selected basis the maximum share in the overall HFCs

Source: Experian, CRISIL Research

Profitability analysis: Higher returns, lesser competition make the low income housing segment attractive for HFCs

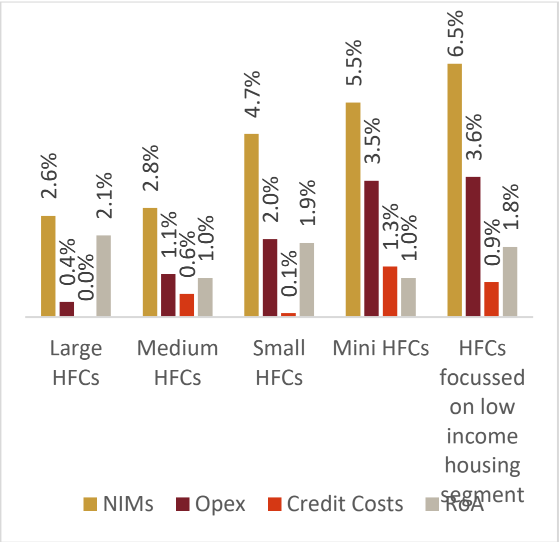
Housing loans are considered to be a safer asset class compared with other asset classes such as vehicle loans, construction equipment loans and personal loans, as borrowing is usually for a self-occupied residential property of the borrower, where the propensity of default is relatively lower. In Fiscal 2019, HFCs across segments saw a decline in RoA, because of an increase in interest expenses following the default by IL&FS. Large, mini and HFCs focused on low income housing segment witnessed an improvement in RoA during Fiscal 2020. For large HFCs, improvement in profitability was mainly due to tax reduction, while for mini HFCs and HFCs focused on low income housing segment, the improvement was owing to significantly lower credit costs (on account of a significant decline in GNPA for a few HFCs such as Motilal Oswal Home Finance, Aavas and Shriram Housing). For medium HFCs, significantly higher credit costs compared with Fiscal 2019 led to lower profitability. Over the longer term, CRISIL Research expects the industry's profitability to gradually improve. Cost of funds, which has shot up since the second half of Fiscal 2019, is expected to gradually normalise, once risk aversion wanes and capital availability for better performing HFCs improves. As economy revives, delinquencies are also expected to normalise, leading to decrease in credit costs for HFCs. Additionally, for players in housing finance focused on low income housing segment, operating expenses, too, would moderate, as business volumes increase and the level of standardisation and digitalisation in credit assessment increases.

Return on assets (RoA) across player groups

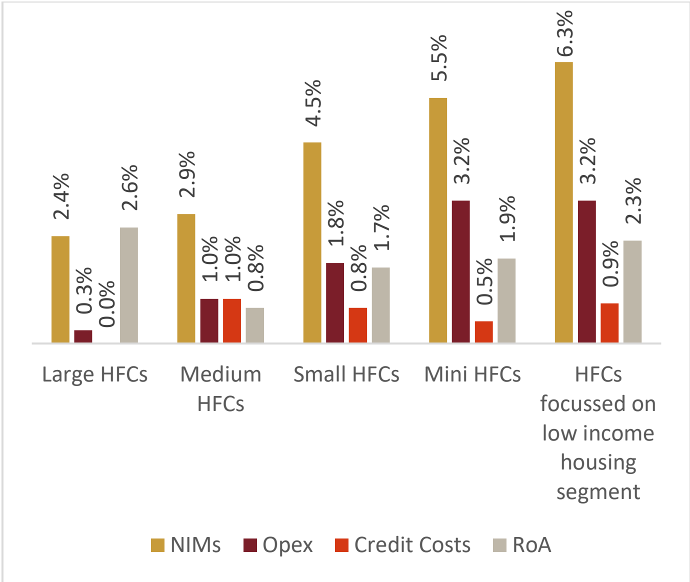


Note: E = Estimated

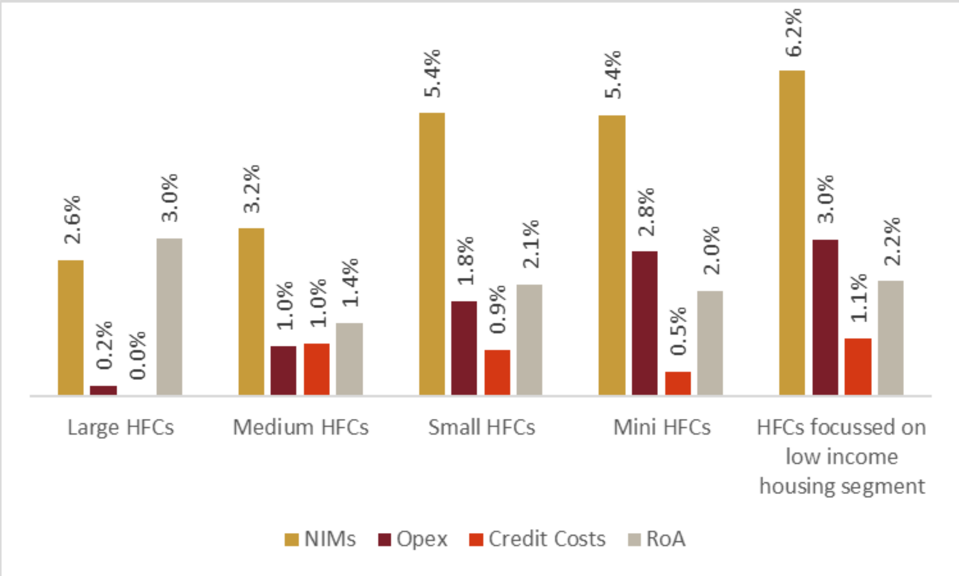
Profitability parameters – Fiscal 2019



Profitability parameters – Fiscal 2020



Profitability parameters – Fiscal 2021 (estimated)



Note –

1) *Large HFCs include data for Housing Development Finance Corporation Ltd, Indiabulls Housing Finance Ltd, LIC Housing Finance Ltd and PNB Housing Finance Ltd*
2) *Medium HFCs include data for Can Fin Homes Ltd, ICICI Home Finance Ltd, L&T Housing Finance Ltd and TATA Capital Housing Finance Ltd*
3) *Small HFCs include data for GIC Housing Finance Ltd, REPCO Home Finance Ltd, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited and Mahindra Rural Housing Finance Limited*
4) *Mini HFCs include data for Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Edelweiss Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, Magma housing finance, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housingfina Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*
5) HFCs *focused on low income housing segment* include data for *Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Limited, Mahindra Rural Housing Finance Limited, Fullerton India Home Finance Company Limited, Micro Housing Finance Corporation Limited, Shriram Housing Finance Ltd., India Home Loans Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Vastu Housing Finance Corporation Limited*, and *Home First Finance Company India Private Limited*
6) *NIM has been calculated as Net Interest Margin/ Average Assets, Opex has been calculated as Operating expenses/ Average Assets, Credit cost has been calculated as Provisions/ Average Assets and RoA has been calculated as PAT/ Average Assets*

Source: CRISIL Research

Peer benchmarking

The Peer Set: Aadhar Housing Finance, Aavas Financiers, Motilal Oswal Home Finance (Formerly Aspire Home Finance Corporation Limited), Home First Finance Company, Shriram Housing Finance, Vastu Housing, India Shelter Finance Corporation, Shubham Housing Development Finance Company and Repco Home Finance. These HFCs have been selected due to their strong focus on home loans with an average ticket size in the range of near Rs. 1 million.

Aptus Value Housing registered the third-highest AUM growth in Fiscal 2021

With a strong focus on the low income housing segment, Aptus Value Housing Finance has registered the third-highest growth in AUM in Fiscal 2021, next to Shriram Housing Finance (70%) and Vastu Housing Finance (36%). Aptus Value Housing Finance registered the highest CAGR in disbursements (33% CAGR over Fiscals 2017-2021) followed by Home First Finance Company (27% CAGR).

Size of the companies and growth

FY21	AUM (Rs billion) FY21	AUM (Rs billion) FY20	YoY AUM growth (FY21)	AUM growth (CAGR – FY17-21)	Disbursements (Rs billion) FY21	YoY Disbursement growth (FY21)	Disbursement growth (CAGR FY17-21)	Total income (Rs billion) FY21	Profit after tax (Rs billion) FY21	Total Net Worth (Rs billion) FY21
Aadhar Housing Finance	133.3	114.3	17%	43%	35.5	11%	20%	15.5	3.4	26.9
Aavas Financiers	94.5	78.0	21%	37%	26.6	-9%	18%	11.1	2.9	24.0

FY21	AUM (Rs billion) FY21	AUM (Rs billion) FY20	YoY AUM growth (FY21)	AUM growth (CAGR – FY17-21)	Disbursements (Rs billion) FY21	YoY Disbursement growth (FY21)	Disbursement growth (CAGR FY17-21)	Total income (Rs billion) FY21	Profit after tax (Rs billion) FY21	Total Net Worth (Rs billion) FY21
Aptus Value Housing Finance	40.7	31.8	28%	48%	13.0	1%	33%	5.5	2.2	18.9
Home First Finance Company	41.4	36.2	14%	51%	11.0	-32%	27%	4.9	1.0	13.8
India Shelter Finance	19.3**	15.2	29%^^	44%***	5.6*	-2%^^	25%***	3.2	0.9	9.4
Motilal Oswal Home Finance	35.1	36.7	-4%	-4%	2.7	44%	-42%	5.5	0.4	9.1
Repco Home Finance	121.2	118.3	2%	8%	18.4	-30%	-9%	13.9	2.9	20.6
Shriram Housing Finance	39.3	23.1	70%	22%	22.0	95%	23%	4.3	0.6	3.6
Shubham Housing	19.4	16.8	15%	24%	NA	NA	NA	3.4	0.6	5.2
Vastu Housing Finance	24.1	17.7	36%	86%	33.0	NA	NA	3.5	1.0	9.9

Note:

1. *(***) CAGR FY16-20*
2. *(**) Dec 2020*
3. *(*) FY20*
4. *(^^) Y-o-Y growth FY20*
5. *(^) Loan Outstanding Dec 2020*
6. *NA: Not available*

Source: Company reports, CRISIL Research

Targeted approach from Aptus Value Housing Finance in terms of geographical spread

Peers including Motilal Oswal Home Finance, Repco Home Finance, and Aavas Financiers, along with Aptus Value Housing Finance have a more focussed approach in terms of the geography they have been targeting with 100% of their business from top 4 states. Within this, Aptus Value Housing Finance is highly focused on Tamil Nadu, Andhra Pradesh, and Telangana with these 3 states together accounting for around 90% of its portfolio.

Share of top 5 states/UTs in the AUM (as of March 2021)

States	Aadhar Housing Finance **	Aavas Financiers##	Aptus Value Housing Finance	Home First Finance Company	India Shelter Finance	Motilal Oswal Home Finance	Repco Home Finance	Shriram Housing Finance **	Shubham Housing	Vastu Housing Finance **
Presence in number of states and UTs	20	10	4	11	13	9	13	15	12	9
Largest states for each HFC										
Maharashtra	15%	15%		19%		66%	10%	24%	35%	
Uttar Pradesh	16%								14%	
Madhya Pradesh	12%	15%				8%				
Gujarat	10%	15%		38%		13%	4%	14%		11%
Rajasthan	9%	43%		6%	34%	3%			7%	17%
Tamil Nadu			52%	11%		4%	55%	9%		
Andhra Pradesh & Telangana			38%				11%	18%		18%
Karnataka			10%	9%			14%	13%		18%
Delhi									14%	12%
Haryana									9%	
Share of top 5 states & UTs	62%	88%^^	100%	83%	71%^^^	94%	93%	78%	80%	76%

Note: (**) – FY20; (^^) – Top 4 states share; (^^^) – Top 3 states share; (##) - State wise AUM split as of December, 2020.

Below list indicates the presence of respective players in number of states and UTs. However, state wise AUM split is not available for below players.

Player Name	Presence in number of states and UTs
India Shelter	13

Source: Company Reports; CRISIL Research

Aptus Value Housing Finance has the highest RoA amongst the peers

Among the peer set analysed, Aptus Value Housing Finance had the highest RoA of 5.7% in Fiscal 2021, followed by India Shelter Finance (4.1%) and Vastu Housing Finance (3.98%). Repco Home Finance posted lowest opex ratio (1.6%) amongst peers followed by Aadhar Housing Finance (2.3%) and Aptus Value Housing (2.38%) in Fiscal 2021.

In Fiscal 2021, Aptus Value Housing Finance had the lowest leverage (1.1 times) amongst peers followed by Vastu Housing Finance (1.5 times) and India Shelter Finance (1.6 times). Repco Home Finance had the highest Return on Equity amongst peers (14.98%) in Fiscal 2021, followed by Aadhar Housing Finance (13.5%) and Aavas Financiers (12.9%).

Financial ratios for FY21

FY21	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Return on Assets (RoA)	Leverage (In Times)	Return on Equity (RoE)
Aadhar Housing Finance	13.35%	8.27%	5.65%	2.32%	1.21%	2.62%	3.8	13.51%
Aavas Financiers	14.25%*	7.97%	7.79%	3.54%	1.92%	3.49%	2.6	12.91%
Aptus Value Housing Finance	16.98%*	9.13%	9.72%	2.38%	1.60%	5.73%	1.1	12.23%
Home First Finance Company	13.36%*	7.94%	6.73%	3.38%	1.47%	2.50%	2.2	8.63%
India Shelter Finance	15.89%*	8.69%	10.21%	4.90%	2.50%	4.09%	1.6	9.76%
Motilal Oswal Home Finance	14.90%	9.97%	6.59%	4.27%	1.48%	1.04%	3.1	4.57%
Repco Home Finance	11.54%*	7.95%	4.80%	1.60%	0.58%	0.24%	5.0	14.98%
Shriram Housing Finance	12.28%*	8.24%	6.96%	4.30%	1.73%	1.97%	5.5	11.46%
Shubham Housing	16.32%	9.73%	9.34%	5.70%	3.61%	2.81%	3.1	12.26%
Vastu Housing Finance	14.71%	9.08%	8.94%	3.65%	2.22%	3.98%	1.5	10.65%

Note: (*) – Total interest income is considered while calculating yield on advances

Financial Ratios for all the peers are calculated based on standalone number

Source: Company reports, CRISIL Research

FY20	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Credit cost (Including COVID-19 additional provisioning)	COVID-19 additional provisioning (% of AUM)	Return on Assets (RoA)	Leverage (In Times)	Return on Equity (RoE)
Aadhar Housing Finance	13.5%	8.6%	5.3%	2.2%	1.4%	1.0%*	0.4%	1.7%	4.1	11.8%
Aavas Financiers	13.5%	7.6%	8.2%	3.5%	2.2%	0.2%	0.1%	3.8%	2.6	12.7%
Aptus Value Housing Finance	15.7%	10.0%	9.9%	2.6%	1.9%	0.1%	0.1%	6.3%	1.1	15.4%
Home First Finance Company	13.2%	8.7%	7.6%	3.4%	2.0%	0.6%	0.2%	2.6%	2.7	10.9%
India Shelter Finance	15.4%	8.9%	9.9%	5.0%	3.2%	0.7%	NA	3.0%	1.1	5.7%
Motilal Oswal Home Finance	14.0%	10.1%	5.5%	2.3%	1.5%	1.8%	NA	0.9%	3.4	4.6%
Repco Home Finance	11.7%	7.7%	4.6%	0.9%	0.6%	0.5%	0.3%	2.4%	5.9	16.9%
Shriram Housing Finance	14.3%	8.0%	8.7%	4.8%	2.7%	1.1%	0.4%	2.0%	3.8	9.5%
Shubham Housing	17.6%	10.6%	9.7%	6.5%	4.7%	0.5%	0.3%^	2.0%	2.8	7.8%
Vastu Housing Finance	15.1%	8.9%	8.8%	2.8%	2.2%	0.2%	NA	4.5%	1.5	11.3%

Note: (^) - As % of loan outstanding; (*) - Includes accelerated provisioning of Rs. ~400 million towards project finance book.

Financial Ratios for all the peers are calculated based on standalone number; NA- Not available

Source: Company reports, CRISIL Research

Aptus Value Housing Finance has the largest branch network in South India amongst peers; is also amongst the top 3 in terms of employees

According to the peer set analysed, Aadhar Housing Finance had the highest branch count (319 branches), followed by Aavas Financers (280 branches), Repco (177 branches) and Aptus Value Housing Finance (190 branches). Amongst the peers, Aptus Value Housing Finance is the largest HFC in South India in terms of branch network as of March, 2021. The market share of Aptus Value Housing Finance India in Tamil Nadu, Andhra Pradesh, Karnataka and Telangana, amongst all the HFCs in terms of gross home loan assets was 1.6%, 1.0%, 0.4% and 0.4% respectively as of December 31, 2020. Among the Small and Mini HFCs, the market share of Aptus Value Housing Finance India in Tamil Nadu, Andhra Pradesh, Karnataka and Telangana, in terms of gross home loan assets, was 21.3%, 11.7%, 7.7% and 6.5% respectively as of December 31, 2020. In terms of number of employees as on March 31, 2021, the top 4 HFCs amongst the peers considered are Aavas Financiers (4581 employees), Aadhar Housing Finance (2310 employees), Shubham Housing (1914) and Aptus Value Housing Finance (1913 employees). Having a large base of employees, especially for direct sales, enables these players to source a lot of the business on their own and stay in touch with their customers.

Branch network and employee strength of various entities

FY 21	Total number of branches as on March 2021	Total Branches in South India	% Branches in South India	Number of employees as on March 2021
Aadhar Housing Finance	319	93	29.2%	2310
Aavas Financiers	280	0	0.0%	4581**
Aptus Value Housing Finance	190	190	100.0%	1913
Home First Finance Company	72	23	31.9%	687
India Shelter Finance	97#	16#	16.5%#	1126^
Motilal Oswal Home Finance	104	31	29.8%	1316
Repco Home Finance	177*	137*	77.4%	980
Shriram Housing Finance	80	30	37.5%	798**
Shubham Housing	94	0	0.0%	1914
Vastu Housing Finance	75	18	24.0%	582

Note: The employee numbers are based on public disclosures by the entities, and may or may not include the off-roll employees

NA – Not available. (^) – FY19; (*) including satellite offices; (#) as of Q3 FY21; (**) – FY20

South India comprises of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Puducherry (Union Territory)

Source: Company reports, Company websites, CRISIL Research

Aptus Value Housing Finance has the lowest cost to income ratio followed by Repco Home Finance

Aptus Value Housing Finance registered lowest cost to income ratio (24.5%) amongst peers followed by Repco Home Finance (33.4%), Vastu Housing Finance (40.8%) and Aadhar Housing Finance (41.1%) in fiscal 2021.

Amongst the peer set analysed, Repco Home Finance had highest AUM per employee (Rs 123.7 million) followed by Home First Finance (Rs 60.3 million) in fiscal 2021. Repco Home Finance registered highest AUM / branch ratio followed by Home First Finance Company in fiscal 2021 owing to its larger AUM size.

Operational Productivity

FY 21 (In Rs. Mn)	AUM / branch	AUM / Employee	Disbursement / branch	Disbursement / Employee	Total income / branch	Total income / Employee	Cost to Income ratio
Aadhar Housing Finance	417.8	57.7	111.1	15.3	48.6	6.7	41.09%
Aavas Financiers	337.7	17.0^	94.9	5.8	39.5	2.0^	45.40%
Aptus Value Housing Finance	214.1	21.3	68.3	6.8	29.0	2.9	24.53%
Home First Finance Company	575.2	60.3	152.3	16.0	67.9	7.1	50.17%
India Shelter Finance	198.8*	14.9^	65.3^	5^	25.8^	2.0^	48.05%
Motilal Oswal Home Finance	337.7	26.7	26.2	2.1	52.5	4.1	64.76%
Repco Home Finance	684.8	123.7	104.0	18.8	78.7	14.2	33.37%
Shriram Housing Finance	491.1	28.9^	274.4	14.1^	53.5	3.6^	61.77%
Shubham Housing	206.2	10.1	NA	NA	36.3	1.8	61.06%
Vastu Housing Finance	321.7	41.5	439.4	56.6	47.1	6.1	40.82%

Note: (*) As of Dec 2020; (^) FY20

Cost to income ratio is calculated as opex in current year divided by Net interest income (Total income minus finance cost).

Financial Ratios for all the peers are calculated based on standalone number

Source: Company reports, CRISIL Research

Aptus Value Housing Finance has one of the lowest GNPA and Credit cost amongst peers

Vastu Housing Finance has the lowest GNPA ratio (0.5%), followed by Aptus Value Housing (0.7%), Aavas Financiers (1.0%) and Aadhar Housing Finance (1.1%) as of March 2021. India Shelter Finance and Aptus Value Housing Finance have the highest capital adequacy ratio of 79.8% and 73.6% as of March 2021, followed by Vastu Housing Finance (57.0%), Home First Finance (56.2%) and Aavas Financiers (54.5%). Aptus Value Housing Finance and Repco Home Finance have the lowest credit cost amongst peers at 0.1% in Fiscal 21. Motilal Oswal Home Finance, on the other hand, has the highest credit cost amongst peers at 2.1% in Fiscal 21.

Capitalisation and asset quality

FY 21 (In %)	GNPA	Average GNPA for past 3 Years	NNPA	1 Year lagged GNPA	2 Year lagged GNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital	Collection efficiency (March 2021
Aadhar Housing Finance	1.1	1.1	0.8	1.3	1.3	0.4	44.1	42.6	100%
Aavas Financiers	1.0	0.6	0.7	0.9	1.2	0.4	54.5	53.3	95-96%**
Aptus Value Housing Finance	0.7	0.6	0.5	0.9	1.2	0.1	73.6	73.8	100%
Home First Finance Company	1.8	1.2	1.2	1.7	2.5	0.8	56.2	55.2	99%
India Shelter Finance	1.3^	1.3#	0.9^	1.7*	2.6*	0.9	79.8^	78.4^	98%^
Motilal Oswal Home Finance	2.2	2.0	1.5	2.1	1.8	2.1	50.0	49.3	97%
Repco Home Finance	3.7	3.7	2.2	3.8	4.0	0.1	NA	28.5	93%**

FY 21 (In %)	GNPA	Average GNPA for past 3 Years	NNPA	1 Year lagged GNPA	2 Year lagged GNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital	Collection efficiency (March 2021
Shriram Housing Finance	1.9	2.4	1.5	2.7*	2.8*	0.6	23.0	NA	101%^^
Shubham Housing	2.2	2.1	1.4	2.5	3.2	0.4	41.2	NA	92%^
Vastu Housing Finance	0.5	0.3	0.4	0.6	0.8	0.4	57.0	56.2	NA

Note: NA: Not available; (*) FY20; (**) Sept 2020; (^) As of Dec 2020; (^^) January 2021; (#) 3 year average is calculated based on FY19, FY20 and Dec 2020 data

Credit cost for the year is defined as total provisions for the year divided by average of total assets for the current year and last year.

Financial Ratios for all the peers are calculated based on standalone number

Source: Company reports, CRISIL Research

Higher share of Non-housing loans for Aptus Value Housing Finance India Limited to be seen in light of the nature of the loans

Aptus Housing Finance has 48% of non-housing loans (NHLs) on its books as on Mar-21, but a substantial amount of the NHLs in its book are towards house construction, renovation or purchase by the self-employed category, which do not meet the National Housing Bank (NHB) guidelines for classification as HLs. Amongst the peers considered, Home First Finance Company has the highest share of housing loans at 92%. The proportion of self-employed customers in the portfolio, at 72% for Aptus Value Housing Finance, is higher than that of the other entities considered in the assessment.

AUM Split (By products and by income type)

AUM Split (FY21)	By products			By income Type		Average ticket size (In Rs. Mn)
	Home Loans	LAP	Others*	Salaried	Self employed	
Aadhar Housing Finance	85%	15%	-	64%	36%	0.85
Aavas Financiers	74%	-	27%	40%	60%	0.85
Aptus Value Housing Finance	52%	22%	26%	28%	72%	0.70
Home First Finance Company	92%	6%	2%	74%	26%	1.01
India Shelter Finance^	61%	-	39%	NA	NA	NA
Motilal Oswal Home Finance	88%	12%	-	55%	45%	0.86
Repco Home Finance	81%	19%	-	49%	52%	1.5
Shriram Housing Finance^^	63%	33%	4%	17%	83%	NA
Shubham Housing	76%	24%	-	57%	43%	0.8^^
Vastu Housing Finance	61%	39%	-	20%	80%	1.20

Note: (*) – Include Project Finance, Composite loans, Resale loans and other non-housing loans

(^) – FY20

(^^) – As of Dec 2020

Source: Company reports, CRISIL Research

Aptus Value Housing Finance well placed amongst top 4 peers having highest surplus in ALM in within as well as after 12 months bucket

Amongst the peer set analysed, Home First Finance has highest ALM surplus (Rs 26.9 bn) within 12 months bucket followed by Aadhar Housing Finance (Rs 16.7 bn), Aavas Financiers (Rs 9.5 bn) and Aptus Value Housing Finance (Rs 2.7 bn). In the after 12 months bucket, Home First Finance has highest ALM surplus (Rs 39.0 bn) followed by Repco Home Finance (Rs 31.6 bn) and Aptus Value Housing Finance (Rs 17.1 bn).

ALM position of various peers

FY21 (In Rs. Bn)	Assets		Liability		Net	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Aadhar Housing Finance	44.2	92.1	27.5	81.9	16.7	10.2
Aavas Financiers	21.3	68.3	11.8	53.3	9.5	15.0
Aptus Value Housing Finance	7.7	37.5	5.0	20.4	2.7	17.1
Home First Finance Company	53.0	171.7	26.1	132.7	26.9	39.0
India Shelter Finance	3.5	14.5	1.9	7.6	1.6	6.9
Motilal Oswal Home Finance	4.7	34.8	8.1	21.8	-3.4	12.9
Repco Home Finance	6.7	112.1	20.6	80.5	-13.9	31.6
Shriram Housing Finance	5.3	19.7	6.4	13.5	-1.1	6.2
Shubham Housing	0.7	18.6	4.3	11.7	-3.6	6.9
Vastu Housing Finance	6.1	22.6	7.3	11.4	-1.3	11.2

Note: (*) FY20

Source: Company reports, CRISIL Research

High proportion of non-institutional promoter shareholding for Shubham Housing Finance and Aptus Value Housing Finance amongst peers

Amongst the peer set analysed, Shubham Housing Finance (53%) followed by Aptus Value Housing Finance (26%) have a significant non-institutional promoter shareholding. Other peers analysed are majorly having institutional holding (including corporate bodies) in promoters and well as non-promoter shareholding.

Shareholding pattern of various peers (as of March 2021)

	Promoter and Promoter Group (%)		Other than promoter (%)
	Individual	Institutional	
Aadhar Housing Finance	2	79	19
Aavas Financiers	-	51	49
Aptus Value Housing Finance	26	-	74
Home First Finance Company	-	77	23
India Shelter Finance	2	-	98
Motilal Oswal Home Finance	-	98	2
Repco Home Finance	-	37	63
Shriram Housing Finance	-	77	23
Shubham Housing*	53	-	47
Vastu Housing Finance	-	-	100

Note: Undiluted shareholding; (**) as of March 2020

Source: Company reports, CRISIL Research

OUR BUSINESS

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. Such non-GAAP financial measures should be read together with the nearest GAAP measure.

The industry-related information contained in this section is derived from the CRISIL Report. We have exclusively commissioned CRISIL on February 25, 2021 for the CRISIL Report dated July 2021, and paid for such report only for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see "Risk Factors – Internal Risk Factors – We have referred to the data derived from industry reports commissioned by our Company from CRISIL Limited." beginning on page 46.

Overview

We are an entirely retail focussed housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. According to the CRISIL Report, our Company had the highest RoA of 5.7% among the Peer Set during the financial year 2021. We are one of the largest housing finance companies in south India in terms of AUM, as of March 31, 2021. *(Source: CRISIL Report)* Our AUM have increased from ₹22,472.33 million, as of March 31, 2019 to ₹40,677.62 million, as of March 31, 2021, at a CAGR of 34.54%. Further, according to the CRISIL Report, we had the lowest cost to income ratio among the Peer Set during the financial year 2021. Our Operating Expenses to Net Income Ratio for the financial year 2021 was 21.80%. Since the inception of our Company, we have not restructured any loans or written-off any loans receivable and as of March 31, 2021, March 31, 2020 and March 31, 2019, our Gross NPAs expressed as a percentage of our Gross Loan Assets was 0.68%, 0.70% and 0.40%, respectively. During the financial years 2021, 2020 and 2019, our Credit Costs to Average Total Assets was 0.14%, 0.11% and 0.06%, respectively.

We offer customers home loans for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans, which accounted for ₹21,032.10 million, or 51.70%, ₹8903.39 million, or 21.89% and ₹10,742.13 million, or 26.41% of our AUM, as of March 31, 2021, respectively. We only offer loans to retail customers and do not provide any loans to builders or for commercial real estate. We target first time home buyers where the collateral is a self-occupied residential property. Loans to self-employed customers accounted for ₹29,308.79 million, or 72.05% of our AUM, while loans to salaried customer accounted for ₹11,368.83 million, or 27.95%, as of March 31, 2021. As of March 31, 2021, ₹40,459.85 million, or 99.46% of our AUM were from customers who belonged to the low and middle-income groups, earning less than ₹ 50,000 per month, and ₹14,947.98 million of our AUM, or 39.88% of our customers were new to credit. Further, as of March 31, 2021, ₹25,186.99 million, or 61.92% of our AUM were from customers located in rural regions. We do not provide any loans with a ticket size above ₹2.50 million and the average ticket size of our home loans, loans against property and business loans on the basis of disbursement amounts was ₹0.72 million, ₹0.71 million and ₹0.62 million, as of March 31, 2021, respectively. As of the same date, our home loans, loans against property and business loans had an average loan-to-value of 38.89%, 38.27% and 39.21%, respectively, at the time of sanctioning of the loans.

We have implemented a robust risk management architecture which is reflected in our asset quality. We conduct all aspects of our lending operations in-house including sourcing, underwriting, valuation and legal assessment of collateral and collections, which enables us to maintain direct contact with our customers, reduce turn-around-times and the risk of fraud. Over years, we have studied and developed credit assessment models specific to over 60 types of customer profiles. Some of our profiles are customized to regions and specific types of employment. We update these profiles on a frequent basis for regional and local market specific developments and macro disruptions such as the COVID-19 pandemic. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We have leveraged technology in various facets of our operations and have robust systems and processes to assist us with our underwriting and collections functions and to monitor asset quality. These systems and processes are also technology enabled with a view to ultimately digitize the entire life cycle of a loan from origination to closure. We have also implemented digitized collection models, which has led to an increase in our collection efficiencies.

We have diversified our geographical presence by adopting a strategy of contiguous expansion across regions and are focused on achieving deeper penetration in our existing markets. As of March 31, 2021, the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana accounted for ₹21,263.74 million, or 52.27%, ₹11,116.08 million, or 27.33%, ₹4,038.13 million, or 9.93% and ₹4,259.67 million, or 10.47% of our AUM, respectively, and we had a network of 190 branches covering 75 districts in such states and the union territory of Puducherry. According to the CRISIL

Report, we had the largest branch network in south India among the Peer Set, as of March 31, 2021. Over the years, we have successfully grown our presence outside our home state of Tamil Nadu, which accounted for ₹13,418.55 million, or 59.71% of our AUM, as of March 31, 2019. We have increased the number of our branches from 142 as of March 31, 2019 to 190 as of March 31, 2021. We categorize our branches on the basis of the duration since the commencement of their operations and as of March 31, 2021, we had 108 branches that were operational for over three years with AUM of ₹32,298.90 million, while 82 branches were operational for less than three years with AUM of ₹8,378.72 million.

Our Company was founded by one of our Promoters, Chairman and Managing Director, M. Anandan, and we commenced our operations pursuant to a certificate for commencement of business, dated June 25, 2010, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands). Our Company is registered with the National Housing Bank ("**NHB**") to carry out the business of a housing finance institution without accepting public deposits. For details, see "*Government and Other Approvals*" beginning on page 335. Our marquee shareholders include WestBridge Crossover Fund, LLC, Malabar India Fund Limited (an affiliate of Malabar Investments), SCI Investments VI (an affiliate of Sequoia Capital), Madison India Opportunities IV (Madison India Capital) and Steadview Capital Mauritius Limited (an affiliate of Steadview Capital Management). We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders.

Our financing requirements historically have been met from several sources, including refinancing from the NHB, financing from IFC, term loans, working capital loans and issuance of non-convertible debentures ("**NCDs**") to meet our capital requirements. We also monetize loans through securitization to banks and financial institutions, which enables us to optimize our cost of borrowings, liquidity and capital. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings were ₹25,150.66 million, ₹ 20,216.45 million and ₹16,060.62 million and our average cost of borrowings was 9.11%, 10.17% and 9.48%, respectively. Our average cost of incremental borrowings for March 31, 2021 was 7.70%, as compared to 9.45% for the financial year 2020 and 10.11% for the financial year 2019. As of March 31, 2021, we had borrowing relationships with the NHB, as well as with 17 banks and other financial institutions. As of March 31, 2021, the weighted average tenure of our outstanding borrowings was 83.3 months and our credit ratings were ICRA A+ (Stable) and CARE A+ (Stable). As of the same date, we had a positive asset-liability position across all maturity buckets.

As an organization, we believe in the social impact of our business and operate a financially inclusive customer centric business model. We seek to improve the standard of living of our customers and include them into the financial mainstream. Our presence in the rural and semi urban markets of India also provides employment opportunities in these regions since we primarily recruit our employees locally. As of March 31, 2021, we employed 1,913 personnel.

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

Metric	**As of and for the financial year ended March 31,**		
	2021	**2020**	**2019**
AUM[1] *(₹ million)*	40,677.62	31,786.94	22,472.33
Growth rate of AUM	28%	41%	59%
Gross Loan Book[2]	40,648.75	31,720.19	22,341.31
Disbursements[3] *(₹ million)*	12,981.81	12,709.80	10,890.42
Total Income *(₹ million)*	6,552.42	5,237.20	3,371.15
Profit for the year *(₹ million)*	2,669.44	2,110.12	1,114.83
Net Worth[4] *(₹ million)*	19,794.54	17,090.13	6,983.75
AUM / Net Worth	2.05	1.86	3.22
Return on Total Assets[5] *(%)*	6.46%	6.95%	5.91%
Return on Equity[6]	14.47%	17.53%	17.38%
Gross NPAs[7] *(₹ million)*	276.20	222.45	89.28
Gross NPAs / Gross Loan Assets	0.68%	0.70%	0.40%
Net NPAs[8] / Gross Loan Assets	0.49%	0.54%	0.30%
Average Yield on Gross Loan Book[9]	17.24%	17.95%	17.13%
Average cost of borrowings (including securitization)[10]	9.11%	10.17%	9.48%
Net Interest Margin[11]	10.10%	9.90%	10.32%
Operating Expenses to Net Income[12]	21.80%	26.08%	30.34%
Operating Expenses to Average Total Assets[13]	2.37%	2.91%	3.55%
Credit Cost to Average Total Assets[14]	0.14%	0.11%	0.06%
Capital Adequacy Ratio	73.63%	82.49%	43.64%
Number of branches	190	174	142
Live accounts (including securitised accounts)	58,069	43,987	30,749

Figures disclosed in the table above, except Total Income and Profit for the year are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

[1] *AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitization and are outstanding as of the last day of the relevant year.*

2 Gross Loan Book represents the sum of receivables under financing activities from our own book of the last day of the relevant year.

3 Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant year.

4 Net worth is the aggregate of our equity share capital and other equity.

5 Return on Total Assets is calculated as the profit for the year as a percentage of average total assets in such year.

6 Return on Equity is calculated as the profit for the year as a percentage of Average Net Worth in such year. Average Net Worth represents the simple average of our Net Worth as of the last day of the relevant year and our Net Worth as of the last day of the previous year.

7 Gross NPA represents the closing balance of the Gross NPA of our Gross Loan Assets as of the last day of the relevant year.

8 Net NPA represents the closing balance of the Net NPA of our Gross Loan Assets as of the last day of the relevant year.

9 Average Yield on Gross Loan Book represents the interest income for a year to the average Gross Loan Book for the year, represented as a percentage.

10 Average cost of borrowing including securitization represents finance cost for the relevant year as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year and our Total Borrowings outstanding as of the last day of the previous year.

11 Net Interest Margin represents the net interest income for a year to the average total assets for the year, represented as a percentage.

12 Operating Expenses to Net Income represents the aggregate of employee benefits expense, depreciation and amortization expense and other expenses for the relevant year upon total income less finance costs for the relevant year, represented as a percentage.

13 Operating Expenses to Average Total Assets represents the aggregate of employee benefits expense, depreciation and amortization expense and other expenses for the relevant year upon the simple average of our total assets as of the last day of the relevant year and our total assets as of the last day of the previous year, represented as a percentage.

14 Credit Cost to Average Total Assets represents the impairment on financial instruments to simple average of total assets as of the last day of the relevant year and total assets as of the last day of the previous year, represented as a percentage.

Recent Developments

The following table sets forth certain key operational information, as of the dates (or for the periods then ended) indicated:

Metric	As of July 10, 2021	As of March 31, 2021
AUM (₹ million)	42,668.11	40,677.62
Gross Loan Book (₹ million)	42,643.18	40,648.75
Disbursement (₹ million)	3,101.01*	4,193.32 #
Gross NPA** (₹ million)	855.32	276.2
Gross NPAs / Gross Loan Assets	2.00%	0.68%
Net NPAs / Gross Loan Assets	1.69%	0.49%
Collection Efficiency	93.94%	99.76%
Live accounts (including securitized accounts)	60,305	58,069
Number of branches	192	190

Figures disclosed in the table above are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

** Disbursement numbers are for the period from April 1, 2021 to July 10, 2021.*
 # Disbursements numbers are for the three months ended March 31, 2021.
*** We have not restructured any loans under resolution framework for COVID-19 related stress (Resolution framework 2.0).*

Our Competitive Strengths

Our principal competitive strengths are as follows:

- Presence in large, underpenetrated markets with strong growth potential
- Robust risk management architecture from origination to collections leading to superior asset quality
- In-house operations leading to desired business outcomes
- Domain expertise resulting in a business model difficult to replicate by others in our geographies
- Experienced and stable management team with marquee shareholders
- Established track record of financial performance with industry leading profitability
- Focus on the social impact of our business

Presence in large, underpenetrated markets with strong growth potential

We are one of the largest housing finance companies in south India in terms of AUM, as of March 31, 2021. *(Source: CRISIL Report)* Our AUM have grown at a CAGR of 34.54% from ₹22,472.33 million as of March 31, 2019 to ₹40,677.62 million as of March 31, 2021. As of March 31, 2021, the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana accounted for ₹21,263.74 million, or 52.27%, ₹11,116.08 million, or 27.33%, ₹4,038.13

million, or 9.93% and ₹4,259.67 million, or 10.47% of our AUM, respectively, and we had a network of 190 branches covering 75 districts in such states and the union territory of Puducherry. As of March 31, 2020, the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana accounted for ₹17,748.31 million, or 55.84%, ₹7,778.75 million, or 24.47%, ₹3,224.53 million, or 10.14% and ₹3,035.36 million, or 9.55% of our AUM, respectively, and we had a network of 174 branches covering 75 districts in such states and the union territory of Puducherry. As of March 31, 2019, the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana accounted for ₹13,418.55 million, or 59.71%, ₹4,689.26 million, or 20.87%, ₹2,413.21 million, or 10.74% and ₹1,951.31 million, or 8.68% of our AUM, respectively, and we had a network of 142 branches covering 71 districts in such states and the union territory of Puducherry. According to the CRISIL Report, we had the largest branch network in south India among the Peer Set, as of March 31, 2021. These four states have high per-capita incomes, better financial literacy and GDP growth rates. During the financial year 2020, the per capita income of Tamil Nadu, Andhra Pradesh, Karnataka and Telangana was ₹0.15 million, ₹0.12 million, ₹0.16 million and ₹0.15 million, respectively, while the per capita income of India was ₹0.11 million. *(Source: CRISIL Report)* Further, our market share for home loans among housing finance companies with assets under management of up to ₹150 billion in Tamil Nadu, Andhra Pradesh, Karnataka and Telangana was 21.3%, 11.7%, 7.7% and 6.5% as of December 31, 2020, respectively *(Source: CRISIL Report)*, ensuring that our leading position in these states offers us high growth potential. We believe that as a result, we are well positioned to capitalize on growth opportunities and cater to the housing finance requirements of our target customer base in these geographies.

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

We have implemented a robust risk management architecture to identify, monitor and mitigate risks inherent in our lending operations. As a result, we have maintained our asset quality across economic cycles including events such as demonetization, the implementation of the Goods and Services Tax, the liquidity crisis that was triggered by defaults by large financial services companies and the COVID-19 pandemic. As of March 31, 2021, March 31, 2020, and March 31, 2019, our Gross NPAs expressed as a percentage of our Gross Loan Book were 0.68%, 0.70% and 0.40%, (the GNPA for rural portfolio was 0.68%, 0.72% and 0.49% and the same for our urban portfolio was 0.71%, 0.67% and 0.28%) while our Net NPAs expressed as a percentage of our Net Loan Assets were 0.49%, 0.54% and 0.30%, respectively. Further, we have not restructured any loans or written-off any loans receivable since the inception of our Company.

As part of our credit policy, we only finance retail customers for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans where almost all the collateral for our loans are self-occupied homes and we do not provide any loans to builders or for commercial real estate. Loans to self-employed customers accounted for ₹29,308.79 million, or 72.05% of our AUM, while loans to salaried customer accounted for ₹11,368.83 million, or 27.95%, as of March 31, 2021. Loans to self-employed customers accounted for ₹23,289.08 million, or 73.27% of our AUM, while loans to salaried customer accounted for ₹8,497.87 million, or 26.73%, as of March 31, 2020. Loans to self-employed customers accounted for ₹17,308.55 million, or 77.02% of our AUM, while loans to salaried customer accounted for ₹5,163.78 million, or 22.98%, as of March 31, 2019. We primarily target customers whose sources of income according to us are more resilient to economic cycles. As of March 31, 2021, our home loans, loans against property and business loans had an average loan-to-value of 38.89%, 38.27% and 39.21%, respectively, at the time of sanctioning of the loan. As of March 31, 2020, our home loans, loans against property and business loans had an average loan-to-value of 39.04%, 38.29% and 38.73%, respectively, at the time of sanctioning of the loan. As of March 31, 2019, our home loans, loans against property and business loans had an average loan-to-value of 39.04%, 38.14% and 37.58%, respectively, at the time of sanctioning of the loan. We also seek to maintain an instalment to income ratio of at least 1:2. Further, we have a diversified loan portfolio of home loans, loans against property and business loans, which accounted for ₹21,032.10 million, or 51.70%, ₹8,903.39 million, or 21.89% and ₹10,742.13 million, or 26.41% of our AUM, as of March 31, 2021, respectively. Such portfolio of home loans, loans against property and business loans, accounted for ₹16,615.91 million, or 52.27%, ₹5,809.89 million, or 18.28% and ₹9,361.14 million, or 29.45% of our AUM, as of March 31, 2020, and for ₹12,194.43 million, or 54.26%, ₹3,029.06 million, or 13.48% and ₹7,248.84 million, or 32.26% of our AUM, as of March 31, 2019, respectively. We have grown our business by increasing our customer base, while maintaining low average loan ticket sizes. We focus on disbursing loans which have an average ticket size in the range of ₹0.5 million to ₹1.5 million and as of March 31, 2021, ₹38,443.45 million, or 94.51% of our AUM had an average ticket size between this range. Further, as of March 31, 2020, ₹30,090.55 million, or 94.66% of our AUM and, as of March 31, 2019, ₹20,878.74 million, or 92.91% of our AUM, had an average ticket size between such range. As of March 31, 2021, the average ticket size of our home loans, loans against property and business loans on the basis of disbursed amounts was ₹0.72 million, ₹0.71 million and ₹0.62 million, respectively. As of March 31, 2020, the average ticket size of our home loans, loans against property and business loans on the basis of disbursed amounts was ₹0.76 million, ₹0.72 million and ₹0.64 million, respectively. As of March 31, 2019, the average ticket size of our home loans, loans against property and business loans on the basis of disbursed amounts was ₹0.78 million, ₹0.74 million and ₹0.67 million, respectively.

We operate our business in a centralized manner and have set up separate internal verticals for our sales, legal, technical and collection functions who report independently to our head office. Our personnel at our branch offices are responsible for sales, customer service, field verification and collection functions, while credit assessment and disbursement of loans is undertaken at our central office. We have a credit officer at our branches who is responsible for collating and verifying relevant documentation, conducting reference checks and responding to basic queries. Our credit officers use several methods to evaluate a customer's earning capacity and prepare a video of a customer's place of work and residence to enable our underwriting team to make well informed decisions. We have created over 60 types of customer profiles to assist us with credit assessment. We also have a credit application, which helps verify details of a customer's residence and business and is integrated with our core lending application for credit evaluation. Our credit assessment team at our central office comprised 220 personnel, as of March 31, 2021. For legal and technical functions, we have teams of in-house qualified personnel who are placed in hubs that cater to several branches each. We believe that this centralized model of operations has helped maintain asset quality over the years.

After the disbursement of a loan, we closely monitor loan accounts for the first 15 to 24 months to check for early signals of potential defaults and conduct post disbursement audits. We also conduct site visits after three months of disbursing a loan and periodically thereafter. We utilize our analytics platform to maintain different templates of customer profiles and increase business while managing risks. We also conduct stress testing of our portfolio, a portfolio-wise analysis, pin-code wide analysis and sourcing-wise analysis to check for probability of defaults. Further, we monitor profile-wise concentration risk at the portfolio level as well as for individual profiles at each of our branches. We also perform analysis on lagged delinquency and executive wise delinquencies. We have also entered into arrangements with insurance companies to offer credit shield insurance and property insurance to our customers.

We have set up a robust collections management system through a collections team comprising over 311 personnel, as of March 31, 2021. During the financial year 2021, financial year 2020 and financial year 2019, ₹7,572.15 million, or 74.72%, ₹6,537.43 million, or 81.35% and ₹4,701.21 million, or 83.86% of our collections were non-cash based. We send customers SMS reminders of their upcoming loan repayments and initiate recovery action immediately after a customer defaults in their monthly payment. Between one and 29 days past due, we send customers letters and call them to remind them of their overdue payments. Between 30 and 89 days past due, we conduct field visits to a customer's place of business or residence and issue legal notices. For loans that are over 90 days past due, we initiate legal action through SARFAESI and conduct arbitration proceedings. As of March 31, 2021, our 30 days past due was at 9.68% of our Gross Loan Book and 90 days past due was at 0.68% of our Loan Book. As of March 31, 2020, our 30 days past due was at 4.68% of our Loan Book and 90 days past due was at 1.37% of our Loan Book. As of March 31, 2019, our 30 days past due was at 2.47% of our Loan Book and 90 days past due was at 0.47% of our Loan Book. As of March 31, 2021, March 31, 2020 and March 31, 2019, our collection efficiency was 99.76%, 99.29% and 99.46%, respectively.

In-house operations leading to desired business outcomes

We conduct all aspects of our lending operations in-house including sourcing, underwriting, valuation and legal assessment of collateral and collections, which enables us to maintain direct contact with our customers, reduce turn-around-times and the risk of fraud. We source customers directly through our sales team, which comprised over 1,085 personnel as of March 31, 2021. A direct sourcing model has helped us maintain contact with our customers and establish strong relationships with them, led to customer referrals, high levels of customer satisfaction and increased loyalty. It has also helped mitigate underwriting and default risks by enabling us to have a customer base with a better credit profile. We believe, our in-house sourcing model helps us make a better credit evaluation of customers on a wide range of parameters after collating all customer information in our database. We spend a considerable time to understand the formal and informal income sources of customers as well as that of their family members, savings capacity and repayment track record with their formal and informal borrowings. We visit a customer's residence and place of business, gather detailed information about the customer from the neighbourhood, locality and their customers and suppliers and conduct a cash flow assessment of their income to enable us to make informed decisions while approving loans. We have also developed up in-house teams for property evaluation, property valuation, conducting legal assessments and collections. As of March 31, 2021, our legal and technical team comprised over 206 personnel.

We are a customer centric organization and have developed strong relationships with our customers by addressing their concerns in availing housing finance. We primarily recruit our employees locally, which provides us with a better understanding of customers in those regions and their specific requirements. We seek to maintain high levels of customer service and have set up a centralized customer relationship management department. We send regular updates to customers on the status of their loan applications and remind them of their payment schedules through text messages. Our customer centric approach has been a key driver of our growth and helped us differentiate ourselves from competition.

Domain expertise built over time resulting in a business model difficult to replicate by others in our geographies

We are an entirely retail focussed housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. We commenced our business in June 2010 and our operations are currently focused in the states of Tamil Nadu, Andhra Pradesh, Karnataka and Telangana. We target first time home buyers where the collateral is a self-occupied residential property. Loans to self-employed customers accounted for ₹29,308.79 million, or 72.05% of our AUM, while loans to salaried customer accounted for ₹11,368.83 million, or 27.95%, as of March 31, 2021. Since we primarily cater to self-employed customers, many of who are new to credit and do not have formal income proofs such as pay slips or income tax returns, we assess their income through various methods and conduct a cash flow assessment of their income to determine their ability to repay loans. As of March 31, 2021, ₹14,947.98 million of our AUM, or 39.88% of our customers were new to credit.

We have developed an in-depth understanding of the requirements of customers in these regions and methods to determine their credit worthiness. Over years, we have studied and developed credit assessment models specific to over 60 types of customer profiles. Some of our profiles are customized to regions and specific types of employment. We update these profiles on a frequent basis for regional and local market specific developments and macro disruptions such as the COVID-19 pandemic. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We believe that on account of our domain expertise to underwrite self-employed customers with limited income proofs, we have been able to effectively serve customers, grow our business and create a business model that is difficult to replicate in our geographies.

Experienced and stable management team with marquee shareholders

We have an experienced management team, which is supported by qualified and experienced operational personnel. Our Promoter, Chairman and Managing Director, M. Anandan, has over 40 years of experience in the financial services sector, and has previously served as the managing director of Cholamandalam Investment and Finance Company Limited, part of the Murugappa Group and was also managing director of Cholamandalam MS General Insurance Company Limited. Our Chief of Business and Risk, Subramaniam G., has several years of experience in the fields of operations, risk management, fraud control and collections. Our Chief Financial Officer, P. Balaji, has over several years of experience in the textiles, telecom and finance sectors. C.T. Manoharan, Executive Vice President – Business Development, has several years of experience in the housing finance industry across sales, channel and distribution management. Sarath Chandran D., Executive Vice President – Collections and Technical, has various years of experience in the housing finance industry.

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

Our marquee shareholders include WestBridge Crossover Fund, LLC, Malabar India Fund Limited (an affiliate of Malabar Investments), SCI Investments VI (an affiliate of Sequoia Capital), Madison India Opportunities IV (Madison India Capital) and Steadview Capital Mauritius Limited (an affiliate of Steadview Capital Management). WestBridge Crossover Fund, LLC has been an investor in our Company since November 2014, and as of March 31, 2021, WestBridge Capital Management, LLC had total assets under management of US$ 5.6 billion. We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders. Our shareholders have assisted us in implementing strong corporate governance standards, capital raising and strategic business advice, which we believe have been critical to the growth of our business.

Established track record of financial performance with industry leading profitability

We believe that our focus on serving self-employed customers has resulted in high yields for our loan portfolio. As of March 31, 2021, our average yield on disbursements was 16.88%, with home loans, loans against property and business loans accounting for 15.38%, 17.00% and 20.45%, respectively. Further, as of March 31, 2020, our average yield on disbursements was 17.18%, with home loans, loans against property and business loans accounting for 15.57%, 17.00% and 20.40%, respectively. Moreover, as of March 31, 2019, our average yield on disbursements was 17.23%, with home loans, loans against property and business loans accounting for 15.64%, 17.00% and 20.30%, respectively. Our loan portfolio also qualifies for priority sector lending. We lay emphasis on improving cost efficiencies by monitoring and controlling our operating costs and we typically set up our branches in an economical manner. Our operating expenses during the financial years 2021, 2020 and 2019, expressed as a percentage of our Average Total Assets as of March 31, 2021, March 31, 2020 and March 31, 2019, were 2.37%, 2.91% and 3.55% respectively. According to the CRISIL Report, we had the lowest cost to income ratio among the Peer Set during the financial year 2021. During the financial years 2021, 2020 and 2019, our Operating Expenses to Net Income ratio was 21.80%, 26.08% and 30.34%, respectively. During the financial years 2021, 2020 and 2019, our Credit Costs to Average Total Assets was 0.14%, 0.11% and 0.06%, respectively. Our AUM per employee grew from ₹17 million as on financial year 2019 to ₹21.26 million as on March 31, 2021. This indicates our focus on low credit costs which has resulted in high Return on Assets.

We believe that we are able to access borrowings at a competitive cost due to our credit ratings, stable credit history, conservative risk management policies and strong brand equity. Our financing requirements historically have been met from several sources, including refinancing from the NHB, financing from IFC, term loans, working capital loans and issuance of NCDs to meet our capital requirements. We also monetize loans through securitization to banks and financial institutions. As of March 31, 2021, we had borrowing relationships with the NHB, as well as with 17 banks and other financial institutions. Our access to diversified and cost effective sources of borrowings have helped us reduce our credit costs. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings were ₹25,150.66 million, ₹20,216.45 million ₹16,060.62 million, and our average cost of borrowings was 9.11%, 10.17% and 9.48%, respectively. For the financial years 2021, 2020 and 2019, our profit for the year was ₹2,669.44 million, ₹2,110.12 million and ₹1,114.83 million, respectively. Our stronger yields and cost control measures have enabled us to achieve a superior return on assets of 6.46%, 6.95% and 5.91% during the financial years 2021, 2020, 2019, respectively. According to the CRISIL Report, our Company had the highest RoA of 5.7% among the Peer Set during the financial year 2021. We reported return on average equity of 14.47%, 17.53% and 17.38% during the financial years 2021, 2020 and 2019, respectively.

Focus on the social impact of our business

We focus on the social impact of our business and seek to improve the standard of living of our customers. Our presence in the rural and semi urban markets of India also provides employment opportunities in these regions since we primarily recruit our employees locally. As of March 31, 2021, March 31, 2020 and March 31, 2019, ₹40,459.85 million, or 99.46% of our AUM, ₹31,559.66 million, or 99.28% of our AUM and ₹22,259.28 million, or 99.05% of our AUM, were from customers who belonged to the low and middle-income groups, earning less than ₹ 50,000 per month, and ₹14,947.98 million of our AUM, or 39.88% of our customers, ₹12,335.26 million of our AUM, or 42.24% of our customers and ₹9,355.92 million of our AUM, or 44.96% of our customers were new to credit, respectively. Further, as of March 31, 2021, March 31, 2020 and March 31, 2019, ₹25,186.99 million, or 61.92% of our AUM, ₹18,451.15 million, or 58.05% of our AUM and ₹12,521.84 million, or 55.72% of our AUM, respectively, were from customers located in rural regions. Many of our loans are provided under the affordable housing schemes promoted by the Government of India, such as the Pradhan Mantri Awas Yojana, which benefit the economically weaker section and low and middle income groups in semi urban and rural areas. Our customers are generally not served by the mainstream financial services sector and by providing them employment opportunities, we are fulfilling an important social objective of economic upliftment for these segments of the Indian society.

Our Strategies

Continue to focus on low and middle income self-employed customers in rural and semi-urban markets

We primarily serve low and middle income self-employed customers in rural and semi-urban markets. As an organization, we believe in the social impact of our business and operate a financially inclusive customer centric business model. We seek to improve the standard of living of our customers and include them into the financial mainstream. We have focused on disbursing loans which have an average ticket size in the range of ₹0.5 million to ₹1.5 million and intend to continue to focus on serving such customer base and increase our overall market share. According to the CRISIL Report, the housing shortage in India is estimated to increase to 100 million units by 2022, of which 95% of the household shortage will be from the lower income group and economic weaker section, while the remaining 5% will be from the middle income group or above. We believe that this customer segment offers us significant growth opportunities since they are primarily new to credit customers, without formal income proofs and are unserved or underserved by formal financial institutions. We will continue to disburse loans only to retail customers for the purchase or construction of self-occupied homes as part of our risk mitigation strategy.

Increase penetration in our existing markets and expand our branch network in large housing markets

Our operations are currently focused in the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana and we had a network of 190 branches in these states and the union territory of Puducherry, as of March 31, 2021. We intend to continue to expand our presence in an on-ground contiguous manner in order to achieve deeper penetration in these regions. Before setting up new branches, we conduct research and consider a number of factors such as regional demographics, level of urbanization and the competitive landscape. We also intend to expand our branch network in large housing markets in the states of Maharashtra, Odisha and Chhattisgarh. We believe that our operating model is scalable and will assist us expand our operations with lower incremental costs to drive efficiency and profitability.

Continue to be an asset quality focused financier

We intend to grow our business while focussing on maintaining our asset quality. We have maintained our asset quality across economic cycles including events such as demonetization, the liquidity crisis that was triggered by defaults by large financial services companies and the COVID-19 pandemic. We believe that we were able to consistently perform well through such macro-economic challenges due to several factors including our risk management architecture, the strength of our management team and proactive measures undertaken during such periods. For example, during the COVID-19 pandemic, we strengthened our underwriting processes and monitored customer accounts that were more likely to be affected by the pandemic. We enhanced our collection efforts and set up a task force to monitor all crucial activities at our head office (our Registered Office and Corporate Office). As of March 31, 2021, March 31, 2020 and March 31, 2019, our Gross NPAs expressed as a percentage of our Gross Loan Book were 0.68%, 0.70% and 0.40%, (the GNPA for rural portfolio was 0.68%, 0.72% and 0.49% and the same for our urban portfolio was 0.71%, 0.67% and 0.28%) while our Net NPAs expressed as a percentage of our Net Loan Assets were 0.49%, 0.54% and 0.30%, respectively. Further, since the inception of our Company, we have not restructured any loans or written-off any loans receivable.

Reduce cost of borrowings by diversifying sources of borrowing and improving credit rating

We seek to reduce our average cost of long term borrowings through improved credit ratings and by diversifying our borrowing profile. We have historically secured financing from private and public sector banks, the NHB, through the issuance of NCDs and securitization transactions. We believe we have been able to obtain cost-effective financing and optimize our borrowing costs due to several factors including our improved credit ratings and our financial performance. Our credit ratings by both ICRA and CARE are ICRA A+(Stable) and CARE A+; Stable, respectively as of March 31, 2021. We have also reduced our average cost of borrowings including securitization from 10.17% as of March 31, 2020 to 9.11% as of March 31, 2021. Our average cost of incremental borrowings for March 31, 2021 was 7.70%, as compared to 9.45% for the financial year 2020 and 10.11% for the financial year 2019. As we continue to grow the scale of our operations, we seek to reduce our dependence on term loans, reduce our cost of funds and continue to improve our credit ratings. We also intend to increase our lender base which has grown from 14 as of March 31, 2019 to 17 as of March 31, 2021. A lower cost of borrowings will help us improve our net interest margins, competitively price our loan products and deliver better return ratios.

Description of our Business

We offer customers home loans for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans, which accounted for ₹21,032.10 million, or 51.70%, ₹8,903.39 million, or 21.89% and ₹10,742.13 million, or 26.41% of our AUM, as of March 31, 2021, respectively.

The following table sets forth details of our Gross Loan Assets, disbursements and average ticket size for our home loans, loans against property and small business loans, for the periods indicated:

(₹ in million)

Metric	As of and for the financial year ended March 31,		
	2021	2020	2019
AUM/ Gross Loan Assets			
Home loans	21,032.10	16,615.91	12,194.43
Loans against property	8,903.39	5,809.89	3,029.06
Business loans	10,742.13	9,361.14	7,248.84
Total	40,677.62	31,786.94	22,472.33
Disbursements			
Home loans	6,652.49	6,274.74	5,640.71
Loans against property	3,698.02	3,142.29	2,184.97
Business loans	2,631.30	3,292.77	3,064.74
Total	12,981.81	12,709.80	10,890.42
Average Ticket Size on Disbursements			
Home loans	0.72	0.76	0.78
Loans against property	0.71	0.72	0.74
Business loans	0.62	0.64	0.67
Total	0.70	0.72	0.74

Branch Network

As of March 31, 2021, we conducted our operations in the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana through 190 branches.

The following table sets forth certain details of our branch network, as of March 31, 2021:

State	Number of Branches	Number of Districts covered	District Penetration	Percentage of AUM
Tamil Nadu (including the union territory of Puducherry)	79	33	86.8%	52.3%
Andhra Pradesh	65	13	100.0%	27.3%
Telangana	25	15	48.4%	10.5%
Karnataka	21	14	45.2%	9.9%
Total	**190**	**75**		**100.00%**

Before setting up new branches, we conduct in-depth studies and market research and consider a number of factors such as regional demographics, level of urbanization and the competitive landscape. We also examine the delinquency levels of financiers for home loans and other loans to understand the repayment history of borrowers in the region. We have increased our geographical presence by adopting a strategy of contiguous expansion across regions and have set up branches in districts which offer us significant growth potential.

We categorize our branches on the basis of the duration since the commencement of their operations and track key performance indicators such as growth of AUM and productivity of the branch in terms of average ticket size, number of files logged in and number of files disbursed.

The following table sets forth the vintage wise details of our branches, as of March 31, 2021:

	Number of branches	AUM (₹ million)	AUM per branch (₹ million)
Less than 12 months	19	300.64	15.82
12 months to 36 months	63	8,078.08	128.22
Over 36 months	108	32,298.90	299.06

Our credit officers use several methods to evaluate a customer's earning capacity and visits to customer's place of work and residence to enable our underwriting team to obtain more information and make well informed decisions. For legal and technical functions, we have an in-house team who are placed in hubs that cater to several branches.

Customer Base

We primarily serve low and middle income self-employed customers in the rural and semi-urban markets of India who have limited access to formal banking channels. We offer loans to self-employed customers, whose main source of income is their profession or their business and salaried customers, whose main source of income is salary from their employment. Many of our customers who are individuals do not have formal income proofs, pay slips, or file income tax returns, and as such may be excluded from being served by banks or large financial institutions.

As of March 31, 2021, we serviced 58,069 active loan accounts. Loans to self-employed customers accounted for ₹29,308.79 million, or 72.05% of our AUM, while loans to salaried customer accounted for ₹11,368.83 million, or 27.95%, as of March 31, 2021. As of March 31, 2021, ₹40,459.85 million, or 99.46% of our AUM were from customers who belonged to the low and middle income group, earning less than ₹50,000 per month, and ₹14,947.98 million of our AUM, or 39.88% of our customers were new to credit. We target first time home buyers where the collateral is a self-occupied residential property. All our loans are to retail customers and we do not provide any loans to builders or for commercial real estate.

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

	March 31, 2021	March 31, 2020	March 31, 2019
Number of total loan accounts	58,069	43,987	30,749
Self-employed loan accounts	41,704	32,159	23,582
Salaried loan accounts	16,365	11,828	7,167
New to credit accounts* *(%)*	39.88%	42.24%	44.96%

* *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.*

Loan-to-Value Ratio, Equated Monthly Installments and Tenure of Housing Loans

The RBI Master 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 Loan-to-Value ("**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 home loans, loans against property and business loans had an average loan-to-value on AUM of 38.89%, 38.27% and 39.21%, as of March 31, 2021, respectively.

While approving a loan application, we review, among others, the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, family details, the customer's business and salary profile and the security being provided by the customer. 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.

As of March 31, 2021, the average tenure of our home loans, loans against property and business loans can be for a period up to 12, 11 and 8 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 Home Loans

We offer our home loan customers the option to choose between a fixed or variable interest rate in order to allow them to hedge against unexpected interest rate movements. The pricing of a fixed interest rate loan and the variable interest rate loans is generally determined on the basis of market conditions. 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. For variable rate loans, the interest rate is linked to our reference rate.

We require our customers to pay certain processing fees on sanction of the loan. These fees are subject to change from time to time based on market conditions and regulatory requirements.

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

Credit Approval and Disbursement

We operate our business in a centralized manner where underwriting, including the approval process, and disbursement of loans are undertaken at our central office. Our credit officers determine the initial loan eligibility of the customers. The credit officers in our branches are responsible for assessing the customers' business and their income and expenses by direct field visits, verification of documents providing the customers' income and other revenue streams, conducting reference checks and responding to queries from our central office. We review financial and other documents such as bank statements, salary slips and educational and technical qualifications. The assessed income is verified with surrogates such as recently created assets, including vehicles, residential lifestyle and education of family members. Our credit officers also use established credit evaluation methodologies such as credit bureau checks to determine the credit history of the customers. Thus by use of technology and through an established manual verification process, our central office then underwrites our customers' loans.

Our in-house technical and legal team also undertakes field visits to identify the location of the proposed collateral and to trace the flow of the title documents of the proposed collateral and their authenticity. We endeavor to mitigate risk through defined loan documentation, and execution of equitable mortgage prior to the disbursement of the loan. In addition, key terms and conditions are usually communicated to the prospective customers in English and the relevant local language.

Our assessment is done in the following stages:

- *Customer Visit*: Our customers are visited by our sales officer, our branch manager and our branch credit officer as part of our credit assessment process.

- *Credit Underwriting*: We have a credit team of 220 personnel as of March 31, 2021, comprising credit officers and disbursement officers who conduct an independent verification of our customers, including evaluating their business and financial strength, and analyzing their ability to repay the loan through review of credit bureau reports and other documents.

- *Legal assessment*: We conduct an assessment of the proposed collateral through our in-house team of lawyers who help us to trace the title of the property documents for a reasonable period of time. The title deeds are cross verified with government records. As of March 31, 2021, we had a team of 87 advocates.

- *Technical assessment*: We also conduct assessments through our in-house team of civil engineers who conduct the inspection of the proposed collateral, including its identification, evaluation of its market value and check of marketability. The technical personnel also conduct periodical visits to assess the ongoing construction in loans involving construction. As of March 31, 2021, we had a team of 114 engineers.

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. As of March 31, 2021, we had a field level collections team comprising over 311 personnel. All our borrowers register for an automated debit facility, which reduces our cash management risk and we have implemented digitized collection models, which has led to an increase in our collection efficiencies. During the financial years 2021, 2020 and 2019 approximately 74.72%, 81.35% and 83.86% of our collections 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 initiate follow up action immediately after the customer defaults in its monthly payment, and the frequency of personal visits and follow up actions increases as the number of days past due increase. Between one and 29 days past due, we send customers letters and call them to remind them of their overdue payments. Between 30 and 89 days past due, we conduct field visits to a customer's place of business or residence. For loans that are over 90 days past due, we initiate legal action through SARFAESI and initiate arbitration proceedings. As of March 31, 2021, our 30 days past due was at 9.68% of our Gross Loan Book and 90 days past due was at 0.68% of our Gross Loan Book. We also pursue arbitration proceedings, file mortgage suits, file summary suits and file civil and criminal action against customers whose accounts have been classified by us as Non Performing Accounts.

Capital Adequacy Ratios

The RBI Master Directions require HFCs to comply with a capital to risk (weighted) assets ratio, or Capital Adequacy Ratio, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 13% on or before March 31, 2020; 14% on or before March 31, 2021 and 15% on or before March 31, 2022 of the sum of the HFC's risk-weighted assets and the risk-adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10.0% on risk-weighted assets. Further, the RBI Master Directions require that the Tier II capital may not exceed the Tier I capital.

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

	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
Capital Adequacy Ratio	73.63%	82.49%	43.64%
Capital Adequacy Ratio – Tier I Capital	73.78%	82.25%	43.21%
Capital Adequacy Ratio – Tier II Capital	(0.15)%	0.25%	0.43%

Note: *As on March 31, 2021, Tier II Capital includes general provisions and loss reserves on Stage 1 assets of ₹394.95 million reduced by first loss credit enhancement of ₹771.17 million on securitized assets, resulting in Tier II capital of ₹(376.22) million.*

Credit Ratings

Our current credit ratings are set forth below:

Rating Agency	Instrument	Credit Ratings as of March 31,				
		2021	2020	2019	2018	2017
ICRA Limited	Non-convertible debentures	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	Not applicable#
	Bank term loans	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	ICRA A-(Stable)
Care Ratings	Non-convertible debentures	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive
	Bank term loans	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive

 # The Company had not obtained any credit ratings from ICRA Limited for the non-convertible debentures as of March 31, 2017.

Risk Management Framework

Risk management forms an integral part of our business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we 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.

Our risk management framework is driven by our Board and its subcommittees including the Audit Committee, the Asset Liability Committee and the Risk Management Committee. We give due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance.

The major types of risk we face in our businesses are market risk, interest rate risk, credit risk, liquidity risk and operational risk.

Market Risk

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with regulatory requirements, we have a Board approved Risk Management and ALM policy. This policy provides the framework for assessing market risk, tracking events happening in market place, changes in policies and guidelines of the Government and regulators, exchange rate movement, equity market movements and money market movements.

Interest Rate Risk

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our financing sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. We adopt financing strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and our Asset Liability Committee prepares an interest rate sensitivity report periodically for assessment of interest rate risks.

Credit Risk

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. We manage credit risk through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate our prime risk which is the default risk. We have a Credit Risk Management Committee for the review of the policies, process and products on an ongoing basis.

Our credit team ensures the implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents, and highlight early warning signals and industry developments enabling pro-active field risk management.

Credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.

Credit risk monitoring is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims at managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of capital at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of financing an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability 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 financing requirements.

We have an Asset Liability Management Policy in place, to manage liquidity risk, which provides for several risk management measures including diversifying our sources of capital to facilitate flexibility in meeting our financing requirements and maintaining strong capital adequacy.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. We endeavour to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through committees including the Audit Committee, the Asset Liability Committee and the Risk Management 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.

- *Asset Liability Committee*. Our Asset and Liability 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 capital to facilitate flexibility in meeting our financing requirements, and maintaining strong capital adequacy. Its scope includes liquidity risk management, management of market risks, and financing and capital planning.

- *Risk Management Committee*. Our Risk Management Committee was formed to supervise, guide, review and identify current and emerging risks, develop risk assessment and measurement systems and establish policies, practices and other control mechanisms to manage risks, develop risk tolerance limits for approval by our Board and senior management, and monitor positions against approved risk tolerance limits. Its scope includes credit and portfolio risk management, operational and process risk management and laying down guidelines on KYC norms.

Information Technology

Information technology acts as an enabler in our business and helps us in achieving growth, scale of operations, ease of use, customer focus and secure operations.

Our lending software is an end to end software solution which provides us with functions such as access control, loan origination, loan management and financial report generation. It has controls and risk management to ensure integrity of the customer data and financial reports. We provide for cheque printing at our branches to ensure disbursement of loans to customers quickly.

Our CRM system is automated which helps our team to connect with customers at ease with features such as call transfer, in-bound and out-bound call scheduling, issue resolution and tracking of customer service requests.

We implement process automation across various functions in an effort to reduce manual processes, increase efficiency and reduce errors.

We have implemented several mobility initiatives such as our referral mobile application, which helps us create a strong sourcing network and generate leads. Our collections application helps our collections team manage collections effectively and efficiently. This also provides transparency to customers with immediate receipt generation and SMS. It also helps us in efficiently managing our collection team by allocation of overdue customers, tracking of collection progress and also helps our collection team reach customers quickly through route optimization. We have enabled Bharath Bill pay for the convenience of our customers and also encourage digital payments.

We have also implemented a business verification and residence verification application to capture our customer's details for quicker credit processing and elimination of errors in credit evaluation.

We are doing a pilot test of a sales application which is to assist us in onboarding customers and do KYC digitally. The sales application with also help us in monitoring our sales team and will be integrated with our lending software for quick turnaround time.

We are developing a customer service application to ensure our customers reach us with their service requests and also for them to monitor their loan status and details in the customer service application dashboard.

We have also implemented an human resources management system application to enable and facilitate employee attendance, leave requests, and dissemination of policies and communication to them.

We use Power business intelligence as an analytics platform to understand customer related data. This helps us in understanding and managing customer risks.

Intellectual Property

Our intellectual property includes trademarks, licenses and domain registrations associated with our business. For details, see "*Government and Other Approvals*" on page 335.

Marketing

Our marketing initiatives include product promotion activities and referral programs. We seek to attract customers and build our brand through customer literacy programs, sponsor popular events in the regions we operate and place advertisements in newspapers, hoardings, television, radio and social media. Also through the mobile referral application, we get leads from our partners. Further, our CRM team makes telephone calls to our existing customers to source new customers known to them. All our customers are sourced directly by us.

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, reach of branches, turnaround time and simple, transparent and efficient loan process, as well as trained and skilled employee base, with our competitors. Our primary competitors include Aadhar Housing Finance Limited, Home First Finance Company India Limited, Cholamandalam Investment and Finance Company Limited, Shriram City Union Finance Limited, Shriram Housing

Finance Limited, Repco Home Finance Limited, HDB Financial Services Limited, Vistaar Financial Services Private Limited and several small finance banks.

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 34.

Insurance

We maintain insurance policies that are customary for companies operating in our industry. Our principal types of coverage policies include insurance for medical expenses, group term life insurance and personal accident insurance.

Employees

As of March 31, 2021, we had 1,913 employees. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. We conduct training programs on a periodic basis for our employees on lending operations, underwriting and due diligence, KYC and anti-money laundering norms, risk management, information technology, and grievance redressal. We also offer ESOPs to select employees and have good incentive systems for the field staffs.

The following table sets forth the function wise split of our employees, as of March 31, 2021:

Function	Number of employees
Sales	1,085
Credit	220
Legal and technical	206
Collections	311
Operations	60
Support function	31
Total	**1,913**

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, as amended 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 education, social upliftment programs, promoting gender equality and ensuring environment sustainability. We have made contributions towards the COVID-19 relief fund – PM Cares, donated an ambulance to a hospital and sponsored the construction of a library for the Indian Council for Child Welfare. We have also contributed towards maintenance of night shelters for the poor run by Corporation of Chennai and construction of laboratory, auditorium and additional classrooms in schools.

Properties

Our Registered Office and Corporate Office is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010, Tamil Nadu, India, which is a leased premise from a third party. All our branches are located on properties leased by us.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company and its Subsidiary. The information detailed in this section 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. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details regarding the registrations and approvals obtained by our Company and our Subsidiary under applicable laws and regulations see, "Government and other Approvals" beginning on page 335.

Introduction - Registration as an HFC and generally applicable regulations

Our Company, being an HFC registered with the NHB, is primarily engaged in the business of providing loans and advances for housing activities. For details in relation to our registration obtained from the NHB, see "*Government and other Approvals*" beginning on page 321.

The NHB was set up pursuant to the NHB Act, as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the NHB may transact, *inter alia,* any or all of the following kinds of business: (i) promotion and establishment, or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities to such entities as specified under the NHB Act; (iii) drawing, accepting, discounting or rediscounting, buying or selling and dealing in bills of exchange, promissory notes, bonds, debentures, hundies, coupons and other instruments by whatever name called; and (iv) formulating one or more schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB issued the Master Circular – The Housing Finance Companies – NHB Directions, 2010 ("**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 or investments to be observed by the HFCs and matters ancillary and incidental thereto.

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

Further, pursuant to the amendments to the Master Direction – Exemptions from the provisions of RBI Act, 1934 dated August 25, 2016 (last amended on November 24, 2020), sections 45-IA, 45-IB and 45-IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund were no longer applicable to HFCs.

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

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised regulatory framework for HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**"). Pursuant to the Revised HFC Framework, the RBI, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital. Further, pursuant to the Revised HFC Framework, the NBFC-SI Master Directions were made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, managing risk and code of conduct in outsourcing, liquidity risk management framework and liquidity coverage ratio.

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

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as the definitions 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

While under the NHB Directions, the term 'housing finance company' was defined as a company incorporated under the Companies Act, 1956 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 RBI Master Directions defines 'housing finance company' as a company incorporated under the Companies Act and which is (a) an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets) and; (b) out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income.

Further, the RBI Master Directions also provide a phased manner of compliance with the above requirements for HFCs which were not compliant as on the date of the notification of the RBI Master Directions. The timeline for transition for such HFCs is set out below:

Timeline	Minimum percentage of total assets towards housing finance	Minimum percentage of total assets towards housing finance for individuals
March 31, 2022	50%	40%
March 31, 2023	55%	45%
March 31, 2024	60%	50%

Set out below is the road map of the Company submitted to the RBI on March 18, 2021 in relation to fulfilment of the relevant asset-based criteria:

Timeline	Expected % of total assets towards housing finance	Expected % of total assets towards housing finance for individuals
March 31, 2021	51%	51%
March 31, 2022	52%	52%
March 31, 2023	56%	56%
March 31, 2024	60%	60%

Such HFCs were required to submit to the RBI a board approved plan, including a roadmap to fulfil the above-mentioned criteria and timeline for transition, within three months from the date of Revised HFC Framework i.e., October 22, 2020.

Further, the 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 and pass a resolution for conversion to this effect.

In terms of the RBI Master Directions, 'housing finance' has been defined as financing for purchase, construction, reconstruction, renovation, or repairs of residential dwelling units including, *inter alia*, loans for purchase of dwelling units, loans to builders for construction of residential dwelling units and loans for purchase of dwelling units by mortgaging existing dwelling units.

Net owned fund

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

Source of funds

The limits on borrowings by HFCs are governed by the RBI Master Directions which currently restrict HFCs from borrowing in excess of 14 times their net owned funds on or after March 31, 2020 and after which this limit shall be further reduced to 13 times of their net owned funds on or after March 31, 2021 and subsequently to 12 times of their net owned funds on or after March 31, 2022.

Further, as conditions for issue of non-convertible debentures, the RBI Master Directions require HFCs to have in place a board approved policy for resource planning which, inter alia, should cover the planning horizon and the periodicity of private placement of non-convertible debentures, and the offer document for private placement should be issued within a maximum period of 6 months from the date of the board resolution authorizing the issue.

<u>*Term Loans*</u>

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

*Master Directions – Reserve Bank of India (Priority Sector Lending) – (Targets and Classifications) Directions, 2020 dated September 4, 2020 ("**PSL Master Directions**")*

The priority sector lending ("**PSL**") guidelines were enacted with a view to govern priority sector advances and loans granted by commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners' banks, licensed to operate in India. The PSL Master Directions govern priority sector advances and loans granted by banks (excluding regional rural banks, small finance banks and local area banks) to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹2 million per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

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

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering co-lending arrangements, banks and NBFC can combine the relative advantages of the two to provide financial services. Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account maintained with the bank. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, put in place a suitable arrangement for grievance redressal, arrange for the creation of security and charge and include loans under the co-lending mechanism in the scope of their internal/statutory audit to ensure compliance with their respective internal guidelines.

<u>*NHB Refinance*</u>

NHB offers refinance assistance to primary lending institutions ("**PLIs**") in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance from the NHB in respect of their direct lending for up to 50% of the individual housing loan portfolio of the PLI. 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.

<u>*Other borrowings*</u>

HFCs may also raise funds by way of a public or private issue of non-convertible debentures ("**NCDs**"). Such issue of NCDs is governed by the RBI Master Directions, which amongst others, includes conditions in relation to the credit rating and maturity of such NCDs, maximum number of investors and minimum amount of subscription per investor, and compliance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

The RBI issued the Draft Commercial Paper and NCD (RBI) Directions, 2020 on December 4, 2020. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹ 500,000. The tenor of such NCDs cannot be less than ninety days or more than one year and the tenor of the commercial papers will not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and repayment of such NCDs or commercial papers.

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 terms of the RBI Master Directions, HFCs are required to comply with restrictions on, amongst others, change in shareholding or management of the HFC.

Under the RBI Master Directions, the prior written permission of the RBI 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 acquisition or transfer of shareholding by or to a foreign investor 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. Prior written permission of RBI is also required for any change in the management of the HFC which would result in change in more than 30% of the directors, excluding independent directors, except in cases of directors being re-elected or retiring on rotation. However, HFCs must continue to inform the NHB regarding any change in their directors/ management.

Further, a public notice of at least 30 days must be given before effecting the sale of, or transfer of the ownership by sale of shares, or transfer of control, whether with or without sale of shares. Such public notice must be given by the HFCs and also by the other party or jointly by the parties concerned, after obtaining the prior permission of the RBI. The public notice must indicate the intention to sell or transfer ownership/ control, the particulars of transferee and the reasons for such sale or transfer of ownership/ control. The requirement of public notice is not applicable in case of any change in shareholding of an HFC accepting/ holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10 per cent or more and less than 26 per cent of the paid-up equity capital of the HFC by/to a foreign investor.

On-boarding of customers and marketing

Advertising, Marketing and Sales

The RBI Master Directions also provide for fair practices code ("**FPC**") which replaces the erstwhile Guidelines on Fair Practices Code dated July 1, 2019 issued by the NHB. The FPC requires all communications to the borrower must be in the vernacular language or a language understood by the borrower. For instance, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure, and periodicity of repayment. Further, 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. HFCs are required to ensure that advertising and promotional material is clear and factual, and that privacy and confidentiality of the customers' personal information is maintained.

The FPC requires the board of directors of HFCs to lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances and requires every HFC to have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices, including for complaints received online.

Further, though interest rates are not regulated by RBI, rates of interest beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice. Therefore, HFCs must lay out appropriate internal principles and procedures in determining interest rates and processing and other charges (including penal interest, if any) and in this regard the directions in the FPC about transparency in respect of terms and conditions of the loans are to be kept in view.

Every HFC is required to have its own board approved "fair practices code" (preferably be in vernacular language or a language as understood by the borrower) based on the directions outlined in the FPC and the same is to be put up on their website, for the information of various stakeholders.

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.

On May 19, 2020, RBI issued a circular "Extending Master Direction – Know Your Customer (KYC) Direction, 2016 to Housing Finance Companies" wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended was extended to HFCs and the '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 stood was repealed. The KYC

Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location; (iii) undertake customer identification procedures when, *inter alia*, commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', proprietor or power of attorney holder related to the legal entity.

Credit approval and disbursement

In terms of the RBI Master Directions, no HFC may grant housing loans to individuals of (i) up to ₹ 3 million with LTV ratio exceeding 90%; (ii) of between ₹ 3 million to ₹ 7.50 million with LTV ratio exceeding 80%; and (iii) above ₹ 7.50 million with LTV ratio exceeding 75%. Further, no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. The RBI Master Directions also require HFCs to maintain LTV ratio of 50% for loans against security of listed shares and 75% for loans against collateral of gold jewellery.

Further, disbursement of housing loans should be strictly linked to completion of various stages of construction. and HFCs are required to set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the builder / developer.

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

Asset classification, provisioning and income recognition

In terms of the RBI Master Directions, HFCs that are required to implement Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015, and must prepare their financial statements in accordance with Ind AS notified by the MCA and maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital. Other HFCs must comply with the requirements of notified AS insofar as they are not inconsistent with any of the directions. For further details in relation to our Company, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on page 306.

Risk Management Framework

Asset Liability Management

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

Appointment of a Chief Risk Officer

The RBI Master Directions has mandated HFCs with asset size of more than ₹50,000 million to appoint a Chief Risk Officer ("**CRO**") with clearly specified role and responsibilities. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management. The CRO is required to function independently so as to ensure highest standards of risk management. The CRO shall be involved in the process of identification, measurement and mitigation of risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor.

Corporate Governance

The RBI Master Directions contain provisions on corporate governance which 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, nomination and remuneration committee and a risk management committee, besides the asset liability 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, fit and proper criteria for appointment of directors, and rotation of partners of the statutory audit firm. The Applicable HFCs are also required to frame internal guidelines on corporate governance with the approval of the board of directors, which are required to be put up on their website for information of various stakeholders.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the FPC 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 given under Annex XI of the RBI Master Directions, which includes requirements such as due diligence while hiring such recovery agents, training of recovery agents and regulating the methods employed by such recovery agents.

SARFAESI Act

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire financial assets of a bank or financial institution, including HFCs, either by entering into an agreement with such bank or financial institution for transfer of such financial assets to the company on such terms and conditions as may be agreed upon between them or by issuing a debenture or bond or any other security in the nature of debentures, for consideration, incorporating therein such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company, on such acquisition, shall be deemed to be the lender and all the rights of such bank or financial institution shall vest in such company in relation to such 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 one or more of the measures as provided therein, including (i) taking possession of the secured assets; and (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a non-performing asset by the secured creditor and the borrower has subsequently failed to discharge in full his liabilities to the secured creditor within sixty days of the secured creditor serving the borrower a notice in writing. However, the requirement for a secured debt to be classified as a non - performing asset shall not apply to a borrower who has raised funds through issue of debt securities. In the event that the secured creditor is unable to recover the entire sum due with the sale proceeds of the secured assets, such secured creditor may approach the DRT having jurisdiction or a competent court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

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

*Recovery of Debts due to Banks and Financial Institutions Act, 1993 (“**DRT Act**”)*

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

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

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to initiate resolution processes, enabling 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

The RBI circular on COVID-19 Regulatory Package dated March 27, 2020 allowed lending institutions, including HFCs, to provide a three month moratorium on all term loan payments which were due between March 1, 2020 and May 31, 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. Similarly, in terms of working capital facilities such as cash credit and overdraft, the RBI permitted the recovery of interest to be deferred. The RBI notified the COVID-19 Regulatory Package - Asset Classification and Provisioning dated April 17, 2020 to alleviate the burden on financial institutions that were impacted by the COVID-19 pandemic. In respect of accounts which were at default but standard as on February 29, 2020, and an asset classification benefit was extended, lending institutions were required to make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters i.e. not less than 5 per cent for each of the quarter ended on March 31, 2020 and the quarter ended on June 30, 2020. NBFCs which were required to comply with Ind AS continued to be guided by the guidelines duly approved by their board of directors and as per advisories issued by ICAI for recognition of their impairments.

Pursuant to the RBI circular on COVID-19 Regulatory Package dated May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. Pursuant to the RBI providing another special liquidity facility to the NHB of ₹100,000 million, the NHB launched Special Refinance Facility (SRF 2021) dated April 13, 2021 under which an HFC can avail short term refinance support to meet their liquidity requirements subject to the eligibility norms and parameters under the scheme. For details, see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*" beginning on pages 163, 306 and 110, respectively.

The RBI Resolution Framework for COVID-19 related Stress dated August 6, 2020 ("**Resolution Framework**") provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 90 days from the date of invocation.

The RBI circular on Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers. Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular. The various requirements of the Resolution Framework such as the mandatory requirement of an Inter-Creditor Agreement ("**ICA")**, and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

The RBI circular on Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package dated April 7, 2021 gives effect to the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v. Union of India and others dated March 23, 2021 and requires all lending institutions, including HFCs, to immediately put in place a board approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e., March 1, 2020 to August 31, 2020 in conformity with the judgement. To ensure that the judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association in consultation with other industry participants/ bodies, which shall be adopted by all lending institutions. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, in terms of the RBI circulars on COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020. Lending institutions shall disclose the aggregate amount to be refunded/ adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.

Miscellaneous

Inspection

In terms of the NHB Act and the RBI Master Directions, the NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any 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

The RBI Master Directions require HFCs to submit financial statements, including consolidated financial statement, if any, along with the auditor's report and report of the board of the directors and all the documents which are required to be attached to such financial statements under the Companies Act to the NHB. Further, pursuant to the RBI Master Directions, reporting requirements in relation to monitoring of frauds shall be governed in terms of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. Additionally, HFCs must also comply with any reporting requirements prescribed by the NHB from time to time.

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

Foreign Investments in HFCs

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

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

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

*RBI guidelines dated June 24, 2021 on declaration of dividends by NBFCS ("**RBI Dividend Guidelines**")*

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

Other applicable laws

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

Laws and regulations applicable to our Subsidiary

AFIPL is registered with the RBI as an NBFC without accepting public deposits. For details in relation to its registration obtained from the RBI, see "*Government and Other Approvals*" beginning on page 335.

AFIPL is primarily governed by the RBI in terms of its Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("**NBFC-ND-NSI Master Directions**"). The NBC-ND-NSI Master Directions provide for, *inter alia*, minimum net owned funds requirements, leverage ratio, income recognition norms, accounting standards, asset classification, provisioning requirements, guidelines on liquidity risk management framework, FPC, restrictions on acquisition/ transfer of control, and guidelines on private placement of NCDs. In addition to NBC-ND-NSI Master Directions, AFIPL is also required to comply with the KYC Directions, Master Direction – Non–Banking Financial Company Returns (Reserve Bank) Directions, 2016 dated September 29, 2016, and Master Direction – Information Technology Framework for the NBFC Sector Directions dated June 8, 2017, to the extent applicable. Further, it is required to comply with the Companies Act, regulations notified by the RBI, labour laws, various tax-related legislations, and other applicable laws, in the ordinary course of its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Aptus Value Housing Finance India Limited at Chennai, Tamil Nadu as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 11, 2009, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands) and commenced operations pursuant to a certificate for commencement of business dated June 25, 2010, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands). Our Company is registered with the National Housing Bank ("**NHB**") to carry out the business of a housing finance institution without accepting public deposits (certificate of registration no. 05.0084.10). For details, see "*Government and Other Approvals*" beginning on page 335.

Changes in the Registered Office

There has been no change in the registered office of our Company since the date of incorporation

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

"1. To carry on in India and abroad the business of providing long term finance to any person or persons or Company, Body Corporate, or corporation, or Cooperative society, or association of Persons, jointly or individually either with or without interest and with or without any security for the purpose of enabling such borrower to construct/purchase erect or upgrade including repairs, any house or building, flat or any part or portions thereof for residential purposes on such terms and conditions as the Company may deem fit."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on by us.

Amendments to our Memorandum of Association

The amendments to our Memorandum of Association in the last 10 years are set out below.

Date of Shareholders' resolution	Details of the amendments
July 29, 2011	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹320,000,000 (Rupees Three Hundred Twenty Million) divided into 32,000,000 (Thirty Two Million) equity shares of ₹10 each to ₹450,000,000 (Rupees Four Hundred Fifty Million) divided into 45,000,000 (Forty Five Million) equity shares of ₹10 each
September 22, 2012	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹450,000,000 (Rupees Four Hundred Fifty Million) divided into 45,000,000 (Forty Five Million) equity shares of ₹10 each to ₹540,000,000 (Rupees Five Hundred Forty Million) divided into 54,000,000 (Fifty Four Million) equity shares of ₹10 each
November 19, 2014	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹540,000,000 (Rupees Five Hundred Forty Million) divided into 54,000,000 (Fifty Four Million) equity shares of ₹10 each to ₹700,000,000 (Rupees Seven Hundred Million) divided into 70,000,000 (Seventy Million) equity shares of ₹10 each
August 31, 2016	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹700,000,000 (Rupees Seven Hundred Million) divided into 70,000,000 (Seventy Million) equity shares of ₹10 each to ₹826,000,000 (Rupees Eight Hundred Twenty Six Million) divided into 82,600,000 (Eighty two Million and Six Hundred Thousand) equity shares of ₹10 each
August 19, 2019	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹826,000,000 (Rupees Eight Hundred Twenty Six Million) divided into 82,600,000 (Eighty two Million and Six Hundred Thousand) equity shares of ₹10 each to ₹1,060,000,000 (Rupees One Billion Sixty Million) divided into 106,000,000 (One Hundred Six Million) equity shares of ₹10 each
May 6, 2021	Sub-division of equity shares of face value of ₹10 each into equity shares Equity Shares of face value of ₹2 each Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from 1,060,000,000 (Rupees One Billion Sixty Million) divided into 106,000,000 (One Hundred

Date of Shareholders' resolution	Details of the amendments
	Six Million) equity shares of ₹10 each to ₹1,060,000,000 (Rupees One Billion Sixty Million) divided into 530,000,000 (five Hundred thirty Million) Equity Shares of ₹2 each

Major events in the history of our Company

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

Fiscal	Particulars
2010	Incorporation of our Company and receipt of certificate of registration from NHB
2011	Opened our first branch
2012	Opened our 20th branch and crossed 1,200 home loan disbursements
2013	Loan book crossed ₹900 million
2014	Loan book crossed ₹2,500 million
2015	Expanded our geographical presence to four states and loan book crossed ₹7,000 million
2018	Opened our 100th branch and loan book crossed ₹14,000 million
2019	Expanded our geographical presence to 143 locations and loan book crossed ₹20,000 million
2020	Expanded our geographical presence to 175 locations, our customer base reached 50,200 and loan book crossed ₹30,000 million
2021	Expanded our geographical presence to 191 locations, our customer base reached 65,683 and loan book crossed ₹40,000 million

As on the date of this Prospectus, our Company has not received any awards or accreditations.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 163, 190, 306, and 25, respectively.

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partners

As of the date of this Prospectus, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, see "*Our Business*" beginning on page 163.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years.

Holding Company

Our Company does not have a holding company.

Our Subsidiary, Associates and Joint Ventures

As of the date of this Prospectus, our Company has one wholly owned subsidiary, namely, Aptus Finance India Private Limited **("AFIPL")**. AFIPL has been categorised as a Material Subsidiary of our Company. Our Company does not have any associates or joint ventures as on the date of this Prospectus.

AFIPL

Corporate Information

AFIPL was incorporated on September 18, 2015 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC. It is registered with the RBI as a non-public deposit taking NBFC pursuant to a registration certificate from RBI dated December 16, 2016. Its CIN is U74900TN2015PTC102252 and its registered office is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai, 600 010, Tamil Nadu, India. AFIPL operates at its registered office pursuant to a no objection letter issued by our Company.

Nature of Business

AFIPL, subject to any approval of the RBI, is, *inter alia*, engaged in the business of providing short and medium term financing with or without the security of residential or commercial or vacant land property or any other adequate security primarily to micro, small and medium enterprises and financing of hire purchase company, leasing company and finance company and in arrangement of loan requirements for micro, small and medium enterprises.

Capital Structure

The capital structure of AFIPL is as follows:

Authorised share capital	Aggregate Nominal Value
110,000,000 equity shares of ₹10 each	₹1,100,000,000
Issued, subscribed, and paid up capital	
100,800,000 equity shares of ₹10 each	₹1,008,000,000

Shareholding Pattern

The shareholding pattern of AFIPL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Aptus Value Housing Finance India Limited	100,799,900	100.00

Additionally, one of our Promoters, M Anandan holds 100 equity shares of AFIPL as a nominee of our Company.

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of AFIPL that have not been accounted for or consolidated by our Company.

Agreements with Key Managerial Personnel, Director, Promoter, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by our Individual Promoter Selling Shareholder

Our Individual Promoter Selling Shareholder have not given any guarantees to third parties.

Personal guarantees given by our Promoters

The details of the personal guarantees given by our Promoter, M Anandan are set out below:

Sl. No.	Name of the lender	Type of facility	Date of sanction letter creating guarantee	Outstanding guarantee amount (in Rs. Million) as of March 31, 2021
1.	NHB	Refinance	Sanction letter dated November 16, 2012	14.96
2.	NHB	Refinance	Sanction letter dated November 22, 2013	24.40
3.	NHB	Refinance	Sanction letter dated August 20, 2014	88.75
4.	NHB	Refinance	Sanction letter dated August 27, 2015	121.50
5.	NHB	Refinance	Sanction letter dated June 15, 2016	94.33
6.	NHB	Refinance	Sanction letter dated August 10, 2016	282.60

7.	NHB	Refinance	Sanction letter dated August 18, 2017	303.01
TOTAL				**929.55**

Shareholders' agreements and other agreements

Except as set out below, there are no other agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between the Company, the Promoters and the Shareholders, agreements of like nature and clauses/ covenants which are material to the Company. Further, there are no other clauses/ covenants which are adverse or prejudicial to the interest of the public shareholders of the Company.

Key terms of shareholders' agreements

Restated Shareholders Agreement dated September 2, 2019 between the Company, M Anandan, WestBridge Crossover Fund, LLC, Aravali Investment Holdings ("AIH") and JIH II, LLC ("JIH") (AIH and JIH collectively referred as "Other Investors" and WestBridge Crossover Fund, LLC and Other Investors collectively referred as "Investors") ("SHA").

Our Company, one of our Promoters, M Anandan, WestBridge Crossover Fund, LLC and the Other Investors entered into the SHA to govern their *inter-se* rights and obligations as Shareholders in our Company. Pursuant to the terms of the SHA, our Promoter, M Anandan has the right to nominate for appointment a majority of our Board of which one directorship shall at all times be held by M Anandan, subject to him and his relatives holding a certain minimum percentage of shareholding in our Company ("**MEP**"), which in the case of M Anandan means him along with the identified promoter group holding in excess of 25% of the total issued and paid up share capital of the Company. Additionally, the Investors have been provided with the right to appoint two nominee Directors on our Board subject to the Investors holding MEP, which in the case of the Investor means it holding not less than 10% of the total issued and paid up share capital of the Company. Further, so long as the Investor holds MEP, no decision by the Company can be taken with regards to *inter alia*, amendments to the Company's MoA or AoA in a manner so as to alter the rights granted to the Investors without following the procedure for approval as provided in the SHA. Further, presence of at least one Director nominated by the Investors is required for the approval various key matters such as amendments to the Memorandum of Association or Articles of Association of the Company in relation to rights granted to the Investor. Further, so long as M Anandan along with the identified promoter group holds MEP, no resolution shall be passed or decisions taken or ratified by the Board or the shareholders in relation to any sale, transfer or amalgamation or merger or reverse merger of the Company without an affirmative vote of M Anandan along with the identified promoter group. Also, the SHA provides for certain Key Matters that require the presence of at least one Director nominated by the Investor such as sale of substantially all of the assets of the Company and appointment of and change in the auditors of the Company, so long as the Investors holds MEP.

In the event that our Company proposes to issue and allot any Equity Shares to any third parties, except any Equity Shares issued pursuant to exercise of employee stock options or in connection with any share split or dividend by our Company, the Investors and M Anandan shall have pre-emption rights on the shares being offered to such third parties. Our Company is also bound to not make any fresh issue of capital on terms more favourable than those available to the Investors. The Investors are entitled to anti-dilution protection if our Company issues any shares or convertible instruments to any third parties at a price more favourable to weighted average entry price applicable to the Investor. Further, our Company is required to follow the procedure set out in the SHA in relation to any transfer of Equity Shares. Additionally, as per the terms of the SHA, our Company and M Anandan are required to make best efforts to complete an initial public offering of our Equity Shares within timelines agreed in the SHA. In the event that an initial public offering of our Company is not completed within such timelines, our Company and M Anandan are required to endeavour to find exit opportunities for the Investors. The SHA can be *inter alia* terminated (i) as against each party when they cease to hold any Equity Shares; (ii) by mutual consent of the parties; (iii) if our Company is wound up by a resolution of the Shareholders or an order of a competent court; or (iii) to the extent required under law on the completion of an initial public offering.

Waiver Cum Amendment Agreement dated May 12, 2021 between the Company, M Anandan, Padma Anandan and the Investors

The parties to the SHA have entered into a Waiver Cum Amendment Agreement ("**WCA**"), which is effective on and from the execution date i.e., May 12, 2021 until the earlier of: (i) cut-off date as defined in the SHA; (ii) the listing and trading of the Company pursuant to the Offer; or (iii) the date on which the Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders jointly decide not to undertake the IPO ("**Term**"), on which date, the WCA shall cease to have any force and effect, without any further act or deed required by any party. The WCA, *inter alia,* (i) amends certain definitions in relation to the Promoters in the SHA; (ii) provides that subject to the receipt of the requisite regulatory authorization and corporate authorizations (including special resolution to be passed by the shareholders in a general meeting post-listing of the Equity Shares pursuant to the Offer, wherein appropriate disclosure in this regard shall be given to the shareholders), WestBridge Crossover Fund, LLC shall have the right to nominate 2 (two) nominee Directors to our Board, until such time as WestBridge Crossover Fund, LLC together with AIH and JIH collectively hold 10% or more of the issued and paid up share capital of our Company, our Promoters M Anandan and Padma Anandan shall have the right to nominate such number of nominee Directors (including, without limitation, M Anandan) to our Board, as would constitute a majority on the Board (excluding the independent Directors), until such time as our Promoters M Anandan and Padma Anandan continue to be classified as "promoters" of our Company within the meaning of the SEBI ICDR Regulations. Further, it also provides that the chairman of the Board shall, at all times, be M Anandan, subject to M Anandan and Padma Anandan continuing to be classified as "promoters" under applicable law; and (iii) waives and amends restrictions on our Company in order for us to undertake the IPO. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the SHA shall be reinstated and the parties shall be restored to *status quo ante*.

Additionally, the parties to the SHA and the WCA have also entered into a letter arrangement dated May 12, 2021 pursuant to which, *inter alia*, our Promoters, M Anandan, Padma Anandan and WestBridge Crossover Fund, LLC have agreed to make best efforts, as shareholders of the Company, to ensure that the Articles of Association of the Company shall not be amended in a manner depriving our Promoters, M Anandan, Padma Anandan and WestBridge Crossover Fund the benefit of the post listing nomination rights as provided in the Articles of Association of our Company. The letter survives the termination of the SHA from the date of receipt of the listing and trading approval in relation to the IPO. Additionally, the letter provides that it is not prejudicial to the interests of the shareholders of the Company in any manner.

Key terms of other subsisting material agreements

Our Company has not entered into any material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

OUR MANAGEMENT

In terms of our Articles of Association, our Company can have a maximum of 15 Directors. As on the date of this Prospectus, our Board comprises ten Directors, including our Chairman and Managing Director, five Independent Directors (including one woman Director), two Non-Executive Directors and two Non-Executive 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.	**M Anandan** **Designation:** Chairman and Managing Director **Period and term:** Five years with effect from December 24, 2019 **Address:** AL-192, 12th Main Road, Anna Nagar, Chennai, 600 040, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** January 26, 1950 **DIN:** 00033633 **Age:** 71	**Indian Companies** Nil **Foreign Companies** Nil
2.	**Kandheri Munuswamy Mohandass** **Designation:** Non-Executive Independent Director **Period and term:** Five years with effect from March 4, 2020 **Address:** No. 36, Sait Colony, 1st Street, Egmore, Chennai 600 008, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** July 10, 1951 **DIN:** 00707839 **Age:** 70	**Indian Companies** Aptus Finance India Private Limited **Foreign Companies** Nil
3.	**Sankaran Krishnamurthy** **Designation:** Non-Executive Independent Director **Period and term:** Five years with effect from March 4, 2020 **Address:** B1/802, 8th Floor 'Elita Promenade Apts', 18th Main, 7th Phase, JP Nagar, Bengaluru 560 078, Karnataka, India **Occupation:** Professional **Date of Birth:** January 5, 1947 **DIN:** 00066044 **Age:** 74	**Indian Companies** Aptus Finance India Private Limited **Foreign Companies** Nil
4.	**Krishnamurthy Vijayan** **Designation:** Non-Executive Independent Director **Period and term:** Five years with effect from March 4, 2020	**Indian Companies** • Tamil Nadu Wilderness Experiences Corporation Private Limited **Foreign Companies**

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	Address: B4, Casagrande Arcabaleno, 4th Floor, RK Salai, 9th Street, Mylapore, Chennai, 600 004, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** July 29, 1962 **DIN:** 00589406 **Age:** 59	Nil
5.	**VG Kannan** **Designation:** Non-Executive Independent Director **Period and term:** Five years with effect from March 9, 2021 **Address:** 802, Fili Villa, 23/1/c/32, near Nandan Prospera, Balewadi, Pune City, Pune 411 045, Maharashtra, India **Occupation:** Professional **Date of Birth:** July 11, 1956 **DIN:** 03443982 **Age:** 65	**Indian Companies** • AU Small Finance Bank Limited; • Ageas Federal Life Insurance Company Limited; and • OCM India Opportunities Arc Management Private Limited **Foreign Companies** Nil
6.	**Mona Kachhwaha** **Designation:** Non – Executive Independent Director **Period and term:** Five years with effect from May 5, 2021 **Address:** 1918A, DLF Magnolias, DLF City, Sector 42, Galleria DLF, Gurugram 122 009, Haryana, India **Occupation:** Professional **Date of Birth:** January 2, 1972 **DIN:** 01856801 **Age:** 49	**Indian Companies** Ujjivan Financial Services Limited **Foreign Companies** Nil
7.	**Shailesh Jayantilal Mehta** **Designation:** Non – Executive Director **Period and term:** Liable to retire by rotation **Address:** 401, El Cerrito Ave, Hillsborough, California, 94010, US **Occupation:** Professional **Date of Birth:** April 22, 1949 **DIN:** 01633893 **Age:** 72	**Indian Companies** • Safari Industries (India) Limited; • Manappuram Finance Limited; • India Shelter Finance Corporation Limited; and • Vistaar Financial Services Private Limited **Foreign Companies** Nil
8.	**Kanarath Payattiyath Balaraj** **Designation:** Non-Executive Nominee Director **Period and term:** Liable to retire by rotation	**Indian Companies** Nil **Foreign Companies**

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	Address: 304, Embassy Eros, No. 7, Ulsoor Road, Bengaluru, 560 042, Karnataka, India **Occupation:** Professional **Date of Birth:** January 18, 1971 **DIN:** 00163632 **Age:** 50	Nil
9.	**Sumir Chadha** **Designation**: Non-Executive Nominee Director **Period and term:** Liable to retire by rotation **Address**: 711 Eucalyptus Avenue, Hillsborough, California, 94010, United States of America **Occupation**: Professional **Date of birth**: April 23, 1971 **DIN:** 00040789 **Age:** 50	**Indian companies**: • India Shelter Finance Corporation Limited; • Kuhoo Technology Services Private Limited; • Mountain Managers Private Limited; • Vistaar Financial Services Private Limited; and • Star Health and Allied Insurance Company Limited **Foreign companies**: • American India Foundation; • Turing Enterprises Inc.; • Biz2Credit Inc.; • Innovaccer Inc.; • SCV WB Holdings; • WestBridge Capital Management, LLC; • WestBridge Capital Partners, LLC; • WestBridge Ventures II, LLC (under winding up as per Mauritius law); and • WestBridge Ventures II Investment Holdings (under winding up as per Mauritius law)
10.	**Suman Bollina** **Designation:** Non-Executive Director **Period and term:** Liable to retire by rotation **Address:** 49-54-15, Srisanthi Sadan, Balayya Sastry Lay Out, Visakhapatnam, 530 013, Andhra Pradesh, India **Occupation:** Professional **Date of Birth:** March 31, 1985 **DIN:** 07136443 **Age:** 36	**Indian Companies** Aptus Finance India Private Limited **Foreign Companies** Nil

Brief Biographies of Directors

M Anandan is the Chairman and Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Madras. He is also a member of Institute of Chartered Accountants of India. He has over 40 years of experience in the financial services sector and has previously served as the managing director of Cholamandalam Investment and Finance Company Limited, part of the Murugappa Group and was also managing director of Cholamandalam MS General Insurance Company Limited. He has served as the Chairman and Managing Director on the Board of our Company from December 11, 2009.

Kandheri Munuswamy Mohandass is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science from the University of Madras. He is an associate and fellow of the Institute of Chartered Accountants of India. He is a partner in KM Mohandass & Co., Chartered Accountants. He has over three decades of experience in the financial services sector. He is also on the board of our Subsidiary, Aptus Finance India Private Limited.

Sankaran Krishnamurthy is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science from the University of Madras. He is a certified associate of the Indian Institute of Bankers. He was the former deputy managing director of State Bank of India, where he served for more than 38 years. He was also the managing director and chief executive officer of SBI Life Insurance Company Limited. He is also on the board of our Subsidiary, Aptus Finance India Private Limited.

Krishnamurthy Vijayan is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from C.M. Dubey Post-Graduate College, Bilaspur and he has cleared the master of arts examination conducted by the Guru Ghasidas University, Bilaspur. He has previously served as the managing director and chief executive officer of IDBI Asset Management Limited, managing director of JP Morgan Asset Management India Private Limited and chief executive officer of JM Financial Asset Management Private Limited and has various years of experience in the financial services industry. He is currently the chief executive officer of Tamil Nadu Infrastructure Fund Management Corporation Limited.

VG Kannan is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in business administration from Madurai Kamaraj University and a master's degree in business administration from the University of Madras. He is also an associate of the Indian Institute of Bankers. He has also served as the chief executive of the Indian Banks' Association. He has previously served as the deputy managing director of State Bank of India. He also qualified the online proficiency self-assessment test for independent director's databank conducted by the Indian Institute of Corporate Affairs. He has various years of experience in the banking industry. He is also on the boards of AU Small Finance Bank Limited, Ageas Federal Life Insurance Company Limited and OCM India Opportunities Arc Management Private Limited.

Mona Kachhwaha is a Non – Executive Independent Director on the Board of our Company. She holds a post graduate diploma in business management from XLRI, Jamshedpur. She has completed the certification program in IT and cyber security for board members of Ujjivan Small Finance Bank Limited offered by the Institute for Development and Research in Banking Technology and also completed the FICCI CCG Women on Corporate Boards Mentorship Program offered by FICCI Centre for Corporate Governance. She has previously worked with Citibank N.A. and Caspian Advisors Private Limited. She has various years of experience in the financial services sector.

Shailesh Jayantilal Mehta is a Non – Executive Director on the Board of our Company. He holds a bachelor's degree in technology (mechanical engineering) from Indian Institute of Technology, Bombay, master of science degree in operations research from Case Western Reserve University and a doctorate in philosophy from Case Western Reserve University. He is also trustee emeritus at the California State University and has also been conferred with an honorary degree of Doctor of Humane Letters by the California State University. He currently serves as a partner at Granite Hill Capital Partners and is currently an operating advisor at WestBridge Capital US Advisors, LLC. He has several years of experience in the financial services industry. He currently serves on the boards of *inter alia*, Safari Industries (India) Limited, Manappuram Finance Limited, India Shelter Finance Corporation Limited and Vistaar Financial Services Private Limited

Kanarath Payattiyath Balaraj is a Non–Executive Nominee Director on the Board of our Company. He holds a bachelor's degree in business management from Brigham Young University, Hawaii where he was a valedictorian and a master's degree in business administration from Harvard Business School. Previously, he was co-founder and managing director at WestBridge Capital India Advisors Private Limited and has several years of experience in the investment industry. He is currently a partner at Waimea Bay Advisors LLP.

Sumir Chadha is a Non – Executive Nominee Director on the Board of our Company. He holds a bachelor's degree in computer science from Princeton University and a master's degree in business administration from Harvard Business School. He is the co-founder of WestBridge Capital. He has several years of experience in the investment industry. He was previously also a director of Sequoia Capital India Advisors Private Limited. He currently serves on the boards of *inter alia*, India Shelter Financial Corporation Limited, Vistaar Financial Services Private Limited, Mountain Managers Private Limited, Kuhoo Technology Services Private Limited and Star Health and Allied Insurance Company Limited.

Suman Bollina is a Non – Executive Director on the Board of our Company. He holds a bachelor's degree in engineering from the Birla Institute of Technology and Science and a global MBA degree from S.P. Jain Center of Management. He is the executive managing partner of Sri Santhi Corporation. He has over 10 years of experience in conceptualisation, design construction and sale of new apartments. He is also on the board of our Subsidiary, Aptus Finance India Private Limited.

Confirmations

None of our Directors is, or was, a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

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 they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have any interest in any property purchased or acquired in the three years preceding the date of this Prospectus or proposed to be purchased or acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of Appointment of our Executive Director

M Anandan

M Anandan was initially appointed as the Chairman and Managing Director of our Company pursuant to the resolution passed by the Board on December 24, 2009 for a term of five years and his appointment was subsequently approved by the Shareholders at the EGM held on January 29, 2010. Further, he was subsequently re-appointed as the Chairman and Managing Director of the Company pursuant to the resolution passed by the Board on November 4, 2014 for a term of five years and his appointment was subsequently approved by the Shareholders at the EGM held on November 19, 2014. Additionally, pursuant to resolution of our Board dated May 10, 2019 and a resolution passed by the shareholders dated August 8, 2019 our Company has set out the terms of his remuneration in accordance with the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. A description of his remuneration as per the board resolution dated June 24, 2021 and subject to the shareholders' approval in the ensuing annual general meeting is provided below:

Particulars	Amount (in ₹)
Remuneration Details	
Salary	₹3.33 million per month
Allowances	₹1.66 million per month (aggregating to ₹20 million per annum)
Commission	Up to ₹30 million based on performance as may be determined by the Board. Further revisions may be decided by the Nomination and Remuneration Committee or the Board from time to time.
Retirement Benefits*/ Perquisites	(i) Contribution to provident fund equivalent to 12% of his monthly salary (ii) Contribution to gratuity and encashment of leave as per the rules of the Company (iii) Medical re-imbursement: Actual expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company (iv) Personal Accident Insurance: As per the rules of the Company (v) Leave Travel Allowance: For self and family once in a year as per the rules of the Company (vi) Club Fees: Entrance fee to any one club or annual or monthly subscription to any two clubs (vii) Others: Provision of two cars with driver (the average cost of acquisition not to exceed ₹10 million per car). Provision of a telephone at residence and such other perquisites, benefits, amenities as may be provided to the senior management staff, from time to time.

(i) In the event of any inadequacy of profits in any financial year, the remuneration of M Anandan is paid in accordance with section II of part II of Schedule V of the Companies Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014;
(ii) Perquisites shall be valued in terms of actual expenditure incurred by the Company; and
(iii) M Anandan will not be entitled to sitting fees for attending meetings of the Board or any committee thereof
**Retirement benefits are not included in the computation of remuneration or ceiling on the perquisites*

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2021 are set forth below.

Remuneration to our Executive Director

Details of the remuneration paid to our Chairman and Managing Director in Financial Year 2021 is set forth below:

S. No.	Name of executive Director	Remuneration (in ₹ million)
1.	M Anandan	60.11

Remuneration to our Non-Executive Directors

(a) Non-Executive and Non-Executive Independent Directors

Our Non-Executive and Non-Executive Independent Directors are entitled to receive sitting fees of ₹0.03 million per sitting for every meeting of the Board. Additionally, our Non-Executive and Non-Executive Independent Directors are also entitled to receive sitting fees of (i) ₹0.02 million per sitting for every meeting of the audit committee; (ii) ₹0.02 million per sitting for every meeting of the nomination and remuneration committee; (iii) ₹0.01 million per sitting for every meeting of the corporate social responsibility committee; (iv) ₹0.01 million per sitting for every meeting of the resourcing and business committee; and (v) ₹0.01 million per sitting for every meeting of the IT strategy committee. Further, commission is also payable to our Directors based on performance as may be determined by our Board. Details of the remuneration paid to the Non-Executive and Non-Executive Independent Directors of our Company in the Financial Year 2021 are set forth below.

S. No.	Name of Non-Executive and Non-Executive Independent Directors	Sitting Fees (in ₹ million)	Commission (in ₹ million)
1.	Sankaran Krishnamurthy	0.38	1.15
2.	Kandheri Munuswamy Mohandass	0.38	1.15
3.	Krishnamurthy Vijayan	0.10	0.75
4.	VG Kannan	NIL	0.05
5.	Suman Bollina	0.11	1.15
6.	Shailesh Jayantilal Mehta	0.12	0.75
7.	Mona Kacchwaha	0.05	0.75

(b) *Non-Executive Nominee Directors*

The Non-Executive Nominee Directors are not entitled to receive any sitting fees or commission for attending meetings of the Board and its Committees.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than our Managing Director M Anandan who has been nominated to our Board under the terms of the SHA and our Directors, Sumir Chadha and Kanarath Payattiyath Balaraj, who have been nominated to our Board as nominees of WestBridge Crossover Fund, LLC 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 has been appointed on the Board. For further details, "*History and Certain Corporate Matters - Summary of Key Agreements and Shareholders' Agreements*" on page 188.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

For details of commission paid to our Independent Directors in the Financial Year 2021, see "*Remuneration to our Non-Executive Directors – (a) Non-Executive Independent Directors*" on page 194.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares or employee stock options of the Company:

S. No.	Name	No. of Equity Shares (face value of Rs. 2 each)	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding	Percentage of the post-Offer of Equity Share Capital (%)@
1.	M Anandan*	96,164,165	19.98	Nil	19.40
2.	Suman Bollina**	416,665	0.09	Nil	0.08
3.	Kandheri Munuswamy Mohandass***	500	0.00	Nil	0.00
Total		**96,581,330**	**20.07**	**Nil**	19.48

@ *Subject to finalization of the Basis of Allotment*

* *88,654,165 Equity Shares held jointly with Padma Anandan (where M Anandan is the first holder). Additionally, M Anandan jointly holds 25,000,000 Equity Shares with Padma Anandan (where M Anandan is the second holder)*

** *416,665 Equity Shares held jointly with Deepthi Anand (where Suman Bollina is the first holder). Additionally, Suman Bollina jointly holds 250,000 Equity Shares with Deepthi Anand (where Suman Bollina is the second holder)*

*** *Kandheri Munuswamy Mohandass is also the karta of KM Mohandass HUF and the registered owner of Equity Shares held by KM Mohandass HUF, which presently holds 625,000 Equity Shares in our Company, and which is participating in the Offer for Sale as one of the Selling Shareholders*

Interests of Directors

Other than our Non-Executive Nominee Directors, all Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board as well as to the extent of other remuneration, commissions and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Further, our Directors, Sankaran Krishnamurthy, Kandheri Munuswamy Mohandass and Suman Bollina are also directors in our Subsidiary, Aptus Finance India Private Limited. Further, Kandheri Munuswamy Mohandass is interested to the extent of KM Mohandass HUF's participation in the Offer for Sale in his capacity as the karta and as the registered owner of Equity Shares held by KM Mohandass HUF.

Certain of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them or the shareholder they represent.

Except as disclosed in this section, our Directors do not have any other interest in our business.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

None of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

Except Sumir Chadha who is a director on the boards of (i) India Shelter Finance Corporation Limited, (ii) Vistaar Financial Services Private Limited and (iii) Biz2Credit Inc; and Shailesh Jayantilal Mehta who is a director on the boards of (i) India Shelter Finance Corporation Limited and (ii) Vistaar Financial Services Private Limited which are entities in a similar line of business as our Company, none of our other Directors are associated with entities in a similar line of business as our Company.

Additionally, our Chairman and Managing Director, M Anandan is also (i) interested to the extent of guarantees provided by him for financing availed from some of our lenders and (ii) interested as a lessor for a warehouse property leased by the Company from him. For details see "*Our Promoter and Promoter Group - Personal guarantees given by our Promoters*" on page 209**.**

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
Pankaj Vaish	August 6, 2018	Re-designation as Non-Executive Director
Sumir Chadha	November 5, 2019	Appointment as additional Director
Pankaj Vaish	November 5, 2019	Cessation as Director
Mona Kachhwaha	May 30, 2020	Appointment as additional Director
Sumir Chadha	August 11, 2020	Re-designation as Non-Executive Nominee Director
Mona Kachhwaha	August 11, 2020	Re-designation as Non-Executive Director
VG Kannan	March 9, 2021	Appointment as additional Director
Mona Kachhwaha	May 5, 2021	Re-designation as Non-Executive Independent Director
VG Kannan	May 6, 2021	Re-designation as Non-Executive Independent Director

Borrowing Powers of Board

Pursuant to a resolution passed by our Board in its meeting dated June 24, 2021 and subject to our shareholders' approval in the ensuing annual general meeting, our Board is authorised to borrow from time to time all such sums of money and avail all kinds and types of loans and credit facilities up to a sum ₹40,000 million. Further, our Company may issue, from time to time, debentures/bonds and other debt instruments aggregating up to ₹15,000 million within the overall borrowing limit of ₹40,000 million.

Corporate Governance

The provisions of the SEBI Listing Regulations (except for provisions under Chapter V of the SEBI Listing Regulations, pertaining to, *inter alia*, the obligations of entities with listed NCDs, which are applicable to our Company as of the date of this Prospectus) 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 ten Directors, including our Chairman and Managing Director, five Independent Directors (including one woman Director), two Non-Executive Directors and two Non-Executive Nominee Directors. In compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

S. No.	Name of Director	Committee Designation
1.	Kandheri Munuswamy Mohandass	Chairperson
2.	Sankaran Krishnamurthy	Member
3.	Krishnamurthy Vijayan	Member
4.	Mona Kachhwaha	Member

The Audit Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. 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, *inter alia,* include:

- Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to our Board the appointment, remuneration and terms of appointment of the statutory and internal auditors of our Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualified and modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;
- Examination of the financial statement and auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this

matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by our Company;

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions of our Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
- statement of deviations as and when becomes applicable;
    - quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

S. No.	Name of Director	Committee Designation
1.	Sankaran Krishnamurthy	Chairperson
2.	Kandheri Munuswamy Mohandass	Member
3.	Krishnamurthy Vijayan	Member
4.	Shailesh Jayantilal Mehta	Member
5.	Sumir Chadha	Member
6.	M Anandan	Member

The Nomination and Remuneration Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board, *inter alia,* include:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- Formulating criteria for evaluation of performance of Independent Directors and our Board ;
- Devising a policy on diversity of Board;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- Administering, monitoring and formulating detailed terms and conditions of the ESOP 2021
- Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, each as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and
- Performing such other functions as may be necessary or appropriate for the performance of its duties

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

S. No.	Name of Director	Committee Designation
1.	Shailesh Jayantilal Mehta	Chairperson
2.	VG Kannan	Member
3.	Kanarath Payattiyah Balaaraj	Member

The Stakeholders' Relationship Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board, *inter alia*, include:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- To review measures taken for effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- To review 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; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

S. No.	Name of Director	Committee Designation
1.	Krishnamurthy Vijayan	Chairperson
2.	Kandheri Munuswamy Mohandass	Member
3.	M Anandan	Member

The Corporate Social Responsibility Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. 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, *inter alia*, include:

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder
- Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
- Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	VG Kannan	Chairperson
2.	Mona Kachhwaha	Member

Sr. No.	Name of Director	Committee Designation
3.	M Anandan	Member
4.	Balaji P	Member
5.	G Subramanian	Member

The Risk Management Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board, *inter alia,* include:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors

IPO Committee

The members of the IPO Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sankaran Krishnamurthy	Chairperson
2.	Sumir Chadha	Member
3.	M Anandan	Member

The IPO Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on May 5, 2021. Its terms of reference as stipulated pursuant to resolution passed by our Board, *inter alia*, include:

a. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, Tamil Nadu at Chennai, the Reserve Bank of India ("**RBI**"), the National Housing Bank ("**NHB**") and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

b. To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the "**BRLMs**") where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer , the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Registrar of Companies, Tamil Nadu at Chennai or any other relevant governmental and statutory authorities or in accordance with applicable laws;

c. To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

d. To appoint and enter into and terminate arrangements with the intermediaries in connection with the Offer, including the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, advertising agency, monitoring agency and any other agencies or persons or intermediaries in relation to the Offer, to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs, and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

e. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, agreements with the registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency and the monitoring agency stock exchange(s), BRLMs, any selling shareholders in the Offer (the "Selling Shareholders") and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

f. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

g. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

h. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

i. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

j. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;

k. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

l. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges in India, to the extent allowed under law;

m. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

n. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

o. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

p. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

q. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

r. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including issue or allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

s. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Tamil Nadu at Chennai and the relevant stock exchange(s) where the Equity Shares are to be listed;

t. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

u. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other applicable laws;

v. To approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, the red herring prospectus and the prospectus;

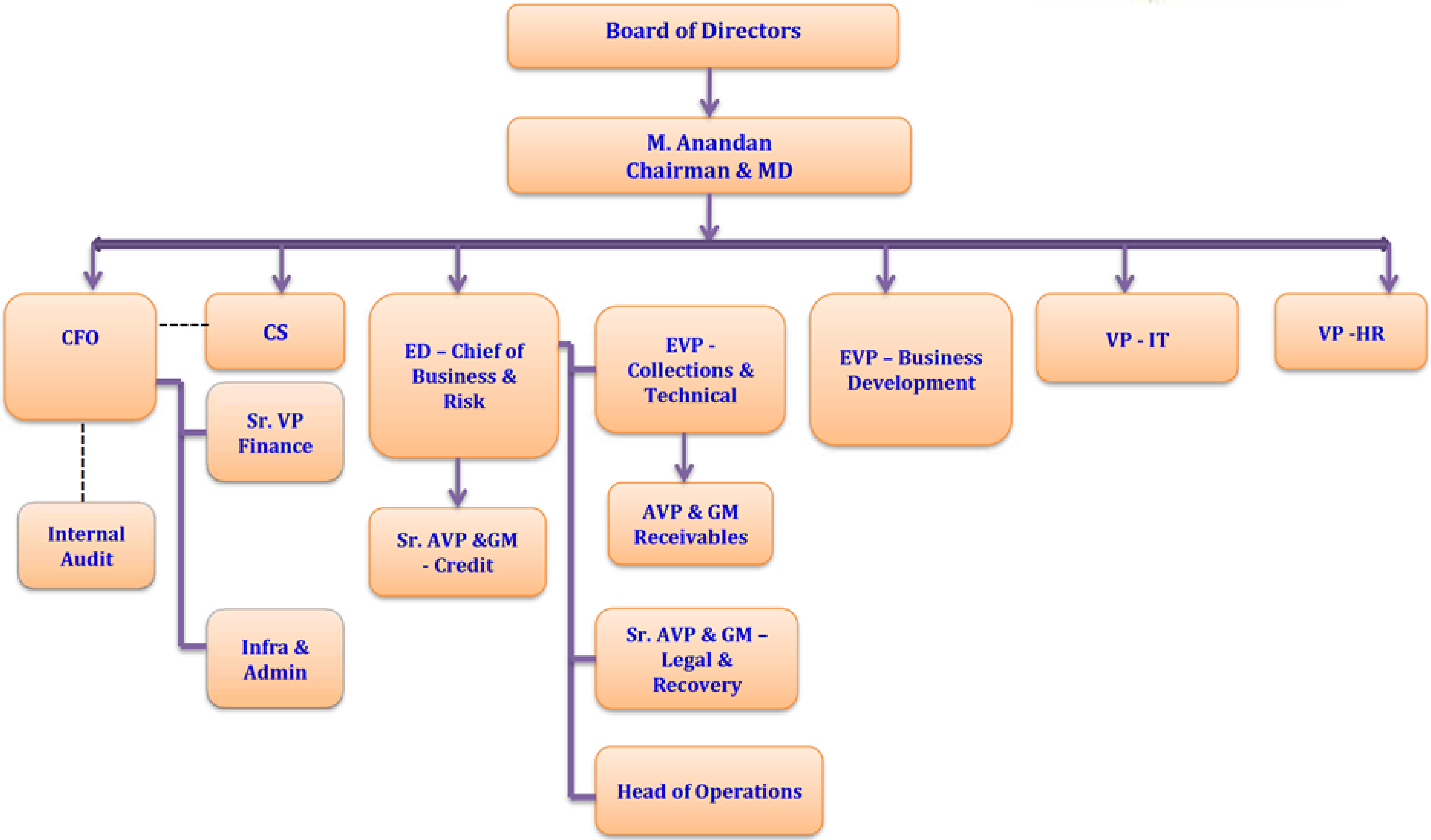
w. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

x. Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale and taking all actions as may be authorised in connection therewith;

y. to withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with applicable laws and in consultation with the BRLMs; and

z. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel, as of the date of this Prospectus are as follows:

M Anandan is the Chairman and Managing Director of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him during Financial Year 2021, see "– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*".

Balaji P is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Madras. He also passed the final examination held the ICAI to qualify as a chartered accountant. He has various years of experience in the textiles, telecom and finance sectors. He was previously associated with the Bombay Dyeing and Manufacturing Company Limited, Hutchison Max Telecom Limited and Cholamandalam MS General Insurance Company Limited. He joined our Company as the CFO on June 21, 2010. The remuneration to him was ₹9.58 million in Fiscal 2021.

Sanin Panicker is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from University of Kerala. He has various years of experience in the consulting and finance sectors. He was previously associated with Madura Micro Finance Limited. He joined our Company as the Company Secretary on August 11, 2020 and was appointed as the Compliance Officer pursuant to a board resolution dated May 5, 2021. The remuneration paid to him was ₹0.91 million in Fiscal 2021.

Relationship between our Key Managerial Personnel and Directors

Except our Chairman and Managing Director, M Anandan, who is the father-in-law of one of our Directors, Suman Bollina, none of our Directors are related to each other or to any of the Key Managerial Personnel.

Shareholding of Key Managerial Personnel

Except for M Anandan, none of our Key Managerial Personnel hold any Equity Shares in our Company. Further, Balaji P and Sanin Panicker have been provided employee stock options under the ESOP Plans. For further details, see "*Capital Structure – ESOP 2015*" and "*Capital Structure – ESOP 2021*" on page 84 and 87, respectively.

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, and employee stock options held by them.

None of our Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

For details of interest of M Anandan in our Company, see "*-Interests of Directors*" and "*Our Promoters and Promoter Group – Interest of our Promoters*" on page 208.

Changes in our Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Date of change	Reason for change
Sanin Panicker	August 11, 2020	Appointment as Company Secretary
Jyoti Suresh Munot	August 11, 2020	Cessation as Company Secretary
Jyoti Suresh Munot	February 1, 2019	Appointment as Company Secretary
Payal Chimanlal	January 31, 2019	Cessation as Company Secretary

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors, the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment. Further, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

For details of the ESOP schemes of our Company, see "*Capital Structure*" on page 84.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. M. Anandan;

2. Padma Anandan; and

3. WestBridge Crossover Fund, LLC

As on the date of this Prospectus, our Promoters* hold 292,893,920 Equity Shares equivalent to 60.84% of the issued, subscribed and paid-up Equity Share capital of our Company.

* *88,654,165 Equity Shares held jointly by M Anandan and Padma Anandan (where M Anandan is the first holder), 25,000,000 Equity Shares jointly held by M Anandan with Padma Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

Details of M Anandan and Padma Anandan (founders)

M Anandan, aged 71 years, is one of our Promoters, in addition to being the Chairman and Managing Director of our Company. For further details, see "*Our Management – Brief Biographies of Directors*" beginning on page 192. M Anandan is not involved in any other ventures.

M Anandan's PAN is AABPA6954G and Aadhaar card number is 623358776441. He does not have a valid driving license.

Padma Anandan, aged 62 years, is a citizen of India. She is one of our Promoters. Padma Anandan is not involved in any other ventures.

Padma Anandan's PAN is AJHPP6523D and Aadhaar card number is 796784540068. She does not have a valid driving license. She does not have any educational qualifications.

Our Company confirms that the PAN, passport number and bank account number of M Anandan and Padma Anandan were submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with them.

Details of WestBridge Crossover Fund, LLC (investor)

WestBridge Crossover Fund, LLC holds a Category I Global Business License issued by the Financial Services Commission, Mauritius. Its corporate identification number/company registration number under the applicable law of the Republic of Mauritius is 103872 C1/GBL. Its registered office address is 4th Floor, Tower A, 1 CyberCity, Ebene, Mauritius. The address of the registrar of companies where it is registered is One Cathedral Square Building, Jules Koenig Street, Port Louis, Mauritius.

WestBridge Crossover Fund, LLC was incorporated on July 08, 2011 as a limited liability company in Mauritius and is licensed by the Financial Services Commission, Mauritius, to operate as a closed-end fund classified as a professional collective investment scheme pursuant to the Securities Act, 2005 and the Securities (Collective Investment Scheme and Closed-end Fund) Regulations, 2008 of Mauritius. The present activity of WestBridge Crossover Fund, LLC is to focus on building a highly concentrated portfolio in well positioned companies that are led by strong entrepreneurs and management teams, and that are in high growth sectors, both public and private. No change to such activities is currently proposed.

Shareholding pattern:

Type of Investor	Shareholding (%)
Institutional	44.8%
Bodies Corporate	55.2%
Total	**100.0%**

Board of directors:

Name	Designation
Jamiilah Bibi Faatimah Khodadeen	Director
Muralidhar Madhav Shenoy	Director
Peter Charles Wendell	Director

Changes in control

There has been no change in the control of WestBridge Crossover Fund, LLC in the last three years preceding the date of this Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where WestBridge Crossover Fund, LLC is registered, were submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Promoter of WestBridge Crossover Fund, LLC

WestBridge Capital Management, LLC ("WBCM")

WBCM is a limited liability company incorporated in Mauritius and licensed by the Financial Services Commission, Mauritius to operate as a CIS Manager, bearing License Number C112011166. It is the investment manager of WestBridge Crossover Fund, LLC and holds 100% of the voting shares in WestBridge Crossover Fund, LLC.

Two natural persons who hold more than 15% of shares in WBCM are Sumir Chadha and Sandeep Singhal.

Board of directors:

Name	Designation
Sumir Chadha	Director
Jamiilah Bibi Faatimah Khodadeen	Director
Muralidhar Madhav Shenoy	Director
Sandeep Singhal	Director

Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their respective shareholding in our Company, the shareholding of their relatives in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them or their relatives; (iii) of being the Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees or reimbursement of expenses payable by our Company to them (in case of M Anandan); and (iv) of being subscribers to the Memorandum of Association. For details, please see "*Capital Structure*" and "*Our Management*" beginning on page 70 and 190, respectively.

Additionally, our Chairman and Managing Director, M Anandan is also (i) interested to the extent of guarantees provided by him for financing availed from some of our lenders and (ii) interested as a lessor for a warehouse property leased by the Company from him for which he was paid ₹0.76 million in Fiscal 2021

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of this Prospectus with SEBI.

Further, none of our Promoters have any interest in any transaction of our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed below and in the section "*Our Management*" beginning on page 190, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company:

Interest of WestBridge Crossover Fund, LLC in ventures that are involved in any activities similar to those conducted by our Company:

Sl. No	Name of Entity	Line of Business
1.	India Shelter Finance Corporation Limited	Housing Finance Company
2.	Vistaar Financial Services Private Limited	Non-Banking Financial Company
3.	Neogrowth Credit Private Limited	Non-Banking Financial Company

Note: The above list only includes entities which are regulated and in the HFC/NBFC space in which WestBridge Crossover Fund, LLC is directly a shareholder, in addition to the Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Payment or Benefits to our Promoters

Except as stated in the section "*Our Management*" beginning on page 190, there has been no amount or benefit paid or given, respectively, to our Promoters or Promoter Group during the two years prior to date of this Prospectus and no amount or benefit is intended to be paid or given to any of our Promoters or members of the Promoter Group.

Change in the control of our Company

M Anandan and Padma Anandan are the original promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus. WestBridge Crossover Fund, LLC is not an original promoter of our Company and has not acquired control of the Company in the five years immediately preceding the date of this Prospectus.

Material guarantees to third parties with respect to the Equity Shares

As on the date of this Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any companies during the preceding three years from the date of filing this Prospectus.

Disassociation by WestBridge Crossover Fund, LLC:

Name of company or firm from which Promoter has disassociated	Reasons for and circumstances leading to disassociation	Date of disassociation
Indian Energy Exchange Ltd	Divestment	June 1, 2020
CEAT Limited	Divestment	August 31, 2020
Greenply Industries Limited	Divestment	October 21, 2020
LaOpala RG Limited	Divestment	August 11, 2020
Greenlam Industries Limited	Divestment	August 4, 2020
DFM Foods Ltd	Divestment	January 13, 2020
Greenpanel Industries Limited	Divestment	March 12, 2021

Personal guarantees given by our Promoters

The details of the personal guarantees given by our Promoter, M Anandan are set out below:

Sl. No.	Name of the lender	Type of facility	Date of sanction letter creating guarantee	Outstanding guarantee amount (in Rs. Million) as of March 31, 2021
1.	NHB	Refinance	Sanction letter dated November 16, 2012	14.96
2.	NHB	Refinance	Sanction letter dated November 22, 2013	24.40
3.	NHB	Refinance	Sanction letter dated August 20, 2014	88.75
4.	NHB	Refinance	Sanction letter dated August 27, 2015	121.50
5.	NHB	Refinance	Sanction letter dated June 15, 2016	94.33
6.	NHB	Refinance	Sanction letter dated August 10, 2016	282.60
7.	NHB	Refinance	Sanction letter dated August 18, 2017	303.01
TOTAL				**929.55**

Promoters' nominees on the Board

Our Managing Director M Anandan has been nominated to our Board under the terms of the SHA and our Directors, Sumir Chadha and Kanarath Payattiyath Balaraj, have been nominated to our Board as nominees of our Promoter, WestBridge Crossover Fund, LLC pursuant to the SHA. For further details, "*History and Certain Corporate Matters - Summary of Key Agreements and Shareholders' Agreements*" on page 188.

Promoter Group

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of the Promoter Group of M Anandan and Padma Anandan

- Anu Anand
- Deepthi Anand
- P Rajinikanth
- Suman Bollina
- M Jayaraman
- R M Krishnasamy
- M Malliga
- Pachammal P
- Nara Janardhan
- Nara Srinivasulu

Entities forming part of the Promoter Group of WestBridge Crossover Fund, LLC

- Aravali Investment Holdings
- Ebo Mart Private Limited
- Ebono Private Limited
- Enrich Hair & Skin Solutions Private Limited
- GS E- Commerce Private Limited
- India Shelter Finance Corporation Limited
- Innovaccer Inc.
- JIH II, LLC
- Jwalamukhi Investment Holdings
- Kamet Investment Holdings
- Konark Trust
- Kuhoo Technology Services Private Limited
- Mathey Investment Holdings
- MIH II
- MIH III
- MMPL Trust
- Safecrop Holdings Private Limited (currently in the process of a voluntary strike-off)
- Safecrop Investments India LLP
- Vistaar Financial Services Private Limited
- WestBridge AIF I
- WestBridge AIF Master Fund, LLC

- WestBridge Capital Management, LLC
- WestBridge Crossover Tranche III, LLC
- WestBridge SPV-Excel, LLC

OUR GROUP COMPANIES

Pursuant to a resolution dated July 26, 2021, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Consolidated Summary Statements during any of the last three Fiscals; or (ii) such other company as deemed material by our Board ("**Materiality Policy**").

Based on the parameters outlined above, as on the date of this Prospectus, our Company does not have any group company (as defined under the SEBI ICDR Regulations and in terms of the Materiality Policy).

DIVIDEND POLICY

Our Company has not paid any dividends during the three immediately preceding Financial Years and until the date of filing 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. The dividend, if any, will depend on a number of internal factors, including but not limited to our Company's net operating profit, capital expenditure and working capital requirements, financial commitment with respect to the outstanding borrowings and interest thereon, financial requirement for business expansion, diversification or acquisition of new businesses, provisioning for financial implications arising out of unforeseen events or contingencies, past dividend trend, and capital adequacy ratio. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, prevalent market practices, and dividend payout ratio and comparison of dividend payout by the competitors.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cashflow available for distribution, inadequacy or absence of profits, and under any other circumstances as may be specified by the Companies Act, applicable regulatory provisions or any contractual obligation entered into with the lenders.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" beginning on page 301.

Our Company may also, from time to time, pay interim dividends. Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to risks involved in this regard, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" beginning on page 45.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Restated Consolidated Summary Statements" on page 226 as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 163 and 306, respectively.

*Certain non-GAAP measures such as, operating expense to net income ratio, return on total average assets, operating expenses to average total assets, credit costs to average total assets, operating expenses, return on net worth, net worth, EBITDA, Total borrowings to equity ratio, average cost of borrowings, net NPA on AUM, NPA, Provision Coverage Ratio, average yield on loan book, net interest margin and net asset value per share ("**Non-GAAP Measures**") presented in this Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly-titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.*

Return on Equity and Assets

The following table sets forth, for the years indicated selected financial information relating to the return on equity and assets for our Company:

	For the Financial Year		
	2021	2020	2019
	(₹ in million, except percentages and per share data)		
Profit After Tax	2,669.44	2,110.12	1,114.83
Total Assets	45,201.65	37,467.24	23,276.87
Average Total Assets(1)	41,334.45	30,372.06	18,865.12
AUM(2)	40,677.62	31,786.94	22,472.33
Average AUM(3)	36,232.28	27,129.64	18,319.85
Net Worth(4)	19,794.54	17,090.13	6,983.75
Average Net Worth(5)	18,442.34	12,036.94	6,415.76
Total Borrowings(6)	25,150.66	20,216.45	16,060.62
Average Total Borrowings(7)	22,683.56	18,138.54	12,261.75
Return on Total Assets (%)(8)	6.46%	6.95%	5.91%
Return on Equity (%)(9)	14.47%	17.53%	17.38%
Basic Earnings Per Equity Share(10)	5.56	4.77	2.83
Diluted Earnings Per Equity Share(10)	5.55	4.74	2.82
Net Asset Value Per Share(11)	41.12	35.66	17.73

Figures disclosed in the above table, except Profit after Tax, Total Assets and Basic and Diluted Earnings Per Share are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Average Total Assets represents the simple average of our Total Assets as of the last day of the relevant year and our Total Assets of the last day of the previous year.*

(2) *AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitisation and are outstanding as of the last day of the relevant year.*

(3) *Average AUM represents the simple average of our AUM as of the last day of the relevant year and our AUM of the last day of the previous year.*

(4) *Net worth is the aggregate of our equity share capital and other equity.*

(5) *Average Net Worth represents the simple average of our Net Worth as of the last day of the relevant year and our Net Worth as of the last day of the previous year.*

(6) *Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities), lease liabilities outstanding as of the last day of the relevant year.*

(7) *Average Total Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year and our Total Borrowings outstanding as of the last day of the previous year.*

(8) *Return on Total Assets is calculated as the Profit After Tax for the relevant year as a percentage of Average Total Assets in such year.*

(9) *Return on Equity is calculated as the Profit After Tax for the relevant year as a percentage of Average Net Worth in such year.*

(10) *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Pursuant to our board resolution dated May 5, 2021, and shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company were sub divided into equity shares of face value of ₹2 each. Consequently, the issued, subscribed and paid up share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each*

was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all years presented.

(11) Net asset value per share (NAV) is computed as the total equity as of the last day of the relevant year divided by the outstanding number of equity shares as of the last day of the relevant year, adjusted for capital changes.

Financial Ratios

The following table sets forth, for the years indicated, certain financial ratios for our Company:

	For the Financial Year		
	2021	2020	2019
	(₹ in million, except percentages and ratios/ time)		
AUM/Gross Loan Assets(1)	40,677.62	31,786.94	22,472.33
AUM Growth (%)(2)	27.97%	41.45%	58.62%
Average AUM(3)	36,232.28	27,129.64	18,319.85
Securitised assets(4)	28.87	66.75	131.02
Leverage (AUM / Networth)	1.96	2.25	2.86
Gross Loan Book(5)	40,648.75	31,720.19	22,341.31
Average Gross Loan Book(6)	36,184.47	27,030.75	18,151.52
Total Assets(7)	45,201.65	37,467.24	23,276.87
Disbursements(8)	12,981.81	12,709.80	10,890.42
Live Accounts (including securitised loans)(9)	58,069	43,987	30,749
Total Revenue from Operations	6,366.15	5,003.26	3,238.51
Other Income	186.27	233.94	132.64
Total Income	6,552.42	5,237.20	3,371.15
Finance Costs	2,065.34	1,845.49	1,162.18
Operating Expenses(10)	977.99	884.49	670.18
Operating Expenses to Average Total Assets (%) (11)	2.37%	2.91%	3.55%
Credit Cost(12)	58.18	34.32	11.73
Credit Cost to Average Total Assets (%)(13)	0.14%	0.11%	0.06%
Total Expenses(14)	3,101.51	2,764.30	1,844.09
Gross NPA (15)	276.20	222.45	89.28
Gross NPA to AUM (%)(16)	0.68%	0.70%	0.40%
NPA Provision(17)	75.90	52.08	22.00
Net NPA(18)	200.30	170.37	67.28
Net NPA to AUM (%)(19)	0.49%	0.54%	0.30%
Provision Coverage Ratio –AUM (%)(20)	27.48%	23.41%	24.64%
Operating Expenses to Net Income (%)(21)	21.80%	26.08%	30.34%
Gross Loan Book/ Net Worth	2.05	1.86	3.22
Average Gross Loan Book/ Average Net Worth	1.96	2.25	2.83
Net Loan Assets(22)	40,601.72	31,734.87	22,450.33
Net NPAs to Net Loan Assets (%)	0.49%	0.54%	0.30%

Figures disclosed in the above table, except Revenue from Operations, Other Income, Total Revenue, Finance Cost, Total Expenses and Total Assets are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) AUM / Gross Loan Assets represents aggregate of future 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 as well as loan assets which have been transferred by our Company by way of securitization and are outstanding as of the last day of the relevant year.

(2) AUM Growth represents percentage growth in AUM for the relevant year over AUM of the previous year.

(3) Average AUM is the simple average of our AUM as of the last day of the relevant year and our AUM of the last day of the previous year.

(4) Securitised assets represents aggregate of future principal outstanding and overdue principal outstanding, if any, for loan assets which have been transferred by our Company by way of securitisation and outstanding as of the last day of the relevant year.

(5) Gross Loan Book represents the sum of receivables under financing activities from our own book of the last day of the relevant year.

(6) Average Gross Loan Book represents simple average of Gross Loan Book over last year.

(7) Total Assets represents Total Assets as of the last day of the relevant year.

(8) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant year.

(9) Live Accounts (including securitised accounts) represents the aggregate number of loan accounts outstanding as of the end of the relevant year including loan accounts which have been transferred by our Company by way of securitisation and are outstanding as of the last day of the relevant year.

(10) Operating Expenses represents employee benefits expense, depreciation and amortisation expense and other expenses for the relevant year.

(11) Operating Expenses to Average Total Assets represents the aggregate of employee benefits expense, depreciation and amortisation expense and other expenses for the relevant year upon the simple average of our total assets as of the last day of the relevant year and our total assets as of the last day of the previous year, represented as a percentage.

(12) Credit Cost represents impairment on financial instruments for the relevant year.

(13) Credit Cost to Average Total Assets represents the impairment on financial instruments to simple average of total assets as of the last day of the relevant year and total assets as of the last day of the previous year, represented as a percentage.

(14) *Total Expenses represents total expenses for the relevant year. Total expenses include employee benefits expense, finance cost, impairment on financial instruments, depreciation and amortisation expense, other expenses.*

(15) *Gross NPA represents closing balance of the Gross NPA of our AUM as of the last day of the relevant year.*

(16) *Gross NPA to AUM represents the Gross NPA as of the last day or the relevant day or year to the AUM as of the last day of the relevant year, represented as a percentage.*

(17) *NPA provision created on the Gross Loan Assets for the year based on the NHB.*

(18) *Net NPA represents closing balance of the Net NPA of our Gross Loan Book as of the last day of the relevant year.*

(19) *Net NPA to AUM represents the Net NPA as of the last day or the relevant day or year to the AUM as of the last day of the relevant year, represented as a percentage.*

(20) *Provision Coverage Ratio represents provisions for the year, as a percentage of total Gross NPAs as of the last day of the year.*

(21) *Operating Expenses to Net Income represents the ratio of operating expenses for the relevant year divided by Net Income for the year, expressed as a percentage. Net Income represents Total Income less Finance costs for the relevant year.*

(22) *Net Loan Assets represents the sum of receivables under financing activities from our own book less NPA provisions on Gross Loan Book of the last day of the relevant year.*

Return Ratios

Year	For the Financial Year		
	2021	2020	2019
	(in %)		
Revenue from Operations to Average Gross Loan Book(1)	17.59%	18.51%	17.84%
Other Income to Average Gross Loan Book(2)	0.51%	0.87%	0.73%
Total Revenue to Average Gross Loan Book(3)	18.11%	19.37%	18.57%
Finance cost to Average Gross Loan Book(4)	5.71%	6.83%	6.40%
Spread to Average Gross Loan Book(5)	11.53%	11.12%	10.72%
Operating Expenses to Average Gross Loan Book(6)	2.70%	3.27%	3.69%
Credit cost to Average Gross Loan Book(7)	0.16%	0.13%	0.06%
PBT to Average Gross Loan Book(8)	9.54%	9.15%	8.41%
PAT to Average Gross Loan Book(9)	7.38%	7.81%	6.14%
PAT to Average Net Worth(10)	14.47%	17.53%	17.38%

(1) *Revenue from Operations to Average Gross Loan Book represents our total revenue from operations for the year to the Average Gross Loan book for the year.*

(2) *Other Income to Average Gross Loan Book represents our other income for the relevant year to the Average Gross Loan book for the year.*

(3) *Total Revenue to Average Gross Loan Book represents sum of Revenue from operations and other income for the year to the Average Gross Loan book for the year.*

(4) *Finance cost to Average Gross Loan Book represents our total finance costs for the year to the Average Gross Loan book for the year.*

(5) *Spread to Average Gross Loan Book represents our spread for the year to the Average Gross Loan book for the year.*

(6) *Operating Expenses to Average Gross Loan Book represents our operating expenses for a year to the Average Gross Loan book for the year.*

(7) *Credit cost to Average Gross Loan Book represents our Credit Cost for a year to the Average Gross Loan book for the year.*

(8) *PBT to Average Gross Loan Book represents our Profit Before Tax for a year to the Average Gross Loan book for the year.*

(9) *PAT to Average Gross Loan Book represents our Profit After Tax for a year to the Average Gross Loan book for the year.*

(10) *PAT to Average Net Worth represents our Profit After Tax for a year to the Average Net Worth for the year.*

Yields, Spreads and Margins

	For the Financial Year		
	2021	2020	2019
	(₹ in million, except percentages)		
Interest Income	6,238.89	4,852.29	3,108.87
Finance Costs	2,065.34	1,845.49	1,162.18
Total Interest-earning Assets(1)	44,257.89	37,186.95	23,091.41
Average Interest-earning Assets(2)	40,722.42	30,139.18	18,478.73
Average Total Assets(3)	41,334.45	30,372.06	18,865.12
Average Interest-bearing liabilities(4)	22,683.56	18,138.54	12,261.75
Total Income	6,552.42	5,237.20	3,371.15
Net Interest Income(5)	4,173.55	3,006.80	1,946.69
Average yield on Loan Book (6)	17.24%	17.95%	17.13%
Average Cost of Borrowings, including securitisation (7)	9.11%	10.17%	9.48%
Spread(8)	8.14%	7.78%	7.65%
Net Interest Margin (%)(9)	10.10%	9.90%	10.32%
Average Yield on Disbursements(10)	16.88%	17.18%	17.23%
Incremental Cost of Borrowings(%)(11)	7.70%	9.45%	10.11%
Incremental Borrowings(12)	9,671.30	7,850.00	7,810.00

Figures disclosed in the above table, except "Finance cost" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Total Interest-earning Assets represents housing and other loans; balances with banks in deposit accounts with original maturity of less than three months; balances with banks in other deposit accounts with an original maturity of more than three months; fixed deposits with banks; and investment in bonds as of the last day of the previous year.*

(2) *Average Interest-earning Assets represent the simple average of total interest-earning assets as of the last day of the relevant year and total interest-earning assets outstanding as of the last day of the previous year.*

(3) *Average Total Assets is as defined above.*

(4) *Average Interest-bearing Liabilities is the simple average of our total interest-bearing liabilities (which comprises Total Borrowings) outstanding as of the last day of the relevant year and our total interest-bearing liabilities outstanding as of the last day of the previous year.*

(5) *Net Interest Income or "NII" represents interest income less finance costs, for the relevant year.*

(6) *Average Yield on Gross Loan Book represents the ratio of interest income for a year to the average Gross Loan Book for the year.*

(7) *Average cost of borrowing including securitization represents finance cost for the relevant year as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year and our Total Borrowings outstanding as of the last day of the previous year.*

(8) *Spread represents average yield on Gross Loan Book less average cost of borrowings including securitisation.*

(9) *Net Interest Margin represents our net interest income for a year to the average total assets for the year, represented as a percentage.*

(10) *Average Yield on Disbursement represents weighted average yield on Disbursement, weights being sanctioned amount of each loan disbursed during the year.*

(11) *Incremental Cost of Borrowing represents weighted average rate of interest on fresh borrowings in the relevant year.*

(12) *Incremental Borrowings represents borrowings during the year.*

Asset Quality

Provisioning and Write-Offs

Asset Category (Loan Book)	For the Financial Year		
	2021	2020	2019
	(₹ in million)		
Gross Loan Assets	40,648.75	31,720.19	22,341.31
Gross NPAs	276.20	222.45	89.28
NPA Provisions	75.90	52.08	22.00
Net NPAs	200.30	170.37	67.28
Bad Debts Write-off	-	-	-

Stage Wise Loans - Details

	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(₹ in million, except percentages)		
Gross Carrying Amount - Loans			
1. Stage I	35,761.97	22,470.91	21,672.90
2. Stage II	4,001.48	8,262.05	282.68
3. Stage III	276.20	520.94	96.56
4. Total Gross Carrying Amount - Loans	**40,039.65**	**31,253.90**	**22,052.14**
ECL Allowance - Loans			
5. Stage I	43.31	9.34	24.62
6. Stage II	22.44	9.28	0.94
7. Stage III	75.90	64.39	24.12
8. Total ECL Allowance - Loans	**141.65**	**83.01**	**49.68**
Net Carrying Amount - Loans			
9. Stage I (9=1-5)	35,718.66	22,461.57	21,648.28
10. Stage II (10=2-6)	3,979.04	8,252.77	281.74
11. Stage III (11=3-7)	200.30	456.55	72.44
12. Total Net Carrying Amount - Loans (12=4-8)	**39,898.00**	**31,170.89**	**22,002.46**

Productivity Ratios

The following table sets forth, for the years indicated, certain productivity ratios for our Company:

	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
Number of branches(1)	190	174	142

	As of		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Number of on-roll employees[(2)]	1,913	1,702	1,322
Live Accounts (including securitised accounts)[(3)]	58,069	43,987	30,749
AUM per branch[(4)] (₹ in million)	214.09	182.68	158.26
AUM per employee[(5)] (₹ in million)	21.26	18.68	17.00
Disbursement per branch[(6)] (₹ in million)	68.33	73.04	76.69
Disbursement per employee[(7)] (₹ in million)	6.79	7.47	8.24
Live Accounts/branch[(8)]	305.63	252.80	216.54
Live Accounts/employee[(9)]	30.35	25.84	23.26

(1) Number of branches represents aggregate number of branches of our Company as of the last day of relevant year.

(2) Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant year.

(3) Live Accounts (including securitised accounts) is as defined above.

(4) AUM per branch represents AUM as of last day of the relevant year divided by number of branches.

(5) AUM per employee represents AUM as of the last day of the relevant year divided by number of on roll employees.

(6) Disbursement per branch represents disbursements in the relevant year divided by number of branches.

(7) Disbursement per employee represents disbursements in the relevant year divided by number of on roll employees.

(8) Live Accounts per branch represents live accounts as of the last day of the relevant year divided by number of branches.

(9) Live Accounts per employee represents live accounts as of the last day of the relevant year divided by number of on roll employees.

Capital Adequacy

Particulars	As of		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
	(₹ in million, except percentages)		
Tier I Capital	18,613.84	16,197.70	5,951.92
Tier II Capital	(37.62)	48.42	59.72
Total Capital	**18,576.22**	**16,246.12**	**6,011.64**
Risk Weighted Assets	**25,228.10**	**19,693.73**	**13,774.97**
Capital Adequacy Ratio (%)	**73.63%**	**82.49%**	**43.64%**
Tier I Capital (%)	73.78%	82.25%	43.21%
Tier II Capital (%)	(0.15)%	0.25%	0.43%
Total Borrowings[(1)] to Equity ratio[(2)]	**1.27**	**1.18**	**2.30**

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year.

(2) Total Borrowings to Equity ratio represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year to total equity as of the last day of the relevant year.

Sources of Capital

Particulars	As of		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
	(₹ in million, except percentages)		
Term Loans – Secured			
Banks (excluding NHB)	13,139.19	9,874.66	6,675.98
NHB	5,772.04	2,823.72	1,454.61
Debt Securities – Secured			
Non-Convertible Debentures	4,301.84	6,445.50	7,013.85
Others	1,937.59	1,072.57	916.18
Total	**25,150.66**	**20,216.45**	**16,060.62**

Types of Borrowings (including Securitisation)

Type of Borrowings including Securitisation	As of March 31, 2021	
	Amount	**% Share**
	(₹ in million, except percentages)	
Fixed Rate Borrowings	11,661.47	46.37%
Floating Rate Borrowings	13,489.19	53.63%
Total Borrowings, including securitisation	**25,150.66**	**100.00%**

Average Cost of Borrowings and Tenure

Particulars	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in months, except percentages)		
Average Tenure of Borrowings (including securitisation)	83.29	83.2	84.0
Average Cost of Borrowing	9.11%	10.17%	9.48%

ALM:

	As of March 31, 2021		
	Liabilities(1)	Assets(2)	Gap
	(₹ in million)		
Years			
Up to 1 Year	6,945.58	14,091.48	7,145.91
Up to 3 year	13,765.75	18,217.32	4,451.57
Up to 5 year	7,659.69	17,425.86	9,766.18
Up to 7 year	2,394.56	14,899.87	12,505.31
Up to 10 year	1,382.85	14,504.57	13,121.71
Over 10 years	0.00	6,726.31	6,726.31
Total (including over 10 year)	**32,148.43**	**85,865.40**	**53,716.98**

(1) Liabilities represent trade payables, debt securities, borrowings (other than debt securities), lease liabilities and other financial liabilities.

(2) Assets represents cash and cash equivalents, bank balance (other than cash and cash equivalents), loans and other financial assets.

Product Wise AUM (in terms of Amount)

Product Wise AUM (in terms of Amount)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(₹ in million, except percentages)		
Home Loan	21,032.10	16,615.91	12,194.43
Loan Against Property	8,903.39	5,809.89	3,029.06
Business Loans	10,742.13	9,361.14	7,248.84
Total	**40,677.62**	**31,786.94**	**22,472.33**

Product Wise AUM (in terms of Cases)

Product Wise AUM (in terms of Cases)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in nos.)		
Home Loan	30,404	23,219	16,771
Loan Against Property	12,944	8,145	4,151
Business Loans	14,721	12,623	9,827
Total	**58,069**	**43,987**	**30,749**

Product Wise LTV on Gross AUM on Outstanding Basis (%)

Product Wise LTV on Gross AUM on Outstanding Basis (%)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in percentages)		
Home Loan	38.89	39.04	39.04
Loan Against Property	38.27	38.29	38.14
Business Loans	39.21	38.73	37.58

Product Wise Tenure of AUM (in Months, on Origination)

Product Wise Tenure of AUM (in Months, on Origination)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in months)		
Home Loan	147	154	157
Loan Against Property	133	140	150
Business Loans	101	105	107

Product Wise Gross NPA (AUM)

Gross NPA (AUM)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(₹ in million)		
Home Loan	122.89	106.41	41.90
Loan Against Property	18.64	12.10	1.85
Business Loans	134.66	103.93	45.53
Total	**276.20**	**222.45**	**89.28**

Product Wise Number of Cases of Gross NPA (AUM)

Product Wise Number of Cases of Gross NPA (AUM)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in No. of cases)		
Home Loan	152	133	54
Loan Against Property	19	15	3
Business Loans	195	180	100
Total	**366**	**328**	**157**

Product Wise % Gross NPA (AUM)

Product Wise % Gross NPA (AUM)	As of		
	March 31, 2021	March 31, 2020	March 31, 2019
	(in percentages)		
Home Loan	0.58%	0.64%	0.34%
Loan Against Property	0.21%	0.21%	0.06%
Business Loans	1.25%	1.11%	0.63%
% Gross NPA	**0.68%**	**0.70%**	**0.40%**

AUM by Rate Method

Rate Method	As on March 31, 2021	
	AUM	% Share
Fixed	32,042.70	78.77%
Floating	8,634.92	21.23%
Grand Total	**40,677.62**	**100.00%**

Product Wise Balance Transfer Out

Product Wise Balance Transfer Out	For the Financial Year		
	2021	2020	2019
	(in percentages)		
Home Loan	1.99%	3.63%	4.79%
Loan Against Property	1.18%	2.32%	5.73%
Business Loans	1.53%	3.68%	5.46%
Total	**1.70%**	**3.47%**	**5.10%**

Product Wise Disbursement

Product Wise Disbursement	For the Financial Year		
	2021	2020	2019
	(₹ in million)		
Home Loan	6,652.49	6,274.74	5,640.71
Loan Against Property	3,698.02	3,142.29	2,184.97
Business Loans	2,631.30	3,292.77	3,064.74
Grand Total	**12,981.81**	**12,709.80**	**10,890.42**

Product Wise Number of Fresh Sanctions during the Year

Product Wise Number of Fresh Sanctions	For the Financial Year		
	2021	2020	2019
	No of counts		
Home Loan	9,154	8,944	7,472
Loan Against Property	5,486	4,906	3,280

Product Wise Number of Fresh Sanctions	For the Financial Year		
	2021	2020	2019
	No of counts		
Business Loans	3,620	4,711	3,844
Grand Total	**18,260**	**18,561**	**14,596**

Product Wise Yield on Disbursement

Product Wise Yield on Disbursement	For the Financial Year		
	2021	2020	2019
	(in percentages)		
Home Loan	15.38	15.57	15.64
Loan Against Property	17.00	17.00	17.00
Business Loans	20.45	20.40	20.30
Grand Total	**16.88**	**17.18**	**17.23**

Product Wise Average Ticket Size on Disbursement

Product Wise Average Ticket on Disbursement	For the Financial Year		
	2021	2020	2019
	(₹ in million)		
Home Loan	0.72	0.76	0.78
Loan Against Property	0.71	0.72	0.74
Business Loans	0.62	0.64	0.67
Grand Total	**0.70**	**0.72**	**0.74**

Average Ticket Size on Disbursement (Product Wise, Segment Wise)

ATS on Disbursement	For the Financial Year		
	2021	2020	2019
	(₹ in million)		
Home Loan			
<=0.5 Million	0.35	0.35	0.36
>0.5 to 1.0 Million	0.68	0.68	0.68
>1.0 to 1.5 Million	1.12	1.14	1.15
>1.5 Million	1.71	1.72	1.81
Total	**0.72**	**0.76**	**0.78**
Loan Against Property			
<=0.5 Million	0.35	0.36	0.35
>0.5 to 1.0 Million	0.67	0.66	0.67
>1.0 to 1.5 Million	1.12	1.14	1.14
>1.5 Million	1.72	1.74	1.78
Total	**0.71**	**0.72**	**0.74**
Business Loans			
<=0.5 Million	0.39	0.33	0.37
>0.5 to 1.0 Million	0.61	0.62	0.64
>1.0 to 1.5 Million	1.11	1.10	1.09
>1.5 Million	1.70	1.67	1.70
Total	**0.62**	**0.64**	**0.67**

Product Wise Collection Efficiency

Product Wise Collection Efficiency	For the Financial Year		
	2021	2020	2019
	(in percentages)		
Home Loan	99.75%	99.45%	99.65%
Loan Against Property	99.97%	99.61%	99.70%
Business Loans	99.65%	98.96%	99.18%
Grand Total	**99.76%**	**99.29%**	**99.46%**

AUM by State/Territory

AUM BY STATE/ TERRITORY	As of					
	March 31, 2021		March 31, 2020		March 31, 2019	
	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)					
Tamil Nadu	21,263.74	52.27%	17,748.31	55.84%	13,418.55	59.71%
Andhra Pradesh	11,116.08	27.33%	7,778.75	24.47%	4,689.26	20.87%
Telangana	4,259.67	10.47%	3,035.36	9.55%	1,951.31	8.68%
Karnataka	4,038.13	9.93%	3,224.53	10.14%	2,413.21	10.74%
Total	**40,677.62**	**100.00%**	**31,786.94**	**100.00%**	**22,472.33**	**100.00%**

Collection Efficiency (State Wise)

State/Territory	For the Financial Year		
	2021	2020	2019
	(in percentages)		
Tamil Nadu	99.84%	99.15%	99.37%
Andhra Pradesh	99.86%	99.42%	99.59%
Telangana	99.89%	99.90%	99.74%
Karnataka	98.90%	99.33%	99.64%
Total	**99.76%**	**99.29%**	**99.46%**

Gross AUM by Income Group

GROSS AUM by Income Group	For the Financial Year					
	2021		2020		2019	
	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)					
EWS	2,099.69	5.16%	1,733.77	5.45%	1,282.94	5.71%
LIG	27,460.55	67.51%	20,231.38	63.65%	13,427.38	59.75%
MIG	10,899.61	26.80%	9,594.50	30.18%	7,548.96	33.59%
HIG	217.77	0.54%	227.29	0.72%	213.05	0.95%
Total	**40,677.42**	**100.00%**	**31,786.94**	**100.00%**	**22,472.33**	**100.00%**

(1) Economically Weaker Section (EWS): Income up to Rs 0.3 million p.a.
(2) Low Income Group (LIG): Above Rs 0.3 million to Rs 0.6 million p.a.
(3) Middle Income Group (MIG): Above Rs 0.6 million to Rs 1.8 million p.a.
(4) High Income Group: Above Rs 1.8 million p.a.

AUM by Customer Occupation

Occupation	For the Financial Year					
	2021		2020		2019	
	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)					
Salaried	11,368.83	27.95%	8,497.87	26.73%	5,163.78	22.98%
Self Employed	29,308.79	72.05%	23,289.08	73.27%	17,308.55	77.02%
Total	**40,677.62**	**100.00%**	**31,786.94**	**100.00%**	**22,472.33**	**100.00%**

% Gross NPA by Occupation and Associated Yield (%)

Occupation	For the Financial Year					
	2021		2020		2019	
	Amount	% Share	Amount	% Share	Amount	% Share
	(₹ in million, except percentages)					
Salaried	28.86	10.45%	17.20	7.73%	2.35	2.63%
Self Employed	247.34	89.55%	205.25	92.27%	86.93	97.37%
Total	**276.20**	**100.00%**	**222.45**	**100.00%**	**89.28**	**100.00%**

Non-GAAP Reconciliations

Below are the reconciliations of the non-GAAP measures presented in this section:

	As of		
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in million, except percentages)		
Average Cost of Borrowing			

	As of		
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in million, except percentages)		
Finance costs (A)	2,065.34	1,845.49	1,162.18
Debt securities	626.63	761.29	531.36
Borrowings (other than debt securities)	1,431.51	1,073.29	625.18
Others	7.20	10.91	5.64
Total Borrowings (B)(1)	25,150.66	20,216.45	16,060.62
Average Total Borrowing (C)(2)	22,683.56	18,138.54	12,261.75
Average Cost of Borrowing (D=A/C*100)	**9.11%**	**10.17%**	**9.48%**
Net NPA(3) on AUM(4) and NPA Provision Coverage Ratio			
Gross NPA(5)-AUM(4) (A)	276.20	222.45	89.28
Less: Provision against NPA (Housing and Other Loans)) (B)	75.90	52.08	22.00
Net NPA(3) (C=A-B)	200.30	170.37	67.28
AUM(4) (D)	40,677.62	31,786.94	22,472.33
Net NPA(3)/AUM(4) (E=C/D*100)	0.49%	0.54%	0.30%
Provision Coverage Ratio % (F=B/A)	**27.48%**	**23.41%**	**24.64%**
Net Worth			
Equity share capital (A)	949.33	945.13	787.83
Other equity (B)	18,845.21	16,145.00	6,195.92
Net Worth (C=A+B)	**19,794.54**	**17,090.13**	**6,983.75**
Return on Equity(6)			
Profit for the year (A)	2,669.44	2,110.12	1,114.83
Average Total Equity(7) (B)	18,442.34	12,036.94	6,415.76
Return on Equity (C=A/B*100)	**14.47%**	**17.53%**	**17.38%**
Total Borrowings to Equity Ratio(8)			
Debt securities (A)	4,301.84	6,445.50	7,013.85
Borrowings (Other than debt securities) (B)	20,777.91	13,704.32	8,983.05
Lease liabilities (C)	70.91	66.63	63.72
Total Borrowings(1) (D=A+B+C)	25,150.66	20,216.45	16,060.62
Total Equity (E)	19,794.54	17,090.13	6,983.75
Total Borrowings to Equity Ratio (D/E)	**1.27**	**1.18**	**2.30**
Operating Expenses to Net Income(9)			
Total Income (A)	6,552.42	5,237.20	3,371.15
Finance costs (B)	2,065.34	1,845.49	1,162.18
Net income (C=A-B)	4,487.08	3,391.71	2,208.97
Employees benefits expense (D)	713.83	648.05	481.18
Depreciation and amortisation expense (E)	56.85	58.06	55.44
Other expenses (F)	207.31	178.38	133.56
Operating Expenses (G=D+E+F)	977.99	884.49	670.18
Operating Expenses to Net Income (H=G/C*100)	**21.80%**	**26.08%**	**30.34%**
Return on Total Average Assets			
Profit for the year (A)	2,669.44	2,110.12	1,114.83
Total Assets (B)	45,201.65	37,467.24	23,276.87
Average total assets (C)	41,334.45	30,372.06	18,865.12
Return on Total Average Assets (D=A/C*100)	**6.46%**	**6.95%**	**5.91%**
Operating Expenses to Average Total Assets(10)			
Employee benefits expense (A)	713.83	648.05	481.18
Depreciation and amortisation expense (B)	56.85	58.06	55.44
Other expenses (C)	207.31	178.38	133.56

	As of		
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in million, except percentages)		
Operating expenses (D=A+B+C)	977.99	884.49	670.18
Average total assets (E)	41,334.45	30,372.06	18,865.12
Operating Expenses to Average Total Assets (F=D/E*100)	**2.37%**	**2.91%**	**3.55%**
Credit Cost[11] to Average Total Assets			
Impairment on financial instruments (A)	58.18	34.32	11.73
Average Total Assets[12] (B)	41,334.45	30,372.06	18,865.12
Credit Cost to Average Total Assets (C=A/B)	**0.14%**	**0.11%**	**0.06%**
Average Yield on Gross Loan Book[13]			
Interest on Loans (A)	6,238.89	4,852.29	3,108.87
Housing and other loans (B)	40,648.75	31,720.19	22,341.31
Impairment loss allowance (C)	75.90	52.08	22.00
Housing and other loans - Gross (D=B+C)	40,572.85	31,668.12	22,319.31
Average Housing and other loans (E)	36,120.49	26,993.72	18,134.13
Average Yield on Gross Loan Book (F=A/E*100)	**17.27%**	**17.98%**	**17.14%**
Net Interest Margin			
Interest Income (A)	6,238.89	4,852.29	3,108.87
Finance Costs (B)	2,065.34	1,845.49	1,162.18
Net Interest Income[14] (C=A-B)	4,173.55	3,006.80	1,946.69
Average Total Assets[12] (D)	41,334.45	30,372.06	18,865.12
Net Interest Margin (E=C/D*100)	**10.10%**	**9.90%**	**10.32%**
Net asset value per share[15]			
Total Equity (A)	19,794.54	17,090.13	6,983.75
Number of equity shares after split (B)	481,416,290	479,316,290	393,913,185
Net asset value per share (C=A/B)	**41.12**	**35.66**	**17.73**
Operating Expenses			
Employee benefits expense (A)	713.83	648.05	481.18
Depreciation and amortisation expense (B)	56.85	58.06	55.44
Other expenses (C)	207.31	178.38	133.56
Operating Expenses (D=A+B+C)	**977.99**	**884.49**	**670.18**
Total Debt[16] to Net Worth			
Debt securities	4,301.84	6,445.50	7,013.85
Borrowings (other than debt securities)	20,777.91	13,704.32	8,983.05
Lease Liabilities	70.91	66.63	63.72
Total Debt[16] (A)	25,150.66	20,216.45	16,060.62
Equity share capital	949.33	945.13	787.83
Other Equity	18,845.21	16,145.00	6,195.92
Total equity (B)	19,794.54	17,090.13	6,983.75
Total Debt to Net Worth (C=A/B)	**1.27**	**1.18**	**2.30**
Return on Net Worth (%)[17]			
Profit for the year (A)	2,669.44	2,110.12	1,114.83
Equity share capital	949.33	945.13	787.83
Other Equity	18,845.21	16,145.00	6,195.92
Total equity (B)	19,794.54	17,090.13	6,983.75
Return on Net Worth (%) (C=A/B)	**13.49%**	**12.35%**	**15.96%**
Earnings before interest, tax, depreciation and amortisation (EBITDA)[18]			
Profit for the year (A)	2,669.44	2,110.12	1,114.83

	As of		
	Year ended March 31, 2021	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	(₹ in million, except percentages)		
Income Tax Expense (B)	781.47	362.78	412.23
Depreciation and amortisation expense (C)	56.85	58.06	55.44
Finance Costs (D)	2,065.34	1,845.49	1,162.18
Earnings before interest, tax, depreciation and amortisation (EBITDA) (E=A+B+C+D)	**5,573.10**	**4,376.45**	**2,744.68**

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year.
(2) Average Total Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year and our Total Borrowings outstanding as of the last day of the previous year.
(3) Net NPA represents the closing balance of the Net NPA of our Gross Loan Assets as of the last day of the relevant year.
(4) AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitization and are outstanding as of the last day of the relevant year.
(5) Gross NPA represents the closing balance of the Gross NPA of our Gross Loan Assets as of the last day of the relevant year.
(6) Return on Equity is calculated as the Profit After Tax for the relevant year as a percentage of Average Total Equity in such year.
(7) Average Total Equity represents the simple average of our total equity as of the last day of the relevant year and our total equity as of the last day of the previous year.
(8) Total Borrowings to Equity ratio represents the aggregate of debt securities, borrowings (other than debt securities), and lease liabilities as of the last day of the relevant year upon total equity as of the last day of the relevant year.
(9) Operating Expenses to Net Income represents employee benefits expense, depreciation and amortisation expense and other expenses for the relevant year to total income for the relevant year, represented as a percentage.
(10) Operating Expenses to Average Total Assets represents aggregate of employee benefits expense, depreciation and amortisation expense and other expenses for the relevant year upon the simple average of our total assets as of the last day of the relevant year and our total assets as of the last day of the previous year, represented as a percentage.
(11) Credit Cost represents impairment on financial instruments for the relevant year.
(12) Average Total Assets represents the simple average of our total assets as of the last day of the relevant year and our total assets as of the last day of the previous year.
(13) Average Yield on Gross Loan Book represents the interest income for a year to the average Gross Loan Book for the year, represented as a percentage.
(14) Net Interest Income or "NII" represents interest income less finance costs, for the relevant year.
(15) Net asset value per share (NAV) is computed as the total equity as of the last day of the relevant year divided by the outstanding number of equity shares as of the last day of the relevant year, adjusted for capital changes.
(16) Total Debt represents the aggregate of debt securities and borrowings (other than debt securities) as of the last day of the relevant year.
(17) Return on Net Worth (RoNW) is computed as the profit for the year divided by our Total Equity as of the last day of the relevant year, represented as a percentage.
(18) EBITDA is calculated as profit for the year plus income tax expense, depreciation and amortisation expense, and finance costs.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENTS

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Independent Auditors' Examination Report on the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, 2020, and 2019 and Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), and Restated Summary Cash Flows and Restated Summary Statement of Changes in Equity for the for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant accounting policies, and other explanatory information of Aptus Value Housing Finance India Limited (the "Company") and its subsidiary Aptus Finance India Private Limited (the "Subsidiary") (together, the "Group") (collectively, the "Restated Consolidated Summary Statements")

The Board of Directors,
Aptus Value Housing Finance India Limited
No. 8B, Doshi Towers,
8th Floor, No: 205, Poonamallee High Road,
Kilpauk, Chennai-600 010
Tamil Nadu, India.

Dear Sirs /Madams,

1. We, S.R. Batliboi & Associates LLP ("we". "us" or "SRBA") have examined the attached Restated Consolidated Summary Statements of the Group.

   The Restated Consolidated Summary Statements have been approved by the Board of Directors of the Company at their meeting held on July 26, 2021, for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as "Offer Documents"), in connection with its proposed Initial Public Offer of equity shares of face value of Rs.2 each and offer for sale by the selling shareholders of the Company (together, the "Proposed IPO"), and have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of The Companies Act, 2013 (the "Act");

   b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "ICDR Regulations"); and

   c) The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note")

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of Restated Consolidated Summary Statements is the responsibility of the Board of Directors of the Company, for the purpose set out in paragraph 11 below. The Restated Consolidated Summary Statements have been prepared by the Board of Directors of the Company on the basis of preparation stated in paragraph 2.A of Annexure 6 to the Restated Consolidated Summary Statements. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Board of Directors of the Company and the Subsidiary are also responsible for identifying and ensuring that the Group complies with the Act and the ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated March 15, 2021, requesting us to carry out work on such Restated Consolidated Summary Statements, proposed to be included in the Offer Documents of the Company in connection with the Company's Proposed IPO;

b) the Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statement; and

d) the requirements of Section 26 of the Act and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.

Restated Consolidated Summary Statements as per audited financial statements

4. The Restated Consolidated Summary Statements have been compiled by the management from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 24, 2021, May 30, 2020 and May 10, 2019 respectively.

5. For the purpose of our examination, we have relied on:

   a. The Independent Auditor's Reports issued by us dated June 24, 2021, and May 30, 2020, on the consolidated financial statements of the Group as at and for the years ended March 31, 2021 and 2020, as referred to in Paragraph 4 above; and the Independent auditor's reports dated May 10, 2019 on the consolidated financial statements of the Group as at and for the years ended March 31, 2019, issued by the previous auditor, as referred to in Paragraph 4 above.

   As indicated in our audit reports referred to in paragraph 4 above, we did not audit the financial statements of one subsidiary whose share of total assets, total revenues, net cash inflows in the consolidated financial statements, for the relevant year is tabulated below, which have been audited by other auditors (MSKA & Associates) (the "Other Auditor"), and whose reports have been furnished to us by the Company's management and our opinion on the historical consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, was based solely on the reports of the other auditor:

Particulars	**For the period ended March 31, 2021 (In Rs million)**	**For the year ended March 31, 2020 (In Rs million)**
Total assets	6,008.30	4,337.47
Total revenue	1,069.98	714.60
Net cash inflow	129.10	19.20

   Our audit opinions on the consolidated financial statements of the group as at and for the years ended March 31, 2021 and March 31, 2020, were not qualified for the above matter.

   b. Examination report dated July 26, 2021 of the Previous Auditor, on the restated consolidated summary statement of assets and liabilities as at March 31, 2019, and restated consolidated summary statement of profit and loss (including other comprehensive income), restated summary statement of changes in equity and restated summary statement of cash flows, the restated summary statement of significant accounting policies and other explanatory information for the year ended March 31, 2019 ("2019 Restated Consolidated Summary Statements"), examined by them, confirming that the 2019 Restated Consolidated Summary Statements, (after placing reliance on examination by Other Auditor, as referred in paragraph 5(c) below on the restated financial information in relation to the Subsidiary for the year ended March 31, 2019):

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings / reclassifications retrospectively in the financial year ended March 31, 2019 to reflect the same accounting treatment as per the accounting policies and groups / classifications followed as at and for the year ended March 31, 2021;
(ii) do not require any adjustments for modifications as there is no modification in the underlying audit report; and
(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

The Examination report of the Previous Auditor included a paragraph that for the purpose of their audit of the consolidated financial statements of the Group for the year ended March 31, 2019, they did not audit financial statements / information of one subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the audited consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditor, and whose reports have been furnished to them by the Company's management and their opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the reports of the other auditor:

(Rs in million)

Particulars	**As at / for the year ended March 31, 2019**
Total assets	2,201.22
Total revenue	247.53
Net cash (outflows) / inflow	(109.13)

The Previous Auditor's opinion on the consolidated Ind AS financial statements is not modified in respect of this matter.

c. Examination report dated July 26, 2021 of the Other Auditor, on the restated statements of the Subsidiary incorporated in these Restated Consolidated Summary Statements, confirming that the restated statements of the Subsidiary:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended March 31, 2021;
(ii) does not contain any adjustment for modification as there is no modification in the underlying audit reports. There are items relating to emphasis of matter, which do not require any adjustment to the Restated Financial Information; and
(iii) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

The Examination report of the Other Auditor included :

(1) the following emphasis of matter paragraph in their auditors' report on the financial statements of the Subsidiary as at and for the year ended March 31, 2021:

We draw attention to note 35 to the accompanying Financial Statements, which describes the continuing economic and social disruption the company is facing as a result of COVID-19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics, including the Company's estimates of impairment of loans and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

(2) The following emphasis of matter paragraph in their auditors' report on the financial statements of the Subsidiary as at and for the year ended March 31, 2020:

We draw attention to Note 34 to the financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the company's financial statements will depend on future developments, which are highly uncertain. Considering the circumstances as described in Note 34 to the financial statements, the company holds provision as at March 31, 2020 against the potential impact of COVID-19 based on the information available at this point in time.

Our opinion is not modified in respect of this matter.

6. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us, the reliance placed on the examination reports of Subsidiary submitted by the Other Auditor as stated in paragraph 5.c above, and the reliance placed on the examination reports of the Previous Auditor as stated in paragraph 5.b above, we report that:

   a. The Restated Consolidated Summary Statements have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings / reclassifications more fully described in Note 1 of Annexure 5 to the Restated Consolidated Summary Statements;

   b. There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019;

   c. The Restated Consolidated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

   d. The emphasis of matter paragraphs included in the auditors' report on the consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020, which do not require any corrective adjustments to the Restated Consolidated Summary Statements, are as follows:

      Emphasis of Matter - March 31, 2021
      We draw attention to note no 2.B. to the accompanying Consolidated Financial Statements, which describes the continuing economic and social disruption the Group is facing as a result of COVID-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics, including the Group's estimates of impairment of loans and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

      Emphasis of Matter - March 31, 2020
      We draw attention to note no 2.B to the accompanying financial statements, which describes the economic and social disruption the Company is facing as a result of COVID-19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics. Our opinion is not modified in respect of this matter.

7. We have not audited any financial statements of the Company or the Group as of any date or for any period subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company or the Group as of any date or for any period subsequent to March 31, 2021.

8. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4a 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 management for inclusion in the Offer documents to be filed with Registrar of Companies Tamil Nadu at Chennai, SEBI, BSE Limited, and National Stock Exchange of India Limited in connection with the Proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd/-

per Aniruddh Sankaran
Partner
Membership Number: 211107
UDIN: 21211107AAAACO7636
Place of Signature: Chennai
Date: July 26, 2021

Aptus Value Housing Finance India Limited
Annexure 1 - Restated consolidated summary statement of assets and liabilities

(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	ASSETS				
1	**Financial Assets**				
(a)	Cash and cash equivalents	4	4,227.40	4,840.34	1,068.53
(b)	Bank Balance other than cash and cash equivalents	5	150.60	1,186.42	40.70
(c)	Loans	6	39,898.00	31,170.89	22,002.46
(d)	Investments	7	527.52	-	-
(e)	Other Financial assets	8	116.22	26.77	31.01
	TOTAL FINANCIAL ASSETS		**44,919.74**	**37,224.42**	**23,142.70**
2	**Non-financial Assets**				
(a)	Current tax assets (Net)	9	-	-	8.33
(b)	Deferred tax assets (Net)	10	169.93	127.23	11.53
(c)	Property, plant and equipment	11A	24.82	32.68	31.99
(d)	Intangible assets	11B	2.68	3.66	8.13
(e)	Right-of-use assets	11C	68.06	64.76	60.81
(f)	Other non-financial assets	12	16.42	14.49	13.38
	TOTAL NON-FINANCIAL ASSETS		**281.91**	**242.82**	**134.17**
	TOTAL ASSETS		**45,201.65**	**37,467.24**	**23,276.87**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial Liabilities**				
(a)	Payables				
	Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	29	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		18.81	6.85	8.20
(b)	Debt Securities	13	4,301.84	6,445.50	7,013.85
(c)	Borrowings (Other than Debt Securities)	14	20,777.91	13,704.32	8,983.05
(d)	Lease Liabilities	42	70.91	66.63	63.72
(e)	Other financial liabilities	15	133.47	52.42	52.43
	TOTAL FINANCIAL LIABILITIES		**25,302.94**	**20,275.72**	**16,121.25**
2	**Non-Financial Liabilities**				
(a)	Current tax liabilities (Net)	16	44.49	58.35	9.75
(b)	Provisions	17	33.01	25.24	18.03
(c)	Deferred tax liabilities (Net)	10	-	-	128.62
(d)	Other non-financial liabilities	18	26.67	17.80	15.47
	TOTAL NON-FINANCIAL LIABILITIES		**104.17**	**101.39**	**171.87**
	TOTAL LIABILITIES		**25,407.11**	**20,377.11**	**16,293.12**
3	**EQUITY**				
(a)	Equity Share capital	19	949.33	945.13	787.83
(b)	Other Equity	20	18,845.21	16,145.00	6,195.92
	TOTAL EQUITY		**19,794.54**	**17,090.13**	**6,983.75**
	TOTAL LIABILITIES AND EQUITY		**45,201.65**	**37,467.24**	**23,276.87**
	The accompanying notes form an integral part of the restated consolidated summary statements.				

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

sd/-

per **Aniruddh Sankaran**
Partner
Membership No: 211107

Place : Chennai
Date : July 26, 2021

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

sd/-

M Anandan
Chairman & Managing Director
DIN: 00033633

sd/-

K M Mohandass
Director
DIN: 00707839

sd/-

P Balaji
Chief Financial Officer

sd/-

Sanin Panicker
Company Secretary
Membership No.: A32834

Place : Chennai
Date : July 26, 2021

Aptus Value Housing Finance India Limited
Annexure 2 - Restated consolidated summary statement of profit and loss

(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Revenue from operations				
(a)	Interest Income	21	6,238.89	4,852.29	3,108.87
(b)	Net gain on fair value changes	21	7.61	31.35	42.47
(c)	Fees and commission income	21	119.65	119.62	87.17
	Total Revenue from operations		**6,366.15**	**5,003.26**	**3,238.51**
2	Other income	22	186.27	233.94	132.64
3	**Total Income (1+2)**		**6,552.42**	**5,237.20**	**3,371.15**
4	**Expenses**				
(a)	Finance costs	23	2,065.34	1,845.49	1,162.18
(b)	Employee benefits expense	24	713.83	648.05	481.18
(c)	Depreciation and amortisation expense	11D	56.85	58.06	55.44
(d)	Impairment on Financial Instruments	25	58.18	34.32	11.73
(e)	Other expenses	26	207.31	178.38	133.56
	Total expenses		**3,101.51**	**2,764.30**	**1,844.09**
5	**Restated Profit before tax (3-4)**		3,450.91	2,472.90	1,527.06
6	**Tax expense**	27			
	- Current tax		826.67	601.54	370.71
	- Tax relating to previous years		(2.87)	5.89	(1.12)
	- Deferred tax charge / (credit)		(42.33)	(244.65)	42.64
	Restated Income tax expense		**781.47**	**362.78**	**412.23**
7	**Profit for the year (5-6)**		**2,669.44**	**2,110.12**	**1,114.83**
8	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss				
	Remeasurement gain / (loss) on defined benefit plan		(1.50)	(1.54)	(0.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.38	0.40	0.14
	Restated Other Comprehensive Income for the year		(1.12)	(1.14)	(0.35)
9	**Restated Total Comprehensive Income for the year (7+8)**		**2,668.32**	**2,108.98**	**1,114.48**
10	**Restated Earnings per share (Equity shares, par value Rs. 2 each - Also refer Note 44(i))**	35			
	(a) Basic (in Rs.)		5.56	4.77	2.83
	(b) Diluted (in Rs.)		5.55	4.74	2.82
	The accompanying notes form an integral part of the restated consolidated summary statements.				

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

sd/-

per Aniruddh Sankaran
Partner
Membership No: 211107

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

sd/-	sd/-
M Anandan	**K M Mohandass**
Chairman & Managing Director	**Director**
DIN: 00033633	**DIN: 00707839**
sd/-	sd/-
P Balaji	**Sanin Panicker**
Chief Financial Officer	**Company Secretary**
	Membership No.: A32834

Place : Chennai
Date : July 26, 2021

Place : Chennai
Date : July 26, 2021

Aptus Value Housing Finance India Limited
Annexure 3 - Restated consolidated summary statement of cash flows

(All amounts are in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities			
Profit before tax	**3,450.91**	**2,472.90**	**1,527.06**
Adjustments for:			
Finance costs	2,065.34	1,845.49	1,162.18
Interest on fixed deposits with Banks	(145.71)	(170.41)	(13.35)
Net gain on changes in fair value	(7.61)	(31.35)	(42.47)
Depreciation and amortisation expense	56.85	58.06	55.44
Impairment on Financial Instruments	58.18	34.32	11.73
Share based payments to employees	0.46	1.92	4.01
	2,027.51	1,738.03	1,177.54
Operating profit before working capital changes	**5,478.42**	**4,210.93**	**2,704.60**
Movements in working capital:			
(Increase) / Decrease in Loans	(8,785.75)	(9,201.78)	(8,268.15)
(Increase) / Decrease in Other financial assets	(89.45)	4.24	(12.22)
(Increase) / Decrease in Other non-financial assets	(0.66)	(5.08)	4.54
Increase / (Decrease) in Trade payables	11.96	(1.35)	(3.30)
Increase / (Decrease) in Other financial liabilities	81.05	(0.01)	26.14
Increase / (Decrease) in Provisions	6.72	4.70	3.39
Increase / (Decrease) in Other non-financial liabilities	8.87	2.34	2.29
	(8,767.26)	(9,196.94)	(8,247.31)
Cash flow from (used in) operations	(3,288.84)	(4,986.01)	(5,542.71)
Finance cost paid	(2,083.14)	(1,811.49)	(1,219.54)
Direct Taxes paid	(837.66)	(550.51)	(369.68)
Net cash flow from / (used in) operating activities (A)	**(6,209.64)**	**(7,348.01)**	**(7,131.93)**
Cash flows from investing activities			
Capital expenditure on PPE and intangible assets	(14.04)	(24.93)	(27.25)
Deposits placed with / (withdrawn from) banks, net	1,029.62	(1,122.53)	(23.89)
Interest received on bank deposits	151.91	147.21	12.60
Purchases of Investments	(2,285.23)	(10,479.70)	(8,986.22)
Redemption of Investments	1,760.04	10,479.70	9,432.58
Income received from mutual funds	5.28	31.35	42.47
Net cash flow from / (used in) investing activities (B)	**647.58**	**(968.90)**	**450.29**
Cash flows from financing activities			
Proceeds from issue of equity shares (including securities premium)	35.63	8,031.43	15.94
Share issue expenses	-	(38.14)	-
Proceeds from issue of debt securities	250.00	500.00	4,010.00
Repayment of debt securities	(2,416.67)	(1,093.75)	-
Proceeds from borrowings (other than debt securities)	11,084.02	8,529.46	4,725.27
Repayment of borrowings (other than debt securities)	(3,962.39)	(3,807.74)	(1,092.18)
Payment of lease liabilities	(34.27)	(23.53)	(23.23)
Interest paid on lease liabilities	(7.20)	(9.01)	(5.65)
Net cash flow from financing activities (C)	**4,949.12**	**12,088.72**	**7,630.15**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(612.94)**	**3,771.81**	**948.51**
Cash and cash equivalents at the beginning of the year	4,840.34	1,068.53	120.02
Cash and cash equivalents at the end of the year	**4,227.40**	**4,840.34**	**1,068.53**
The accompanying notes form an integral part of the restated consolidated summary statements.			

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

sd/-

per **Aniruddh Sankaran**
Partner
Membership No: 211107

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

sd/-

M Anandan
Chairman & Managing Director
DIN: 00033633

sd/-

K M Mohandass
Director
DIN: 00707839

sd/-

P Balaji
Chief Financial Officer

sd/-

Sanin Panicker
Company Secretary
Membership No.: A32834

Place : Chennai
Date : July 26, 2021

Place : Chennai
Date : July 26, 2021

Aptus Value Housing Finance India Limited **(All amounts are in Indian Rupees in millions, unless otherwise stated)**
Annexure 4 - Restated consolidated summary statement of changes in equity

1. Equity Share capital

Particulars	Amount
Balance as at April 01, 2018	**785.70**
Changes in equity share capital during the year	
(a) Issue of equity shares under employee stock option plan (Refer Note 39)	2.13
Balance as at March 31, 2019	**787.83**
Changes in equity share capital during the year	
(a) Fresh issue of equity shares	153.57
(b) Issue of equity shares under employee stock option plan (Refer Note 39)	3.73
Balance as at March 31, 2020	**945.13**
Changes in equity share capital during the year	
(a) Issue of equity shares under employee stock option plan (Refer Note 39)	4.20
Balance as at March 31, 2021	**949.33**

2. Other Equity

Particulars	Reserves and Surplus							Other Comprehensive Income	Total
	Securities Premium	Employee Stock Option Reserve	Impairment Reserve	Statutory Reserve under Section 29C of National Housing Bank Act, 1987 (Statutory Reserve - I)	Special Reserve	Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)	Retained Earnings	Remeasurement gain / (loss) on defined benefit plan	
Balance as at April 01, 2018	**3,731.16**	**16.17**	**-**	**7.24**	**427.55**	**1.78**	**880.14**	**(0.42)**	**5,063.62**
Profit (loss) for the year (net of tax)	-	-	-	-	-	-	1,114.83	-	1,114.83
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	(0.35)	(0.35)
Premium received during the year	13.81	-	-	-	-	-	-	-	13.81
Share based payments to employees during the year	-	4.01	-	-	-	-	-	-	4.01
Appropriations to Reserves	-	-	-	-	278.97	18.09	(297.06)	-	-
Balance as at March 31, 2019	**3,744.97**	**20.18**	**-**	**7.24**	**706.52**	**19.87**	**1,697.91**	**(0.77)**	**6,195.92**
Ind AS 116 transition adjustment (Refer Note 1.1 of Annexure 5)	-	-	-	-	-	-	2.20	-	2.20
Balance as at April 01, 2019	**3,744.97**	**20.18**	**-**	**7.24**	**706.52**	**19.87**	**1,700.11**	**(0.77)**	**6,198.12**
Profit (loss) for the year (net of tax)	-	-	-	-	-	-	2,110.12	-	2,110.12
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	(1.14)	(1.14)
Premium received during the year	7,874.12	-	-	-	-	-	-	-	7,874.12
Share based payments to employees during the year	-	1.92	-	-	-	-	-	-	1.92
Appropriations to Reserves	-	-	9.03	98.60	264.00	59.73	(431.36)	-	-
Share issue expenses during the year	(38.14)	-	-	-	-	-	-	-	(38.14)
Transfer to securities premium on ESOP exercised during the year	4.72	(4.72)	-	-	-	-	-	-	-
Balance as at March 31, 2020	**11,585.67**	**17.38**	**9.03**	**105.84**	**970.52**	**79.60**	**3,378.87**	**(1.91)**	**16,145.00**
Profit (loss) for the year (net of tax)	-	-	-	-	-	-	2,669.44	-	2,669.44
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	(1.12)	(1.12)
Premium received during the year	31.43	-	-	-	-	-	-	-	31.43
Share based payments to employees during the year	-	0.46	-	-	-	-	-	-	0.46
Appropriations to Reserves	-	-	67.17	82.68	352.80	98.95	(601.60)	-	-
Transfer to securities premium on ESOP exercised during the year	10.56	(10.56)	-	-	-	-	-	-	-
Balance as at March 31, 2021	**11,627.66**	**7.28**	**76.20**	**188.52**	**1,323.32**	**178.55**	**5,446.71**	**(3.03)**	**18,845.21**

Notes:
Refer Note 20.2 for description of nature and purpose of each reserve.
The accompanying notes form an integral part of the restated consolidated summary statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

sd/-

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : July 26, 2021

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

sd/-

M Anandan
Chairman & Managing Director
DIN: 00033633

sd/-

K M Mohandass
Director
DIN: 00707839

sd/-

P Balaji
Chief Financial Officer

sd/-

Sanin Panicker
Company Secretary
Membership No.: A32834

Place : Chennai
Date : July 26, 2021

Aptus Value Housing Finance India Limited
Annexure 5 - Statement on Material Restatement Adjustments and Regroupings

Note	Particulars
1	**Material Restatement Adjustments and Regroupings**

The Restated Consolidated Summary Statements of the Holding Company and its subsidiary (together referred to as the "Group") comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 , the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Cash Flows and the Restated Consolidated Summary Statement of Changes in Equity for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, and the Consolidated summary statement of notes and other explanatory information to the Restated Consolidated Summary Statements (collectively, the "Restated Consolidated Summary Statements"), and have been prepared solely for the purpose of inclusion in the Red Herring Prospectus and Prospectus (collectively "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offer of equity shares of Rs. 2 each of the Company (the "Proposed IPO"). Refer Annexure 6 for details on basis of preparation.

1.1 **Material Restatement Adjustments**

The accounting policies applied as at and for the years ended March 31, 2020 and March 31, 2019 are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2021. The impact of changes to accounting policy made on account of application of new accounting standard, Ind AS 116 - "Leases", effective April 1, 2019 was restated in the Restated consolidated Consolidated Summary Statements for the year ended March 31, 2019 and required reconciliations are as follows.

Reconciliation of Total Comprehensive Income as per Historical Audited Consolidated Financial Statements with Total Comprehensive Income as per Restated Consolidated Summary Statements

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Comprehensive Income (as per audited consolidated financial statements)	**2,668.32**	**2,108.98**	**1,116.66**
Material Restatement Adjustments			
Impact of Ind AS 116 (Refer Note 1.1 (i) below)			
(Increase)/decrease in total expenses			
Depreciation of right-of-use assets	-	-	(26.16)
Finance cost on lease liability	-	-	(5.65)
Other expenses (rent expense)	-	-	28.89
(Decrease)/increase in profit before tax	**-**	**-**	**(2.92)**
Tax Impact on the above adjustments	-	-	0.74
	-	-	(2.18)
Total Comprehensive Income as per restated consolidated summary statements	**2,668.32**	**2,108.98**	**1,114.48**

Reconciliation of Total Equity as per Audited Consolidated Financial Statements with Total Equity as per Restated Consolidated Summary Statements

Rs. in million

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Equity (as per audited consolidated financial statements)	**19,794.54**	**17,090.13**	**6,985.93**
Material Restatement Adjustments			
Impact of Ind AS 116 (Refer Note 1.1 (i) below)	-	-	(2.92)
Tax impact on the above (Refer Note 1.1 (ii) below)	-	-	0.74
Total Equity (as per restated consolidated summary statements)	**19,794.54**	**17,090.13**	**6,983.75**

Reconciliation of Other equity as at March 31, 2019 as per restated consolidated financial information with opening equity balance as at April 1, 2019 (date of transition to Ind AS 116)

Rs. in million

Particulars	**Amount**
Other Equity	
Restated balance as at March 31, 2019	6,195.92
Add: Adjustment on account of transition to Ind AS 116 (Refer explanation below)	2.20
Balance as at April 1, 2019 as per audited financial statements for the year ended March 31, 2020	**6,198.12**

Explanation: Cumulative effect of restatement adjustment on total equity upto March 31, 2019 relating to Ind AS 116 (refer note (i) below) has not been carried forward to total equity balance as at April 1, 2019 (date of transition to Ind AS 116) as per the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Notes:

(i) Impact of Ind-AS 116 : Leases

Effective April 1, 2019, the Group adopted Ind AS 116 - "Leases", which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Group adopted Ind AS 116 following modified retrospective method in accordance with the policy mentioned in Note 2.3 to the Restated Consolidated Summary Statements. For the purpose of preparing the Restated Consolidated Summary Statements, Ind AS 116 has been applied following the Modified Retrospective Method with effect from April 1, 2018 using same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116. The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Summary Statements for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

(ii) Accounting for taxes on income

Deferred tax has been created on temporary differences arising on recognition and measurement of right-of-use asset and lease liability.

Aptus Value Housing Finance India Limited
Annexure 5 - Statement on Material Restatement Adjustments and Regroupings

Note	Particulars
1.2	**Non-adjusting items**
	Emphasis of matter paragraphs in auditor's report
	Emphasis of matter included in the Auditors' reports on the consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020 which do not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:
a.	**Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2021:**
	We draw attention to note no 2.B to the accompanying Consolidated Financial Statements, which describes the continuing economic and social disruption the Group is facing as a result of COVID-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics, including the Group's estimates of impairment of loans and that such estimates may be affected by the severity and duration of the pandemic.
	Our opinion is not modified in respect of this matter.
b.	**Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2020:**
	We draw attention to note no. 2.B to the accompanying financial results, which describes the economic and social disruption the Company is facing, as a result of COVID-19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics.
	Our opinion is not modified in respect of this matter.
1.3	**Material regroupings**
	Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Consolidated Financial Statement of the Group for the year ended March 31, 2021 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR regulations, as amended.
1.4	**Material errors**
	There are no material errors that require adjustment in the Restated Consolidated Summary Statements.

1. Corporate Information

Aptus Value Housing Finance India Limited ('Holding Company' or the 'Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The Holding Company with CIN: U65922TN2009PLC073881, is a Public Limited Company domiciled in India. The Registered Office of the Holding Company is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600010, Tamil Nadu.

The Holding Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

Aptus Finance India Private Limited ('the Subsidiary Company') was incorporated on September 18, 2015 as a subsidiary of Aptus Value Housing Finance India Limited with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties. The Subsidiary Company with CIN: U74900TN2015PTC102252, is a Private Limited Company domiciled in India.

The Subsidiary Company received the certificate of registration from the Reserve Bank of India (RBI) on December 16, 2016 to commence the business of Non-Banking Financial Institution without accepting public deposits. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND- SI'). The Subsidiary Company is engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP).

The Holding Company and the Subsidiary Company are collectively referred to as the "Group".

2. Significant accounting policies

A. Basis of preparation and presentation

The Restated Consolidated Summary Statements of the Group comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Cash Flows and the Restated Consolidated Summary Statement of Changes in Equity for years ended March 31, 2021, March 31, 2020, and March 31, 2019, and significant accounting policies and other explanatory information to the Restated Consolidated Summary Statements (collectively, the 'Restated Consolidated Summary Statements'), have been prepared solely for the purpose of inclusion in the Red Herring Prospectus and Prospectus (collectively "Offer documents") in connection with proposed initial public offer of equity shares of Rs. 2 each of the Company (the "Proposed IPO").

The Restated Consolidated Summary Statements have been approved by the Board of Directors of the Holding Company and have been prepared in all material respects with the requirements of:

a. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") and

b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

c. The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

The Restated Consolidated Summary Statements have been compiled from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 24, 2021, May 30, 2020 and May 10, 2019 respectively.

The audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 ("Indian GAAP"). The Company has adopted Ind AS Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2018, with a transition date of April 1, 2017. Opening balances as at April 1, 2018 are as appearing in the Consolidated Audited Financial Statements as at and for the year ended March 31, 2019.

These Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above except for retrospective adjustment carried for the calculation of basic and diluted earnings per share for all periods presented for sub-division of shares which occurred after the reporting period ended March 31, 2021 but before the approval of these Restated Consolidated Summary Statements [Refer Note 44(i)]. These audited consolidated financial statements have been prepared on a going concern basis.

The underlying financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, mentioned above, are collectively referred as Historical Audited Financial Statements. The Restated Consolidated Summary Statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are required to be measured at fair value.

The Restated Consolidated Summary Statements are presented in Indian Rupees which is also functional currency of the Holding Company, and its subsidiary and all values are rounded to the nearest millions, except when otherwise indicated.

The restated consolidated summary statements were approved for issue in accordance with a resolution of the directors on July 26, 2021.

Basis of Consolidation

The Restated Consolidated Summary Statements have been prepared in respect of the Group as at March 31, 2019, March 31, 2020 and March 31, 2021. Control is evidenced when the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

► The contractual arrangement with the other vote holders of the investee
► Rights arising from other contractual arrangements
► The Group's voting rights and potential voting rights
► The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included from the date the Group gains control until the date the Group ceases to control the subsidiary.

Historical Audited Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Historical Audited Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Historical Audited Consolidated Summary Statements to ensure conformity with the Group's accounting policies.

The Historical Audited Consolidated Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Historical Audited Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Holding Company and its subsidiary (profits or losses resulting from intra-entity transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-entity losses may indicate an impairment that requires recognition in the Historical Audited Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to bring the accounting policies in line with the Company's accounting policies. All intra-entity assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts on the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained

(All amounts are in Indian Rupees in millions, unless otherwise stated)

- ► Recognises any surplus or deficit in profit or loss
- ► Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Particulars of consolidation

The below mentioned subsidiary has been considered for consolidation:

Name of the company	Percentage of voting Power as on		
	March 31, 2021	March 31, 2020	March 31, 2019
Aptus Finance India Private Limited	100%	100%	100%

B. Impact of COVID-19 pandemic

The Covid-19 pandemic continues to affect several countries across the world, including India. Consequent lockdowns and varying restrictions imposed by the government across several jurisdictions in which the Group operates, has led to significant disruptions and dislocations for individuals and businesses, impacting the Group's business operations, including lending and collection activities during the years ended March 31, 2021 and March 31, 2020. In accordance with the Reserve bank of India (RBI) guidelines related to "Covid-19 regulatory package" dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020 the Group had offered moratorium to its customers based the eligibility for EMIs falling due between March 1, 2020 to August 31, 2020. The impact of COVID-19 pandemic including the ongoing "second wave", on the Group's operations and financial metrics, including the Group's estimates of impairment of loans will depend on the future developments, which are highly uncertain. Management continues to monitor the evolving situation on an ongoing basis and management has considered events up to the date of these restated consolidated summary statements, to determine the financial implications including in respect of Expected Credit Loss ("ECL") provisioning.

As at March 31, 2021, the Group carries ECL provision on loans of Rs. 141.65 million (Rs. Rs. 83.02 million as at March 31, 2020) including provisions towards management overlay, in accordance with Ind AS 109 requirements. Given the dynamic and evolving nature of pandemic, these estimates are subject to uncertainty caused by the ongoing Covid-19 pandemic and related events.

C. Presentation of Restated Consolidated Summary Statements

The Group presents its Restated consolidated summary statement of assets and liabilities in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 38.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Group and/or its counterparties.

D. Principles of consolidation

The Restated Consolidated Summary Statements relate to the Holding Company and its Subsidiary Company.

The Restated Consolidated Summary Statements have been prepared on the following basis:

(i) The Restated financial statements of the Subsidiary Company used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

(ii) The Restated financial statements of the Holding Company and its Subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

(iii) The Restated Consolidated Summary Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(iv) Aptus Finance India Private Limited, a wholly owned subsidiary has been considered in the preparation of the Restated Consolidated Summary Statements.

2.1 Financial Instruments

2.1.1 Financial instruments – initial recognition

2.1.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

2.1.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit and loss ("FVTPL"), transaction costs are added to, or subtracted from, this amount.

2.1.1.3 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost or FVTPL or Fair Value through Other Comprehensive Income ("FVOCI").

2.1.2 Financial assets and liabilities

2.1.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Group measures Bank balances, Loans, and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

2.1.2.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group’s assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.1.2.1.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.1.2.1.3 Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.1.2.2 Financial assets or financial liabilities held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit making. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

2.1.2.3 Equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32, *Financial Instruments: Presentation,* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in Other Comprehensive Income ("OCI"). Equity instruments at FVOCI are not subject to an impairment assessment.

2.1.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

2.1.3 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

2.1.4 Derecognition of financial assets and liabilities

2.1.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless they are deemed to pass through OCI. When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors: Change in counterparty. If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.4.2 Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either, the Group has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset.

2.1.4.3 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.1.5 Impairment of financial assets

2.1.5.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3:

Loans considered credit-impaired. The Group records an allowance for the LTECLs.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Up to 30 days	12 month ECL
Stage 2	31 up to 90 days	Lifetime ECL
Stage 3	90 days and above	Lifetime ECL

In addition to days past due, the Group also considers other qualitative factors in determining significant increase in credit risks since origination.

2.1.5.2 The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD:

The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

<u>Significant increase in credit risk</u>

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Stage 3:

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

<u>Credit-impaired financial assets</u>

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

Estimates and associated assumptions applied in preparing the financial statements, especially for the expected credit loss on advances, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic. The Group has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of defaults and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans.

2.1.5.3 Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

2.1.6 Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.2 Recognition of Interest Income

2.2.1 The effective interest rate method

Interest income is recorded using the effective interest rate ("EIR") method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.2.2 Interest Income

The Group 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 Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

2.2.3 Fees and Commission Income

Fees and commission Income include fees other than those that are an integral part of EIR. The fees included in this part of the Group's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc when there is no uncertainty on ultimate collection.

2.2.4 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.3 Leases

The Group's Right-of-Use ("ROU") assets consist of leases for buildings. The Group assesses whether a contract contains a 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and low value leases. The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Transition to Ind AS 116:

For the purpose of preparation of Restated Consolidated Summary Statements, Ind AS 116 has been applied following modified retrospective method with effect from April 1, 2018 using same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 in the Audited Consolidated Financial Statements prepared by the Company as at and for the year ended March 31, 2020, upon transition to Ind AS 116.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Relied on its previous assessment of whether leases are onerous under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. There were no onerous contracts as at April 1, 2019.

4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

5. Used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, for all the contracts as at April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

2.4 Employee benefits

Post-employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and
(ii) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group records the leave encashment liability based on actuarial valuation computed using projected unit credit method.

Share-based payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in Employee Stock Options Reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.5 Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ► In respect of taxable temporary differences associated with investments in subsidiaries, where the *timing* of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ► When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.6 Property, plant and equipment ("PP&E") and intangible assets

PP&E is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation on the following categories of PP&E (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Life	Life as per Schedule II
Office Equipment	3 years	5 years
Servers (under office equipment)	3 years	6 years
Furniture and Fixtures	3 years	10 years
Vehicles	3 years	8 years
Leasehold improvements	Primary lease period or 3 years, whichever is lower	Not applicable

Freehold Land is not depreciated, but is subjected to impairment assessment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Intangible assets

The Group's intangible assets represent computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.7 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken in to account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.9 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.9.1 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Earnings per share (“EPS”)

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate (Refer Note 35). Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

2.11 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 'Operating Segments', based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.12 Determination of Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** −Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**−Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** −Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3A Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period

In the process of applying the Group's accounting policies, management has made the following judgements/estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3A 1. De-recognition of Financial instruments

The Group enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Group has been exposed to. Based on this assessment, the Group believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Group hence it has been concluded that securitisation transactions entered by the Group does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

3A 2. 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 recorded in the balance sheet 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 please see Fair value note in Accounting policy

3A 3. Impairment of financial asset

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 Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3A 4. Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Contingent liabilities are disclosed in respect of matters that are either possible obligations whose existence will be confirmed only by future uncertain events outside the control of the Group, or are present obligations where the outflow of economic resources may not be probable or cannot be measured reliably.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes in to account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4 Cash and cash equivalents

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on hand	18.11	10.71	19.37
Cheques on hand	-	-	0.91
Balances with banks - In current accounts	3,099.00	3,629.36	1,048.25
Balances with banks - In term deposit accounts - Original maturity less than 3 months	1,110.29	1,200.27	-
	4,227.40	**4,840.34**	**1,068.53**

5 Bank Balances other than cash and cash equivalents

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
In term deposit accounts - Original maturity more than 3 months	69.58	1,133.69	4.16
Balances held as margin money against securitisation	81.02	52.73	36.54
	150.60	**1,186.42**	**40.70**

6 Loans

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured Term loans carried at amortised cost	40,039.65	31,253.90	22,052.14
Total Term loans (gross)	**40,039.65**	**31,253.90**	**22,052.14**
Less: Impairment loss allowance	(141.65)	(83.01)	(49.68)
Total Term loans (net)	**39,898.00**	**31,170.89**	**22,002.46**

Notes:
(i) All term loans are originated in India.
(ii) Term Loans are secured by deposit of original title deeds of immovable properties with the Group and/or registered mortgage of title deeds.
(iii) The Group has securitised certain term loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the March 31, 2021 is Rs. 5.55 million (March 31, 2020: 30.25 million ; March 31, 2019: Rs. 78.74 million). The carrying value of these assets have been de-recognised in the books of the Group.

(iv) Refer Note 37 for securitised term loans not derecognised in their entirety.
(v) There are no outstanding loan to Public Instituition.
(vi) Term loans do not include any loans given to employees of the Group.
(vii) Debt securities and borrowings (other than debt securities) of the Group are secured by hypothecation of specified term loans (refer note 13 and 14).

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Annexure 6 - Consolidated summary statement of notes and other explanatory information forming part of restated consolidated summary statements

6.1 Summary of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans:

6.1.1 Reconciliation of gross carrying amount is given below:

Rs. in million

Particulars	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	22,470.91	8,262.05	520.94	31,253.90	21,672.90	282.68	96.56	22,052.14
New assets originated / Increase in existing assets	12,697.37	-	-	12,697.37	12,248.21	45.16	1.28	12,294.65
Exposure de-recognised / matured / repaid	(3,167.99)	(663.19)	(80.44)	(3,911.62)	(2,761.12)	(297.49)	(34.28)	(3,092.89)
Transfer to Stage 1	6,221.61	(6,188.10)	(33.51)	-	13.79	(13.06)	(0.73)	-
Transfer to Stage 2	(2,416.17)	2,625.26	(209.09)	-	(8,369.81)	8,373.50	(3.69)	-
Transfer to Stage 3	(43.76)	(34.54)	78.30	-	(333.06)	(128.74)	461.80	-
Gross carrying amount closing balance	**35,761.97**	**4,001.48**	**276.20**	**40,039.65**	**22,470.91**	**8,262.05**	**520.94**	**31,253.90**

Rs. in million

Particulars	For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	13,540.19	171.55	72.24	13,783.98
New assets originated / Increase in existing assets	10,586.12	-	0.12	10,586.24
Exposure de-recognised / matured / repaid	(2,251.39)	(49.81)	(16.89)	(2,318.08)
Transfer to Stage 1	37.28	(32.02)	(5.26)	-
Transfer to Stage 2	(205.51)	211.56	(6.04)	-
Transfer to Stage 3	(33.79)	(18.60)	52.39	-
Gross carrying amount closing balance	**21,672.90**	**282.68**	**96.56**	**22,052.14**

6.1.2 Reconciliation of ECL on term loans is given below:

Rs. in million

Particulars	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	9.34	9.28	64.39	83.01	24.62	0.94	24.12	49.68
New assets originated / Increase in existing assets	28.80	6.81	45.49	81.10	7.45	0.05	0.04	7.54
Exposure de-recognised / matured / repaid	(1.48)	(0.65)	(25.82)	(27.95)	(11.67)	(0.39)	(4.69)	(16.75)
Transfer to Stage 1	8.88	(7.03)	(1.85)	-	0.15	(0.05)	(0.10)	-
Transfer to Stage 2	(2.39)	15.50	(13.11)	-	(10.35)	10.85	(0.50)	-
Transfer to Stage 3	(0.69)	(0.42)	1.11	-	(0.59)	(0.45)	1.04	-
Impact on account of exposures transferred during the year between stages	0.85	(1.05)	5.69	5.49	(0.27)	(1.67)	44.48	42.54
ECL allowance - closing balance	**43.31**	**22.44**	**75.90**	**141.65**	**9.34**	**9.28**	**64.39**	**83.01**

Rs. in million

Particulars	For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	16.25	0.46	21.29	38.00
New assets originated / Increase in existing assets	14.30	-	-	14.30
Exposure de-recognised / matured / repaid	(5.75)	(0.07)	(7.73)	(13.55)
Transfer to Stage 1	1.38	(0.09)	(1.29)	-
Transfer to Stage 2	(0.35)	1.46	(1.11)	-
Transfer to Stage 3	(0.05)	(0.06)	0.11	-
Impact on account of exposures transferred during the year between stages	(1.16)	(0.76)	12.85	10.93
ECL allowance - closing balance	**24.62**	**0.94**	**24.12**	**49.68**

6.2 Internal rating grade (Loans measured at Amortised cost)

The internal rating grade is assigned based on the ageing (Days Past Due - DPD) of the loans viz., Low risk (DPD of 0 to 30 days); Medium risk (DPD of 31 up to 90 days); High risk (DPD of 90 days and above)

Grade	As at March 31, 2021 (Rs. in million)				As at March 31, 2020 (Rs. in million)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Low Risk	35,761.97	401.79	0.65	36,164.41	22,469.09	7,297.57	24.80	29,791.46
Medium Risk	-	3,599.69	2.04	3,601.73	1.82	964.48	71.56	1,037.86
High Risk	-	-	273.51	273.51	-	-	424.58	424.58
Total	**35,761.97**	**4,001.48**	**276.20**	**40,039.65**	**22,470.91**	**8,262.05**	**520.94**	**31,253.90**

Grade	As at March 31, 2019 (Rs. in million)			
	Stage 1	Stage 2	Stage 3	Total
Low Risk	21,511.90	-	0.84	21,512.74
Medium Risk	161.00	282.68	2.68	446.36
High Risk	-	-	93.04	93.04
Total	**21,672.90**	**282.68**	**96.56**	**22,052.14**

7 Investments

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At fair value through profit and loss			
Quoted: Investment in Mutual Funds	527.52	-	-
	527.52	**-**	**-**
Note: All investments are made within India.			

8 Other Financial assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Considered Good, Unsecured - At Amortised Cost			
Security deposits	26.56	23.86	22.25
Loans and advances to employees	0.03	0.24	0.06
Accrued income	12.51	1.56	6.47
Receivable on securitised assets	0.51	1.06	2.15
Ex-gratia receivable	76.61	-	-
Other Receivables	-	0.05	0.08
	116.22	**26.77**	**31.01**

9 Current tax assets (Net)

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance income tax and Tax Deducted at Source (net) (Refer note (i) below)	-	-	8.33
	-	**-**	**8.33**
(i) Net of provisions for Income tax	-	-	912.72

10 Deferred tax assets / (liabilities) (Net)

Rs. in million

Components of deferred tax asset / (liability)	As at April 01, 2020	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2021
Tax effect of items constituting deferred tax assets:				
Provision for leave encashment, gratuity and other employee benefits	6.07	1.69	0.38	8.14
Impairment Loss Allowance	24.11	18.23	-	42.34
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	11.44	1.30	-	12.74
Deferred processing fee relating to loans	124.08	38.02	-	162.10
Others	1.10	0.24	-	1.34
Tax effect of items constituting deferred tax assets	**166.80**	**59.48**	**0.38**	**226.66**
Tax effect of items constituting deferred tax liabilities:				
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(12.02)	(10.09)	-	(22.11)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(27.30)	(5.66)	-	(32.96)
Others	(0.25)	(1.41)	-	(1.66)
Tax effect of items constituting deferred tax (liabilities)	**(39.57)**	**(17.16)**	**-**	**(56.73)**
Net deferred tax assets / (liabilities)	**127.23**	**42.32**	**0.38**	**169.93**

Rs. in million

Components of deferred tax asset / (liability)	As at April 01, 2019	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2020
Tax effect of items constituting deferred tax assets:				
Provision for leave encashment, gratuity and other employee benefits	5.21	0.47	0.39	6.07
Impairment Loss Allowance	16.24	7.87	-	24.11
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	9.83	1.61	-	11.44
Deferred processing fee relating to loans	88.15	35.93	-	124.08
Others	0.07*	1.03	-	1.10
Tax effect of items constituting deferred tax assets	**119.50**	**46.91**	**0.39**	**166.80**
Tax effect of items constituting deferred tax (liabilities):				
On Special Reserve created under section 36(1)(viii) of the Income-tax Act, 1961	(207.85)	207.85	-	-
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(5.13)	(6.89)	-	(12.02)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(24.28)	(3.02)	-	(27.30)
Others	(0.05)	(0.20)	-	(0.25)
Tax effect of items constituting deferred tax (liabilities)	**(237.31)**	**197.74**	**-**	**(39.57)**
Net deferred tax assets / (liabilities)	**(117.80)**	**244.65**	**0.39**	**127.23**

* Includes adjustment of Rs. 0.74 million on account of Ind AS 116 transition adjustment in opening deferred tax liability (Refer Note 1.1 of Annexure 5).

Rs. in million

Components of deferred tax asset / (liability)	As at April 01, 2018	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2019
Tax effect of items constituting deferred tax assets:				
Preliminary Expenses not written off	0.15	(0.15)	-	-
Provision for leave encashment, gratuity and other employee benefits	4.89	0.18	0.14	5.21
Impairment Loss Allowance	14.72	1.52	-	16.24
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	7.09	2.75	-	9.83
Deferred processing fee relating to loans	64.21	23.95	-	88.15
Others	-	0.81	-	0.81
Tax effect of items constituting deferred tax assets	**91.05**	**29.04**	**0.14**	**120.24**
Tax effect of items constituting deferred tax (liabilities):				
On Special Reserve created under section 36(1)(viii) of the Income-tax Act, 1961	(151.93)	(55.92)	-	(207.85)
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act,	(2.99)	(2.15)	-	(5.14)
Deferred processing fee relating to debt securities and borrowings other than debt	(10.71)	(13.57)	-	(24.28)
Others	-	(0.05)	-	(0.05)
Tax effect of items constituting deferred tax (liabilities)	**(165.63)**	**(71.69)**	**-**	**(237.32)**
Net deferred tax assets / (liabilities)	**(74.58)**	**(42.64)**	**0.14**	**(117.09)**

11A Property, plant and equipment

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :			
a) Freehold Land	6.46	6.46	6.46
b) Leasehold improvements	4.97	7.22	9.04
c) Furniture and fixtures	1.33	2.11	1.88
d) Vehicles	-	0.02	1.92
e) Office Equipment	12.06	16.87	12.70
	24.82	**32.68**	**31.99**

Rs. in million

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipment	Total
Cost / Deemed cost						
Balance at April 1, 2018	6.46	14.15	3.03	6.05	18.99	48.68
Additions during the year	-	5.78	3.29	-	10.18	19.25
Balance at March 31, 2019	**6.46**	**19.93**	**6.32**	**6.05**	**29.17**	**67.93**
Additions during the year	-	3.77	3.30	-	14.91	21.98
Balance at March 31, 2020	**6.46**	**23.70**	**9.62**	**6.05**	**44.08**	**89.91**
Additions during the year	-	2.17	1.03	-	6.11	9.31
Balance at March 31, 2021	**6.46**	**25.87**	**10.65**	**6.05**	**50.19**	**99.22**
Accumulated depreciation						
Balance at April 1, 2018	-	5.89	1.91	2.06	7.13	16.99
Depreciation expense for the year	-	5.00	2.53	2.07	9.34	18.94
Balance at March 31, 2019	**-**	**10.89**	**4.44**	**4.13**	**16.47**	**35.93**
Depreciation expense for the year	-	5.59	3.07	1.90	10.74	21.30
Balance at March 31, 2020	**-**	**16.48**	**7.51**	**6.03**	**27.21**	**57.23**
Depreciation expense for the year	-	4.42	1.81	0.02	10.92	17.17
Balance at March 31, 2021	**-**	**20.90**	**9.32**	**6.05**	**38.13**	**74.40**
Net book value						
Balance at March 31, 2021	**6.46**	**4.97**	**1.33**	**-**	**12.06**	**24.82**
Balance at March 31, 2020	**6.46**	**7.22**	**2.11**	**0.02**	**16.87**	**32.68**
Balance at March 31, 2019	**6.46**	**9.04**	**1.88**	**1.92**	**12.70**	**31.99**

Note:
(i) Freehold Land with a carrying value of Rs. 6.46 million has been hypothecated to secure Non-convertible debentures issued by the Holding Company.

11B Intangible assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :			
a) Computer software	2.68	3.66	8.13
	2.68	**3.66**	**8.13**

Rs. in million

Particulars	Computer software	Total
Cost / Deemed cost		
Balance at April 1, 2018	18.47	18.47
Additions during the year	6.71	6.71
Balance at March 31, 2019	**25.18**	**25.18**
Additions during the year	4.42	4.42
Balance at March 31, 2020	**29.60**	**29.60**
Additions during the year	3.46	3.46
Balance at March 31, 2021	**33.06**	**33.06**
Accumulated amortisation		
Balance at March 31, 2018	**6.71**	**6.71**
Amortisation expense for the year	10.34	10.34
Balance at March 31, 2019	**17.05**	**17.05**
Amortisation expense for the year	8.89	8.89
Balance at March 31, 2020	**25.94**	**25.94**
Amortisation expense for the year	4.44	4.44
Balance at March 31, 2021	**30.38**	**30.38**
Net book value		
Balance at March 31, 2021	**2.68**	**2.68**
Balance at March 31, 2020	**3.66**	**3.66**
Balance at March 31, 2019	**8.13**	**8.13**

11C Right-of-use assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amounts in respect of :			
a) Leased buildings (Refer Note 1.1 of Annexure 5)	68.06	64.76	60.81
	68.06	**64.76**	**60.81**

Rs. in million

Particulars					Leased buildings	Total
Cost						
Balance at April 1, 2018					46.07	46.07
Additions during the year					40.90	40.90
Balance at March 31, 2019					**86.97**	**86.97**
Additions during the year / Ind AS 116 transition adjustment					31.83	**31.83**
Balance at March 31, 2020					**118.80**	**118.80**
Additions during the year					38.54	38.54
Balance at March 31, 2021					**157.34**	**157.34**
Accumulated depreciation						
Balance at April 1, 2018					-	20.15
Depreciation expense for the year					26.16	26.16
Balance at March 31, 2019					**26.16**	**26.16**
Depreciation expense for the year					27.88	27.88
Balance at March 31, 2020					**54.04**	**54.04**
Depreciation expense for the year					35.24	35.24
Balance at March 31, 2021					**89.28**	**89.28**
Net book value						
Balance at March 31, 2021	-	-	-	-	**68.06**	**68.06**
Balance at March 31, 2020	-	-	-	-	**64.76**	**64.76**
Balance at March 31, 2019	-	-	-	-	**60.81**	**60.81**

11D Depreciation and Amortisation expense

Rs. in million

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, plant and equipment	11A	17.17	21.30	18.94
Amortisation on Intangible assets	11B	4.44	8.89	10.34
Depreciation expense on right-of-use assets	11C	35.24	27.88	26.16
Total		**56.85**	**58.06**	**55.44**

12 Other non-financial assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Considered Good, Unsecured			
Capital advances	2.09	0.82	2.30
Prepaid expenses	4.92	5.04	3.75
Other advances*	9.41	8.63	7.33
	16.42	**14.49**	**13.38**
*Includes various expenses incurred in connection with proposed initial public offer of equity shares of the Holding Company	8.11	-	-

13 Debt Securities

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured Redeemable Non-Convertible Debentures - At Amortised cost (Within India)	4,301.84	6,445.50	7,013.85
	4,301.84	**6,445.50**	**7,013.85**

(a) Details of Secured Redeemable Non-Convertible Debentures ("NCDs") - Redeemable at par:

No of Debentures	Rate of Interest	Due date of redemption	Face Value	Balance Outstanding As at March 31, 2021	Balance Outstanding As at March 31, 2020
			Rs.	Rs. in million	Rs. in million
5,000	10.75%	March 5, 2023#	81,250	279.03	400.37
33,20,000	10.00%	May 15, 2023	100	342.49	341.84
33,20,000	9.35%	May 15, 2023	100	341.53	340.80
33,30,000	9.80%	May 15, 2023	100	343.03	342.26
250	8.90%	September 7, 2023#	10,00,000	208.39	-
5,500	10.00%	December 26, 2024*	1,00,000	-	546.32
2,500	10.00%	January 24, 2025*	1,00,000	-	247.43
2,000	10.00%	February 26, 2025*	1,00,000	-	198.31
5,000	10.00%	June 20, 2025	1,00,000	498.14	497.70
12,500	10.00%	July 20, 2025*	1,00,000	-	1,244.08
12,500	10.00%	August 20, 2025	1,00,000	1,245.18	1,244.17
1,01,00,000	10.36%	November 3, 2025	100	1,044.05	1,042.22
				4,301.84	**6,445.50**

Repayable on quarterly basis, other NCDs are repayable as bullet payments on the due date of redemption.
* During the year ended March 31, 2021, the Holding Company has made an early redemption of debentures.

No of Debentures	Rate of Interest	Due date of redemption	Face Value	Balance Outstanding As at March 31, 2019
			Rs.	Rs. in million
33,20,000	10.00%	May 15, 2023	100	340.91
33,20,000	9.35%	May 15, 2023	100	339.80
33,30,000	9.80%	May 15, 2023	100	341.21
5,500	10.00%	December 26, 2024	1,00,000	794.88
2,500	10.00%	January 24, 2025	1,00,000	794.81
2,000	10.00%	February 26, 2025	1,00,000	397.36
5,000	10.00%	June 20, 2025	1,00,000	497.26
12,500	10.00%	July 20, 2025	1,00,000	1,242.97
12,500	10.00%	August 20, 2025	1,00,000	1,243.07
1,01,00,000	10.36%	November 3, 2025	100	1,021.58
				7,013.85

Rs. in million

(i) Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
NCDs secured by hypothecation of specified term loans	5,131.41	7,015.68	7,976.44
NCDs secured by hypothecation of specified immovable property	6.46	6.46	6.46
NCDs availed by the subsidiary and guaranteed by Aptus Value Housing Finance India Limited, the Holding Company	489.58	406.25	-

(ii) The Group has not defaulted in the repayment of borrowings and interest during any of the years presented.

14 Borrowings (Other than Debt Securities)

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured - At Amortised cost (Within India)			
Term loans			
Scheduled banks	13,139.19	9,874.66	6,675.98
Other Financial Instituitions	5,772.04	2,823.72	1,549.28
Securitisation Loans	1,516.68	908.11	663.46
Working Capital Loans	350.00	97.83	94.33
	20,777.91	**13,704.32**	**8,983.05**

(a) Terms of repayment and tenure of term loans are as follows:

Rs. in million

Rate of Interest	Tenure	Balance Outstanding As at March 31, 2021	Balance Outstanding As at March 31, 2020
5.05%	1 year	320.98	-
8.00%-9.00%	2- 5 years	690.59	-
9.00%-10.00%		730.80	344.72
10.00%-11.00%		248.27	723.40
7.00%-8.00%	5- 7 years	177.89	-
8.00%-9.00%		4,485.00	495.94
9.00%-10.00%		1,646.17	2,280.28
10.00%-11.05%		20.79	2,068.46
5.85%-6.00%	7-10 years	4,198.04	-
6.00%-7.00%		282.60	-
7.00%-8.00%		33.06	1,354.33
8.00%-9.00%		4,168.59	362.67
9.00%-10.00%		1,178.27	3,667.88
10.00%-11.00%		-	391.38
6.90%-7.00%	> 10 years	715.22	-
8.00%-9.00%		14.96	807.69
9.00%-10.00%		-	18.35
11.00%-11.15%		-	183.28
Total		**18,911.23**	**12,698.38**

Terms of repayment and tenure of term loans are as follows:

Rs. in million

Rate of Interest	Tenure	Balance Outstanding As at March 31, 2019
9.00%-10.00%	2- 5 years	-
10.00%-11.00%		477.78
8.00%-9.00%	5- 7 years	-
9.00%-10.00%		2,000.10
10.00%-11.00%		1,774.43
6.90%-7.00%	7-10 years	-
7.00%-8.00%		435.85
8.00%-9.00%		626.19
9.00%-10.00%		2,492.93
8.00%-9.00%	> 10 years	186.25
9.00%-10.00%		-
10.00%-11.00%		31.33
11.00%-11.15%		200.40
Total		**8,225.26**

(b) Terms of repayment and tenure of securitisation loans are as follows:

Rs. in million

Rate of Interest	Tenure	Balance Outstanding As at March 31, 2021	Balance Outstanding As at March 31, 2020
7.50%-8.00%	5-7 years	911.06	-
10.00%-11.00%		605.62	908.11
Total		**1,516.68**	**908.11**

Rs. in million

Rate of Interest	Tenure	Balance Outstanding As at March 31, 2019
10.00%-11.00%	5- 7 years	663.46
Total		**663.46**

Rs. in million

(i) Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Term loans from scheduled banks and other financial institutions secured by hypothecation of specified term loans	22,568.05	15,843.86	10,161.27
Working Capital Demand Loans secured by hypothecation of specified term loans	402.93	117.02	113.48
Term Loans from other financial institution (National Housing Bank) guaranteed by the promoter Mr. M Anandan	929.55	1,127.48	1,454.61
Loans availed by the subsidiary guaranteed by Aptus Value Housing Finance India Limited, the Holding Company	1,677.96	1,072.11	477.78

(ii) Working Capital loans have been availed at Interest rate of 8.00-8.15% p.a

(iii) The Group has not defaulted in the repayment of borrowings and interest during any of the years presented.

(iv) The secured term loans are availed from various scheduled banks and other financial institutions. These loans are repayable as per the individual contracted terms in one or more instalments.

15 Other financial liabilities

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At Amortised Cost			
Advances from customers	4.36	2.50	0.78
Remittances Payable - Securitised Assets	2.23	4.17	7.51
Accrued employee benefits	56.82	39.92	25.82
Other payables	70.06	5.83	18.33
	133.47	**52.42**	**52.44**

16 Current tax liabilities (Net)

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (net) (Refer note (i) below)	44.49	58.35	9.75
	44.49	**58.35**	**9.75**
(i) Net of Advance Tax	2,159.64	1,374.64	41.60

17 Provisions

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 31)			
Provision for gratuity	16.42	12.66	9.50
Provision for leave encashment	15.90	11.44	8.36
Provision for Undrawn commitments	0.69	1.14	0.17
	33.01	**25.24**	**18.03**

17.1 Summary of changes in the gross carrying amount and the corresponding ECL allowances - Undrawn commitments:

17.1.1 Reconciliation of gross carrying amount of undrawn commitments is given below:

Rs. in million

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	349.37	155.58	0.10	505.05	498.75	-	-	498.75
New exposure	1,090.89	-	-	1,090.89	491.69	-	-	491.69
Exposure derecognised or matured/lapsed (excluding write off)	(449.13)	(33.42)	(0.10)	(482.65)	(485.39)	-	-	(485.39)
Transfers to Stage 1	132.43	(132.43)	-	-	-	-	-	-
Transfers to Stage 2	(18.54)	18.54	-	-	(155.58)	155.58	-	-
Transfers to Stage 3	-	(0.40)	0.40	-	(0.10)	-	0.10	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**1,105.02**	**7.87**	**0.40**	**1,113.29**	**349.37**	**155.58**	**0.10**	**505.05**

Rs. in million

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	267.88	-	-	267.88
New exposure	498.50	-	-	498.50
Exposure derecognised or matured/lapsed (excluding write off)	(267.63)	-	-	(267.63)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**498.75**	**-**	**-**	**498.75**

* The Gross carrying amount disclosed in the table above excludes Loans sanctioned pending any disbursements to new borrowers amounting to Rs. 485.47 million as at March 31, 2021 (March 31, 2020 - Rs. 1,106.08 million ; March 31, 2019: Rs. 320.23 million) which is included in Note 30.

17.1.2 Reconciliation of ECL on undrawn commitments is given below:

Rs. in million

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	0.13	1.00	0.01	1.14	0.17	-	-	0.17
New exposure	0.56	-	-	0.56	1.14	-	-	1.14
Exposure derecognised or matured/lapsed (excluding write off)	(0.95)	(0.09)	0.03	(1.01)	(0.17)	-	-	(0.17)
Transfers to Stage 1	0.85	(0.85)	-	-	-	-	-	-
Transfers to Stage 2	(0.02)	0.02	-	-	(1.00)	1.00	-	-
Transfers to Stage 3	-	-	-	-	(0.01)	-	0.01	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**0.57**	**0.08**	**0.04**	**0.69**	**0.13**	**1.00**	**0.01**	**1.14**

Rs. in million

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	0.12	-	-	0.12
New exposure	0.05	-	-	0.05
Exposure derecognised or matured/lapsed (excluding write off)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**0.17**	**-**	**-**	**0.17**

17.2 Internal rating grade of loan commitment

The internal rating grade is assigned based on the ageing (Days Past Due - DPD) of the loans viz., Low risk (DPD of 0 to 30 days); Medium risk (DPD of 31 up to 90 days); High risk (DPD of 90 days and above)

Grade	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,105.02	0.80	-	1,105.82	349.37	155.18	-	504.55
Medium Risk	-	7.07	-	7.07	-	0.40	0.10	0.50
High Risk	-	-	0.40	0.40	-	-	-	-
Total	**1,105.02**	**7.87**	**0.40**	**1,113.29**	**349.37**	**155.58**	**0.10**	**505.05**

Grade	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Low Risk	498.75	-	-	498.75
Medium Risk	-	-	-	-
High Risk	-	-	-	-
Total	**498.75**	**-**	**-**	**498.75**

Aptus Value Housing Finance India Limited
Annexure 6 - Consolidated summary statement of notes and other explanatory information forming part of restated consolidated summary statements

18 Other non-financial liabilities

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Statutory dues	22.91	17.80	15.47
Deferred Income	3.76	-	-
	26.67	**17.80**	**15.47**

19 Equity Share capital (Also refer Note 44(i))

Rs. in million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised share capital				
Equity shares of Rs. 10 each	10,60,00,000	1,060.00	10,60,00,000	1,060.00
(ii) Issued and Subscribed share capital				
Equity shares of Rs. 10 each - Fully paid-up	9,47,83,258	947.83	9,43,63,258	943.63
Equity shares of Rs. 10 each - Partly paid-up (Re. 1 each)	15,00,000	1.50	15,00,000	1.50
	9,62,83,258	**949.33**	**9,58,63,258**	**945.13**

Rs. in million

Particulars	As at March 31, 2019	
	Number of shares	Amount
(i) Authorised share capital		
Equity shares of Rs. 10 each	8,26,00,000	826.00
(ii) Issued and Subscribed share capital		
Equity shares of Rs. 10 each - Fully paid-up	7,87,82,637	787.83
	7,87,82,637	**787.83**

The Board of Directors of the Holding Company in its meeting held on May 05, 2021 and shareholders in the Extraordinary General Meeting held on May 06, 2021 approved the sub-division of shares from Rs. 10 per share to Rs. 2 per share (Also refer Note 44(i)).

Notes:

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Fresh issue	ESOP	Closing Balance
Equity shares				
Year ended March 31, 2021				
- Number of shares	9,58,63,258	-	4,20,000	9,62,83,258
- Amount (Rs. in million)	945.13	-	4.20	949.33
Year ended March 31, 2020				
- Number of shares	7,87,82,637	1,67,08,121	3,72,500	9,58,63,258
- Amount (Rs. in million)	787.83	153.57	3.73	945.13
Year ended March 31, 2019				
- Number of shares	7,85,70,137	-	2,12,500	7,87,82,637
- Amount (Rs. in million)	785.70	-	2.13	787.83

(b) During the year ended March 31, 2021, pursuant to Aptus Employees Stock Option Scheme (ESOP) 2015, the Board of Directors allotted 345,000 fully paid up equity shares of Rs. 10 each at a premium of Rs. 65 each and 75,000 fully paid up equity shares of Rs. 10 each at a premium of Rs. 120 each to the employees of the Holding Company vide circular resolution dated December 02, 2020.

(c) During the year ended March 31, 2020, the Holding Company has allotted 1,52,08,121 fully paid-up equity shares of Rs. 10 each at a premium of Rs. 516.03 per share and 15,00,000 partly paid-up equity shares of Rs. 10 each (Paid-up to the extent of Re. 1 per share) on preferential basis. The said allotment has been approved by the Board of Directors at its meeting held on August 8, 2019 and by the shareholders in the Extraordinary General Meeting held on August 19, 2019 respectively.

(d) During the year ended March 31, 2020, pursuant to Aptus Employees Stock Option Scheme (ESOP) 2015, the Board of Directors allotted 335,000 fully paid up equity shares of Rs. 10 each at a premium of Rs. 65 each and 37,500 fully paid up equity shares of Rs. 10 each at a premium of Rs. 120 each to the employees of the Holding Company vide circular resolution dated October 14, 2019.

(e) During the year ended March 31, 2019, pursuant to Aptus Employees Stock Option Scheme (ESOP) 2015, the Board of Directors allotted 212,500 fully paid up equity shares of Rs. 10 each at a premium of Rs. 65 each to the employees of the Holding Company vide circular resolution dated April 11, 2018.

(f) Terms/rights attached to Equity Shares:
The Holding company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend.
In the event of liquidation of the Holding company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g) Details of shares held by each shareholder holding more than 5% shares:

Class of equity shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
M Anandan	1,92,32,833	19.98%	1,92,32,833	20.06%
Padma Anandan	50,00,000	5.19%	50,00,000	5.22%
Westbridge Cross Over Fund LLC	3,43,45,951	35.67%	3,43,45,951	35.83%
JIH II LLC	83,70,924	8.69%	82,72,010	8.63%
Aravali Investment Holdings	39,52,499	4.11%	39,52,499	4.12%
Granite Hill India Opportunities Fund	19,99,571	2.08%	19,99,571	2.09%

Class of equity shares / Name of shareholder	As at March 31, 2019	
	Number of shares held	% holding in that class of shares
M Anandan	1,77,32,833	22.51%
Padma Anandan	50,00,000	6.35%
Westbridge Cross Over Fund LLC	3,43,45,951	43.60%
Aravali Investment Holdings	39,52,499	5.02%
Granite Hill India Opportunities Fund	39,99,571	5.08%

Note: There are no shares held by Holding / Ultimate holding company and / or their subsidiaries / associates.

(h) Shares reserved for issue under options:
Refer Note 39 for details of shares reserved for issue under options.

20 Other Equity

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Securities premium	11,627.66	11,585.67	3,744.97
Employee Stock Options Reserve	7.28	17.38	20.18
Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Statutory Reserve - I)	188.52	105.84	7.24
Special Reserve under 36(1)(viii) of Income-tax Act, 1961	1,323.32	970.52	706.52
Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)	178.55	79.60	19.87
Impairment Reserve	76.20	9.03	-
Retained earnings	5,446.71	3,378.87	1,697.91
Remeasurement gain / (loss) on defined benefit plan	(3.03)	(1.91)	(0.77)
	18,845.21	**16,145.00**	**6,195.92**

20.1 Movement in Other Equity

Rs. in million

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a)	**Securities Premium (Refer Note 20.2.1)**			
	Balance at the beginning of the year	11,585.67	3,744.97	3,731.16
	Add : Premium on shares issued during the year	31.43	7,874.12	13.81
	Add : Transfer from Employee Stock Options Reserve on ESOP exercised during the year	10.56	4.72	-
	Less : Share issue expenses	-	(38.14)	-
	Balance at the end of the year	**11,627.66**	**11,585.67**	**3,744.97**
(b)	**Employee Stock Options Reserve (Refer Note 20.2.2 & Note 39)**			
	Balance at the beginning of the year	17.38	20.18	16.17
	Add: Share based payments to employees during the year	0.46	1.92	4.01
	Less: Transfer to Securities Premium on options exercised during the year	(10.56)	(4.72)	-
	Balance at the end of the year	**7.28**	**17.38**	**20.18**
(c)	**Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987**			
	Balance at the beginning of the year			
	a) Statutory Reserve u/s 29C of NHB Act, 1987	105.84	7.24	7.24
	b) Amount of special reserve u/s 36(1)(viii) of Income-tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	970.52	706.52	427.55
	Addition/Appropriation/withdrawal during the year			
	Add: a) Transfer u/s 29C of NHB Act, 1987 from retained earnings	82.68	98.60	-
	b) Transfer u/s 36(1)(viii) of Income-tax Act, 1961 from retained earnings taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987 (Refer Note 20.2.3 below)	352.80	264.00	278.97
	Less: a) Amount appropriated from the 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 provision u/s 29 C of NHB Act 1987	-	-	-
	Balance at the end of the year			
	a) Statutory Reserve u/s 29C of NHB Act, 1987	188.52	105.84	7.24
	b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	1,323.32	970.52	706.52
		1,511.84	**1,076.36**	**713.76**
(d)	**Statutory Reserve (Refer Note 20.2.4)**			
	Balance at the beginning of the year	79.60	19.87	1.78
	Add: Transfer from retained earnings during the year	98.95	59.73	18.09
	Balance at the end of the year	**178.55**	**79.60**	**19.87**
(e)	**Impairment Reserve (Refer Note 20.2.5 below & Note 40)**			
	Balance at the beginning of the year	9.03	-	-
	Add: Transfer from retained earnings during the year	67.17	9.03	-
	Balance at the end of the year	**76.20**	**9.03**	**-**
(f)	**Retained Earnings (Refer Note 20.2.6)**			
	Balance at the beginning of the year	3,378.87	1,697.91	880.14
	Add: Profit for the year	2,669.44	2,110.12	1,114.83
	Less: Transfer to Special reserve u/s 36(1)(viii) of Income-tax Act, 1961 (Refer Note 20.2.3)	(352.80)	(264.00)	(278.97)
	Less: Transfer to Special reserve u/s 29C of the NHB Act, 1987 (Refer Note 20.2.3)	(82.68)	(98.60)	-
	Less: Transfer to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934 (Refer Note 20.2.4)	(98.95)	(59.73)	(18.09)
	Less: Transfer to Impairment reserve (Refer Note 20.2.5)	(67.17)	(9.03)	-
	Adjustment on transition to Ind AS 116	-	2.20	-
	Balance at the end of the year	**5,446.71**	**3,378.87**	**1,697.91**
(g)	**Remeasurement gain / (loss) on defined benefit plan**			
	Balance at the beginning of the year	(1.91)	(0.77)	(0.42)
	Other Comprehensive Income for the year	(1.12)	(1.14)	(0.35)
	Balance at the end of the year	**(3.03)**	**(1.91)**	**(0.77)**
	Total	**18,845.21**	**16,145.00**	**6,195.92**

20.2 Nature and purpose of reserves:

20.2.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for specified purposes in accordance with the provisions of the Companies Act, 2013. During the year ended March 31, 2020, Securities premium was utilised to the extent of Rs. 38.15 million on account of expenses incurred for the issue of Equity shares, in line with Section 52 of the Companies Act 2013.

20.2.2 Employee Stock Options Reserve

The amount represents reserve created to the extent of granted options under ESOP 2015. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Also refer note 39.

20.2.3 Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Statutory Reserve - I)

As per Section 29C(1) of the National Housing Bank Act, 1987, the Holding Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Holding Company under Section 36(1)(viii) of the Income Tax Act, 1961, is considered to be an eligible transfer. During the year ended March 31, 2021, the Holding Company has transferred Rs. 352.80 million (March 31, 2020 - Rs. 264.00 million ; March 31, 2019 - Rs. 278.97 million) in terms of section 36(1)(viii) to the Special Reserve.

The Holding Company has transferred an amount of Rs. 82.68 million during the year ended March 31, 2021 (March 31, 2020 - Rs. 98.60 million, March 31, 2019 - Rs. Nil) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987. Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 1,290.69 million (March 31, 2020 Rs. 855.20 million ; March 31, 2019 - Rs. 492.59 million) out of which Rs. 168.25 million (March 31, 2020 - Rs. 105.84 million ; March 31, 2019 - Rs. 7.24 million) is distinctly identifiable above and the balance of Rs. 998.49 million (March 31, 2020 - Rs. 749.36 million ; March 31, 2019 - Rs. 485.35 million) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961.

The Board of Directors of the Holding Company has resolved not to make withdrawals from the Special reserve created under Section 36(1)(viii) of the Income-tax Act, 1961.

20.2.4 Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)

Statutory reserve represents the reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

20.2.5 Impairment Reserve

In terms of the requirement as per RBI notification no. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021, Housing Finance Companies (HFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). Accordingly the Holding Company has transferred such shortfall amount to Impairment Reserve. No withdrawal from the reserve is permitted without prior permission from the Department of Supervision, RBI.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). Accordingly the Subsidiary Company has transferred the shortfall amount to Impairment Reserve. No withdrawal from the reserve is permitted without prior permission from the Department of Supervision, RBI.

20.2.6 Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date. The amount that can be distributed by the Group as dividends to its Equity Shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported are not distributable in entirety and includes non-distributable items including unrealised gains, notional gains and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value, etc.

21 Revenue from operations

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income			
On financials assets measured at amortised cost			
Interest on term loans	6,093.18	4,681.88	3,095.52
Interest on fixed deposits with Banks	145.71	170.41	13.35
	6,238.89	**4,852.29**	**3,108.87**
(b) Net gain on fair value changes			
Investment in mutual funds measured at FVTPL - trading portfolio			
- Realised	5.28	31.35	42.47
- Unrealised	2.33	-	-
	7.61	**31.35**	**42.47**
(c) Fees and commission income	119.65	119.62	87.17
	6,366.15	**5,003.26**	**3,238.51**

22 Other income

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Charges for Marketing / Display	186.21	232.14	131.58
Other Non Operating Income	0.06	1.80	1.06
	186.27	**233.94**	**132.64**

Revenue from contracts with customers

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees and commission Income *	119.65	119.62	87.17
Charges for Marketing / Display	186.21	232.14	131.58
Total Revenue from contracts with customers	**305.86**	**351.76**	**218.75**

* Comprises charges collected from the customers in the nature of Preclosure charges, Cheque dishonour charges and other charges as applicable.

Timing of Revenue recognition			
Over a period of time	186.21	232.14	131.58
At a point in Time	119.65	119.62	87.17
Geographical markets			
In India	305.86	351.76	218.75
Outside India	-	-	-
Contract Balances			
Opening balance of contract liabilities	-	-	-
Closing balance of contract liabilities	-	-	-
Opening balance of contract assets	1.77	6.48	-
Closing balance of Contract assets	12.51	1.77	6.48

23 Finance costs

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on Financial liabilities measured at amortised cost			
- Debt Securities	626.63	761.29	531.36
- Borrowings (Other than Debt Securities)	1,431.51	1,073.29	625.18
- Others	7.20	10.91	5.64
	2,065.34	**1,845.49**	**1,162.18**

24 Employee benefits expense

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Bonus and Commission	643.94	570.58	434.16
Share based payments to employees (Refer Note 39)	0.46	1.92	4.01
Contributions to provident and other funds (Refer Note 31.1)	49.35	43.58	28.31
Gratuity expense (Refer Note 31.2)	3.05	2.39	1.92
Staff welfare expenses	17.03	29.58	12.78
	713.83	**648.05**	**481.18**

25 Impairment on Financial Instruments

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected Credit Loss Expense			
- On terms loans measured at amortised cost	58.63	34.22	11.72
- On undrawn commitment at amortised cost	(0.45)	0.10	0.01
	58.18	**34.32**	**11.73**

26 Other expenses

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent expense	-	7.28	1.48
Repairs and maintenance			
- Computers	2.85	2.26	1.24
- Others	0.52	0.37	0.59
Insurance	0.89	0.72	0.99
Information Technology expenses	6.17	5.31	4.02
Rates and taxes	32.47	32.44	24.93
Communication Expenses	14.06	11.95	11.12
Travelling and conveyance	26.72	30.51	23.50
Office expenses	36.90	32.79	28.65
Printing and stationery	6.42	7.19	6.37
Commission to Directors	5.88	2.85	2.40
Sitting fees to non-whole time directors	1.16	0.97	0.93
Rating Fee	8.07	9.19	6.29
Electricity Charges	3.35	3.39	2.75
Bank charges	3.44	2.31	1.04
Business promotion	0.98	1.51	1.98
Legal and professional	16.27	14.30	9.14
Remuneration to auditors (Refer Note 26.1.1 and 26.1.2 below)	4.59	3.66	3.29
Corporate Social Responsibility Expenditure (Refer Note 36)	33.85	6.97	1.18
Miscellaneous expenses	2.72	2.41	1.67
	207.31	**178.38**	**133.56**
26.1.1 Details of Holding Company Auditor's fees and expenses			
(i) As Auditors:			
Statutory Audit fee	2.20	2.20	1.90
Tax Audit fee	0.10	0.10	0.10
Limited Review fee	0.60	0.60	0.25
Others	1.26	0.35	0.61
Reimbursement of expenses	0.03	0.02	0.05
	4.19	**3.27**	**2.91**

Note: Excludes remuneration to auditors for services in connection with proposed initial public offer of equity shares of the Holding Company, which is included in other advances (Refer Note 12).

26.1.2 Details of Subsidiary Auditor's fees and expenses

As auditors:

Statutory Audit fee (including regulatory certificates)	0.30	0.30	0.30
Tax Audit fee	0.07	0.08	0.08
Reimbursement of expenses	0.03	0.01	0.00
	0.40	**0.39**	**0.38**

27 Income tax expense

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	826.67	601.54	370.71
Tax relating to previous years	(2.87)	5.89	(1.12)
Deferred tax charge / (credit)	(42.33)	(244.65)	42.64
	781.47	**362.78**	**412.23**

Note	Particulars

27.1 Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:

Rs. in million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(A) Profit before tax	3,450.91	2,472.90	**1,527.06**
(B) Enacted tax rates in India (including surcharge and cess)	25.17%	25.17%	29.12%
(C) Income tax on profit before tax based on the enacted rate	868.53	622.38	444.68
(D) Other than temporary differences			
- Effect of change in tax rate	-	(15.98)	(12.76)
- Effect of income that is exempt from taxation	-	(4.09)	(12.37)
- Effect of inadmissible expenses	15.48	4.52	2.94
- Effect of admissible deductions	(99.67)	(70.30)	(9.14)
- Effect of reversal of opening balance of deferred tax liability on Special Reserve created u/s 36(1)(viii) of Income-tax, Act, 1961	-	(179.64)	-
(E) Income tax expense recognised in Profit and Loss	**784.34**	**356.89**	**413.35**

The income tax rate used for the above reconciliations are the corporate tax rate payable by the Group in India on taxable profits under the Income-tax Act, 1961.

27.2 The entities in the Group have 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 September 20, 2019. Accordingly, the Group has recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said section and re-measured its opening balance of deferred tax liabilities ("DTL") (net) as at April 1, 2019 and has reversed DTL of Rs. 15.98 million to the statement of profit and loss.

27.3 During the year ended March 31, 2020, the Holding Company has reversed deferred tax liabilities of Rs. 179.64 million created in earlier years, on Special Reserve created under section 36(1)(viii) of the Income Tax Act, on the basis of a resolution of the Board of Directors of the Holding Company that there is no intention to make withdrawals from such Special Reserve.

28.1 Contingent liabilites as per Ind AS 37

i) Matters wherein management has concluded the Group’s liability to be probable have accordingly been provided for in the books. Also refer note 17.

ii) Matters wherein management has concluded the Group’s liability to be possible have accordingly been disclosed under Note 28.2 Contingent liabilities below.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Group’s liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

28.2 Contingent Liabilities

Rs. in million

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Corporate undertakings for securitisation of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. (Refer note (i) below)	5.55	30.25	1.87

Note:

(i) In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Group's financial condition.

29 Dues to Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) during the years ended March 31, 2021, March 31, 2020, March 31, 2019. This has been relied upon by the Auditors.

30 Commitments

Rs. in million

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Loans sanctioned to Borrowers pending disbursement	1,598.76	1,611.13	818.98
	1,598.76	**1,611.13**	**818.98**

Note	Particulars

Disclosures under Accounting Standards

31 **Employee benefit plans**

31.1 **Defined contribution plans**

The Group makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs. 37.05 million for the year ended March 31, 2021 (March 31, 2020 - Rs. 30.62 million ; March 31, 2019 - Rs. 16.24 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Group are at rates specified in the rules of the scheme.

31.2 **Defined benefit plans**

The Group provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Group. The Group does not have a funded gratuity scheme for its employees.

The Group is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary escalation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity provision has been made based on the actuarial valuation done as at the year end using the Projected Unit Credit method. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Change in defined benefit obligations during the year			
Present value of obligation as at beginning of the year	**12.66**	**9.49**	**7.72**
Current service cost	2.40	1.78	1.41
Past service cost - vested benefits	-	-	-
Interest cost	0.65	0.61	0.51
Benefits paid	(0.79)	(0.76)	(0.63)
Actuarial (gains) / losses	1.50	1.53	0.49
Present value of obligation at end of the year	**16.42**	**12.66**	**9.49**
Change in Fair value of assets during the year			
Plan Assets at the beginning of the year	-	-	-
Expected Return on Plan Assets	-	-	-
Actual Company Contributions	-	-	-
Actuarial (gains) / losses	-	-	-
Plan Assets at the end of the year	**-**	**-**	**-**
Liability recognized in the Balance Sheet			
Present value of obligation	16.42	12.66	9.49
Fair value of Plan Assets	-	-	-
Net Liability recognized in the Balance Sheet	**16.42**	**12.66**	**9.49**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses Recognised in the Statement of Profit and Loss:			
Current service cost	2.40	1.78	1.41
Past service cost	-	-	-
Net Interest on Net Defined Benefit Obligations	0.65	0.61	0.51
Expenses recognized in the statement of profit and loss	**3.05**	**2.39**	**1.92**
Amount Recognized for the current period in the Statement of Other Comprehensive Income [OCI]			
Actuarial (gain)/loss on Plan Obligations	1.50	1.53	0.49
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-	-
Amount recognized in OCI for the current year	**1.50**	**1.53**	**0.49**
Actual return on plan assets	**-**	**-**	**-**

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Discount Rate	4.79%	5.28%	6.67%
Future Salary Increase	5.00%	5.00%	5.00%
Attrition rate	8% to 46%	8% to 46%	8% to 46%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

Note	Particulars

Notes:

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

	As at March 31, 2021		As at March 31, 2020	
Defined Benefit Obligation	**Discount rate**	**Salary increase rate**	**Discount rate**	**Salary increase rate**
Impact of decrease	0.32	(0.32)	0.25	(0.25)
Impact of increase	(0.30)	0.34	(0.24)	0.26

	As at March 31, 2019	
Defined Benefit Obligation	**Discount rate**	**Salary increase rate**
Impact of decrease	0.17	(0.17)
Impact of increase	(0.16)	0.18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of-the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Average Duration of Defined Benefit Obligations (in years)	4.60	4.40	4.10
Projected undiscounted expected benefit outgo (mid year cash flows) (in Rs. Millions)			
Year 1	4.17	3.66	3.27
Year 2	2.32	1.62	1.29
Year 3	2.42	1.64	1.21
Year 4	2.16	1.57	1.13
Year 5	1.61	1.37	1.00
Year 6 to 10	5.69	4.55	3.43
Expected Benefit Payments for the next annual reporting period (Rs. In millions)	4.17	3.66	3.27

31.3 **Leave encashment**

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Discount Rate	4.79%	5.28%	6.67%
Future Salary Increase	5.00%	5.00%	5.00%

31.4 The Code of Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

32 **Segment Reporting:**

The Chairman and Managing Director of the Group takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be CODM.

The Group operates under the principal business segment viz. "providing long term housing finance, loans against property and refinance loans". CODM views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. The Group's operations are confined to India.

Note	Particulars

33 Related party transactions

33.1 Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
	Mr. Shailesh J Mehta, Non-executive Director
	Mr. K M Mohandass, Independent Director
	Mr. S Krishnamurthy, Independent Director
	Mr. Krishnamurthy Vijayan, Independent Director
	Mr. K P Balaraj, Nominee Director
	Mr. Suman Bollina, Non-executive Director
	Mr. Sumir Chadha, Nominee Director (from November 05, 2019)
	Ms. Mona Kachhwaha, Non-executive Director (up to February 28, 2019, reappointed from May 30, 2020)
	Mr. V G Kannan, Independent Director (from March 09, 2021)
	Mr. P Balaji, Chief Financial Officer
	Mr. Sanin Panicker, Company Secretary (from August 11, 2020)
	Ms. Jyoti Suresh Munot, Company Secretary (from Feruary 01, 2019 up to August 10, 2020)
	Ms. C Payal, Company Secretary (up to January 31, 2019)
Individuals having Significant Influence	Mr. M Anandan, Chairman & Managing Director
Entities having Significant Influence	Westbridge Cross Over Fund LLC
Wholly owned Subsidiary	Aptus Finance India Private Limited

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

33.2 Details of related party transactions for the year **Rs. in million**

Transactions during the year	Names of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration *	Mr. M Anandan			
	- Salary	40.02	35.04	24.38
	- Commission	20.00	15.00	10.00
	- Others	0.09	0.27	0.25
Director commission and sitting fee	Mr. Shailesh J Mehta			
	- Commission	0.75	0.45	0.40
	- Sitting fee	0.12	0.10	0.09
Director commission and sitting fee	Mr. K M Mohandass			
	- Commission	1.15	0.65	0.40
	- Sitting fee	0.38	0.28	0.31
Director commission and sitting fee	Mr. S Krishnamurthy			
	- Commission	1.15	0.65	0.40
	- Sitting fee	0.38	0.33	0.29
Director commission and sitting fee	Mr. Krishnamurthy Vijayan			
	- Commission	0.75	0.45	0.40
	- Sitting fee	0.10	0.16	0.15
Director commission and sitting fee	Mr. Suman Bollina			
	- Commission	1.15	0.65	0.40
	- Sitting fee	0.11	0.10	0.10
Director commission and sitting fee	Ms. Mona Kachhwaha			
	- Commission	0.75	-	0.40
	- Sitting fee	0.05	-	-
Director commission and sitting fee	Mr. V G Kannan			
	- Commission	0.05	-	-
	- Sitting fee	-	-	-

Note	Particulars

Rs. in million

Transactions during the year	Names of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration *	Mr. P Balaji			
	- Salary	9.58	8.87	7.63
	- ESOP expense	-	-	0.44
Remuneration *	Mr. Sanin Panicker			
	- Salary	0.91	-	-
Remuneration *	Ms. Jyoti Suresh Munot			
	- Salary	0.06	0.16	0.03
Remuneration *	Ms. C Payal			
	- Salary	-	-	0.14
Rent paid	Mr. M Anandan	0.76	0.73	0.69
Proceeds from issue of partly paid-up shares	Mr. M Anandan	-	1.50	-
Balances as at year end	**Names of related parties**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Personal guarantee given for Borrowings taken by the Holding Company as at year end	Mr. M Anandan	929.55	1,127.48	1,454.61

* As the future liabilities of gratuity and leave encashment are determined on actuarial basis for the entities of the Group, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

33.3 Discloure based on the requirements Of Securities And Exchange Board Of India (Issue of Capital And Disclosure Requirements) Regulations, 2018:

Rs. in million

Transactions during the year	Names of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Support cost recovered from subsidiary	Aptus Finance India Private Limited	102.50	100.80	45.58
Investment during the year #	Aptus Finance India Private Limited	5.26	613.83	651.85
Loans given to subsidiary	Aptus Finance India Private Limited	900.00	595.00	820.00
Loans repaid by subsidiary	Aptus Finance India Private Limited	1,230.00	740.00	165.00
Interest Income on Loan to Subsidiary	Aptus Finance India Private Limited	50.46	75.25	19.35
Commission on Financial Guarantee	Aptus Finance India Private Limited	3.82	2.69	0.67
Balances as at year end	**Names of related parties**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Loans outstanding with subsidiary	Aptus Finance India Private Limited	180.00	510.00	655.00
Interest accrued but not due on Loan with subsidiary	Aptus Finance India Private Limited	-	-	13.66
Investment#	Aptus Finance India Private Limited	1,519.08	1,513.83	902.69
Corporate guarantee given for Borrowings taken by the Subsidiary	Aptus Finance India Private Limited	2,167.54	1,473.10	479.42

\# Includes Investment in subsidiary arising out of financial guarantee obligations.

Note:
The transactions and balances with the subsidiary provided above have been eliminated on consolidation.

Note	Particulars

34 Financial Instruments

34.1 Capital management

The Group actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of the Group. There has been no change in objectives, policies or processes for managing capital.

The Holding Company is subject to the capital adequacy requirements of the National Housing Bank ('NHB') / Reserve Bank of India ('RBI'). As per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, the Holding Company is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Holding Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB/RBI.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

Below is the Capital Risk Adequacy Ratio maintained and calculated as per NHB / RBI guidelines in the respective year by the Holding Company and as per regulatory return filed with NHB in the respective year.

Rs. in million

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Tier I Capital	18,613.84	16,197.70	5,951.92
Tier II Capital	(37.62)	48.42	59.72
Total Capital	**18,576.22**	**16,246.12**	**6,011.64**
Risk Weighted assets	**25,228.10**	**19,693.73**	**13,774.97**
Capital Adequacy Ratio	**73.63%**	**82.49%**	**43.64%**
Tier I Capital (%)	73.78%	82.25%	43.21%
Tier II Capital (%)	-0.15%	0.25%	0.43%

34.2 Categories of Financial Instruments **Rs. in million**

	As at March 31, 2021 Measured at			As at March 31, 2020 Measured at		
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**
Financial assets						
Cash and cash equivalents	-	-	4,227.40	-	-	4,840.34
Bank Balance other than cash and cash equivalents	-	-	150.60	-	-	1,186.42
Loans	-	-	39,898.00	-	-	31,170.89
Investments	527.52	-	-	-	-	-
Other Financial assets	-	-	116.22	-	-	26.77
Total Financial Assets	**527.52**	**-**	**44,392.22**	**-**	**-**	**37,224.42**
Financial liabilities						
Trade Payables	-	-	18.81	-	-	6.85
Debt Securities	-	-	4,301.84	-	-	6,445.50
Borrowings (Other than Debt Securities)	-	-	20,777.91	-	-	13,704.32
Lease Liabilities	-	-	70.91	-	-	66.63
Other Financial Liabilities	-	-	133.47	-	-	52.42
Total Financial liabilities	**-**	**-**	**25,302.94**	**-**	**-**	**20,275.72**

	As at March 31, 2019 Measured at		
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**
Financial assets			
Cash and cash equivalents	-	-	1,068.53
Bank Balance other than cash and cash equivalents	-	-	40.70
Loans	-	-	22,002.46
Investments	-	-	-
Other Financial assets	-	-	31.01
Total Financial Assets	**-**	**-**	**23,142.70**
Financial liabilities			
Trade Payables	-	-	8.20
Debt Securities	-	-	7,013.85
Borrowings (Other than Debt Securities)	-	-	8,983.05
Lease Liabilities	-	-	63.72
Other Financial Liabilities	-	-	52.43
Total Financial liabilities	**-**	**-**	**16,121.25**

Note	Particulars

34.3 Fair Value Measurements

Fair Value hierarchy

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 value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Fair Value of financial instruments recognised and measured at fair value — **Rs. in million**

Particulars	As at March 31, 2021 Level 1	Level 2	Level 3	Total	As at March 31, 2020 Level 1	Level 2	Level 3	Total
Financial assets								
Investments	527.52	-	-	527.52	-	-	-	-

Rs. in million

Particulars	As at March 31, 2019 Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	-	-

(b) Fair value of financial instruments not measured at fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 3 except for cash and cash equivalents and bank balances other than cash and cash equivalents which have been classified as Level 1.

Loans

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Group uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Group then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including counterparty credit risk.

Debt securities & Borrowings other than debt securities

The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

Rs. in million

Particulars	As at March 31, 2021 Carrying Value	Fair Value hierarchy Level 1	Level 2	Level 3	Total	As at March 31, 2020 Carrying Value	Fair Value hierarchy Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	4,227.40	4,227.40	-	-	4,227.40	4,840.34	4,840.34	-	-	4,840.34
Bank Balance other than cash and cash equivalents	150.60	150.60	-	-	150.60	1,186.42	1,186.42	-	-	1,186.42
Loans	39,898.00	-	-	40,729.59	40,729.59	31,170.89	-	-	31,766.94	31,766.94
Investments	527.52	527.52	-	-	527.52	-	-	-	-	-
Other Financial assets	116.22	-	-	116.22	116.22	26.77	-	-	26.77	26.77
Total Financial Assets	**44,919.74**	**4,905.52**	**-**	**40,845.81**	**45,751.33**	**37,224.42**	**6,026.76**	**-**	**31,793.71**	**37,820.47**
Financial liabilities										
Trade Payables	18.81	-	-	18.81	18.81	6.85	-	-	6.85	6.85
Debt Securities	4,301.84	-	-	4,273.55	4,273.55	6,445.50	-	-	6,384.96	6,384.96
Borrowings (Other than Debt Securities)	20,777.91	-	-	21,471.14	21,471.14	13,704.32	-	-	13,956.19	13,956.19
Lease Liabilities	70.91	-	-	70.91	70.91	66.63	-	-	66.63	66.63
Other financial liabilities	133.47	-	-	133.47	133.47	52.42	-	-	52.42	52.42
Total Financial Liabilities	**25,302.94**	**-**	**-**	**25,967.88**	**25,967.88**	**20,275.72**	**-**	**-**	**20,467.05**	**20,467.05**

Rs. in million

Particulars	As at March 31, 2019 Carrying Value	Fair Value hierarchy Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	1,068.53	1,068.53	-	-	1,068.53
Bank Balance other than cash and cash equivalents	40.70	40.70	-	-	40.70
Loans	22,002.46	-	-	22,278.75	22,278.75
Investments	-	-	-	-	-
Other Financial assets	31.01	-	-	31.01	31.01
Total Financial Assets	**23,142.70**	**1,109.23**	**-**	**22,309.76**	**23,418.99**
Financial liabilities					
Trade Payables	8.20	-	-	8.20	8.20
Debt Securities	7,013.85	-	-	7,041.18	7,041.18
Borrowings (Other than Debt Securities)	8,983.05	-	-	8,958.57	8,958.57
Lease Liabilities	63.72	-	-	63.72	63.72
Other financial liabilities	52.43	-	-	52.43	52.43
Total Financial Liabilities	**16,121.25**	**-**	**-**	**16,124.10**	**16,124.10**

Note	Particulars

34.4 **Market risk management**

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with the regulatory requirements, the Group has in place a Board approved Market Risk Management and Asset Liability Management ("ALM") policy in place. The Policy provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

34.5 **Interest rate risk management**

Interest rate risk is managed through ALM policy framed by the Group. The ALM policy is administered through the ALCO (Asset Liability Management Committee) which monitors the following on a monthly basis:

- Borrowing cost of the Group as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

Rs. in million

Sensitivity analysis as at March 31, 2021	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	39,898.00	40,729.59	40,059.02	41,423.71
Debt Securities	4,301.84	4,273.55	4,224.08	4,323.79
Borrowings (Other than Debt Securities)	20,777.91	21,471.14	21,279.38	21,828.78

Rs. in million

Sensitivity analysis as at March 31, 2020	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	31,170.89	31,766.94	31,510.56	32,112.63
Debt Securities	6,445.50	6,384.96	6,268.40	6,504.23
Borrowings (Other than Debt Securities)	13,704.32	13,956.19	13,784.22	14,082.82

Rs. in million

Sensitivity analysis as at March 31, 2019	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	22,002.46	22,278.75	21,894.91	22,674.48
Debt Securities	7,013.85	7,041.18	6,886.94	7,199.68
Borrowings (Other than Debt Securities)	8,983.05	8,958.57	8,850.05	9,069.32

Note	Particulars
34.6	**Credit risk** Credit risk in the Group arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Group and the Group's asset base comprises loans for affordable housing and loans against property. Credit Risk in the Group stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Group pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.
34.6.1	**Credit risk management** Credit risk in the Group is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Group's prime risk which is the default risk. There is a Credit Risk Management Committee in the Group for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required. There is a robust Credit Risk Management set-up in the Group at various levels. 1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management. 2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels. 3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks. 4. Credit risk monitoring for the Group is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.
34.6.2	**Significant increase in credit risk** The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Group has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Group: Staging Criterion Stage-1: 0 up to 30 days past due Stage-2: 31 up to 90 days past due Stage-3: 90 and above days past due Stage 2 follows the rebuttable presumption stated in Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due. The Group also considers other qualitative factors and repayment history and considers guidance issued by the Institute of Chartered accountants of India (ICAI) for staging of advances to which moratorium benefit has been extended under the COVID regulatory package issued by RBI and as approved by the Board.
34.6.3	**Measurement of ECL** The key inputs used for measuring ECL on term loans issued by the Group are: Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Group uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL. Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral. Exposure at default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including expected drawdowns on committed facilities. **Probability of Default** To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination. The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. March 2021 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Group has used Simple average to eliminate the bias that can be possible due to weighted average effect. **Loss Given Default** LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until March 2021. For each pool, recovery data was mapped to the subsequent months until March 2021 from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans. Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date. **Exposure at Default :** EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under: Stage 1 Assets: • [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)]. Stage 2 Assets: • [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)]. Stage 3 Assets: • [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)]. Credit Conversion Factor (CCF) for undrawn portion has been taken at 100% based on historical experience and other information available with the Group. The Group measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Note	Particulars

Credit Risk Concentrations

In order to manage concentration risk, the Group, considering the regulatory limits, focuses on maintaining a diversified portfolio across housing loans and loans against property. An analysis of the Group's credit risk concentrations is provided in the following tables which represent gross carrying amounts of each class.

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Loans (at amortised cost) - Gross amount			
Concentration by products			
Housing Loans	20,684.90	16,357.93	12,028.00
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	19,354.75	14,895.98	10,024.14
Total Advances	**40,039.65**	**31,253.91**	**22,052.14**

34.6.4 The tables below analyse the movement of the loss allowance during the year per class of assets.

Rs. in million

Loss allowance on Loans at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at March 31, 2021	43.31	22.44	75.90	141.65
Loss allowance as at March 31, 2020	9.34	9.28	64.39	83.01
Loss allowance as at March 31, 2019	24.62	0.94	24.12	49.68
Movement for the period ended March 31, 2021	33.97	13.16	11.51	58.64
Movement for the year ended March 31, 2020	(15.28)	8.34	40.27	33.33
Movement for the year ended March 31, 2019	8.38	0.48	2.83	11.69

The table below provides an analysis of the gross carrying amount of Loans by past due status.

Rs. in million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Loans				
0 up to 30 days	36,164.41	46.64	29,791.30	23.79
31 up to 90 days	3,601.73	17.92	1,034.12	3.97
90 days and above	273.51	77.09	428.48	55.25
Total	**40,039.65**	**141.65**	**31,253.90**	**83.01**

Rs. in million

Particulars	As at March 31, 2019	
	Gross carrying	Loss allowance
Loans		
0 up to 30 days	21,506.65	29.62
31 up to 90 days	442.62	1.60
90 days and above	102.87	18.46
Total	**22,052.14**	**49.68**

34.6.5 **Collateral held as security and other credit enhancements**

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Housing Loans	Mortgage of the immovable property
Loan Against Properties	Mortgage of the immovable property

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. The loans are secured by collateral at the time of origination. The value of the property at the time of origination will be arrived by obtaining two valuation reports from in-house valuers.

Immovable Property is the collateral for Housing and non-housing loans. Security Interest in favour of the Group is created by Mortgage through deposit of title deed which is registered wherever required by law.
The Group does not obtain any other form of credit enhancement other than the above. All the Group's term loans are secured by way of tangible Collateral.
Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

34.6.6 **Offsetting financial assets and financial liabilities**
The Group has not recognised any financial asset or liability on a net basis.

Note	Particulars

34.7 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

Exposure to liquidity risk

The Group manages and measures liquidity risk as per its ALM policy and the ALCO (Asset Liability Management Committee) is responsible for managing the liquidity risk. The Group not only measures its current liquidity position on an ongoing basis but also forecasts how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities.

34.7.1 Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

Rs. in million

As at March 31, 2021	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	4,072.42	155.74	-	-	-	-	-	-	-	-	4,228.16
Bank Balance other than cash and cash equivalents	-	-	-	-	9.93	25.80	77.34	78.95	-	-	192.02
Loans	807.10	767.60	767.32	2,300.47	4,593.73	18,165.11	17,348.52	14,820.92	14,504.57	6,726.16	80,801.50
Investments	527.52	-	-	-	-	-	-	-	-	-	527.52
Other Financial assets	89.66	-	-	-	-	26.41	-	-	-	0.15	116.22
Total (A)	**5,496.70**	**923.34**	**767.32**	**2,300.47**	**4,603.66**	**18,217.32**	**17,425.86**	**14,899.87**	**14,504.57**	**6,726.31**	**85,865.42**
Financial liabilities											
Trade Payables	18.81	-	-	-	-	-	-	-	-	-	18.81
Debt Securities	18.39	150.22	18.12	127.72	309.53	3,637.17	1,219.56	-	-	-	5,480.71
Borrowings (Other than Debt Securities)	331.96	271.19	565.36	1,745.59	3,215.57	10,092.17	6,436.80	2,393.45	1,382.69	-	26,434.78
Lease Liabilities	3.66	3.66	3.64	10.44	18.25	36.41	3.33	1.11	0.16	-	80.66
Other financial liabilities	133.47	-	-	-	-	-	-	-	-	-	133.47
Total (B)	**506.29**	**425.07**	**587.12**	**1,883.75**	**3,543.35**	**13,765.75**	**7,659.69**	**2,394.56**	**1,382.85**	**-**	**32,148.43**
Net Financial Assets / Liabilities (A-B)	**4,990.41**	**498.27**	**180.20**	**416.72**	**1,060.31**	**4,451.57**	**9,766.17**	**12,505.31**	**13,121.72**	**6,726.31**	**53,716.99**

Rs. in million

As on March 31, 2020	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	4,844.20	-	-	-	-	-	-	-	-	-	4,844.20
Bank Balance other than cash and cash equivalents	1,067.87	-	-	-	25.10	15.19	75.23	-	33.63	-	1,217.02
Loans	535.80	461.09	592.42	1,778.14	3,553.48	14,093.45	13,563.22	11,878.63	12,296.45	7,717.77	66,470.44
Other Financial assets	2.91	-	-	-	-	23.71	-	-	-	0.15	26.77
Total (A)	**6,450.78**	**461.09**	**592.42**	**1,778.14**	**3,578.58**	**14,132.34**	**13,638.45**	**11,878.63**	**12,330.08**	**7,717.92**	**72,558.43**
Financial liabilities											
Trade Payables	6.85	-	-	-	-	-	-	-	-	-	6.85
Debt Securities	36.51	169.21	36.22	141.71	380.47	1,487.51	3,065.61	4,211.55	-	-	9,528.79
Borrowings (Other than Debt Securities)	270.21	213.30	542.28	951.14	1,911.65	7,232.92	4,618.25	1,771.74	618.86	11.86	18,142.20
Lease Liabilities	3.31	3.31	3.31	10.49	20.60	57.98	10.07	2.00	0.55	-	111.61
Other financial liabilities	52.42	-	-	-	-	-	-	-	-	-	52.42
Total (B)	**369.29**	**385.82**	**581.81**	**1,103.34**	**2,312.71**	**8,778.41**	**7,693.93**	**5,985.30**	**619.41**	**11.86**	**27,841.87**
Net Financial Assets / Liabilities (A-B)	**6,081.49**	**75.28**	**10.61**	**674.79**	**1,265.87**	**5,353.93**	**5,944.53**	**5,893.33**	**11,710.66**	**7,706.07**	**44,716.56**

Note	Particulars

Rs. in million

As on March 31, 2019	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	1,068.53	-	-	-	-	-	-	-	-	-	1,068.53
Bank Balance other than cash and cash equivalents	0.15	-	-	-	14.44	27.43	-	-	-	-	42.02
Loans	451.88	408.68	408.61	1,225.62	2,452.02	9,751.10	9,405.47	8,262.02	8,913.18	6,399.35	47,677.93
Investments	-	-	-	-	-	-	-	-	-	-	-
Other Financial assets	8.76	-	-	-	-	22.10	-	-	-	0.15	31.01
Total (A)	**1,529.32**	**408.68**	**408.61**	**1,225.62**	**2,466.46**	**9,800.63**	**9,405.47**	**8,262.02**	**8,913.18**	**6,399.50**	**48,819.49**
Financial liabilities											
Trade payables	8.20	-	-	-	-	-	-	-	-	-	8.20
Debt Securities	41.10	123.76	41.10	126.03	352.13	1,403.03	2,352.42	6,776.48	-	-	11,216.05
Borrowings (Other than Debt Securities)	189.70	97.43	269.57	653.44	1,279.85	4,609.92	3,206.43	1,094.76	274.17	48.54	11,723.81
Lease Liabilities	2.75	2.80	2.93	8.90	18.96	77.08	29.93	3.33	1.27	-	147.95
Other financial liabilities	52.43	-	-	-	-	-	-	-	-	-	52.43
Total (B)	**294.18**	**223.99**	**313.60**	**788.37**	**1,650.94**	**6,090.03**	**5,588.78**	**7,874.57**	**275.44**	**48.54**	**23,148.44**
Net Financial Assets / Liabilities (A-B)	**1,235.14**	**184.69**	**95.01**	**437.25**	**815.52**	**3,710.60**	**3,816.69**	**387.45**	**8,637.74**	**6,350.96**	**25,671.05**

34.8 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Group recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Note	Particulars

35 Restated Earnings per share

Restated Basic EPS is calculated by dividing the restated profit for the year attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year after considering the adjustment mentioned in Note 44(i).

Restated Diluted EPS is calculated by dividing the restated profit attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares after considering the adjustment mentioned in Note 44(i).

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit After Tax (A)	2,669.44	2,110.12	1,114.83
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Basic (B)	**48,00,06,701**	**44,22,54,910**	**39,38,84,075**
Add: Effect of dilutive potential equity shares			
- Employee stock options	9,62,830	26,06,252	9,33,564
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Diluted (C)	**48,09,69,531**	**44,48,61,162**	**39,48,17,639**
Restated Earnings Per Share - Basic (Rs.) (A/B)	**5.56**	**4.77**	**2.83**
Restated Earnings Per Share - Diluted (Rs.) (A/C)	**5.55**	**4.74**	**2.82**

36 Corporate Social Responsibility expenditure:

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent during the year	33.85	21.04	12.50
(b) Amount spent during the year			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	11.66	6.97	1.18
Excess / (Shortfall) (A-B)*	(22.19)	(14.07)	(11.32)

* The Group has provided for the shortfall in CSR expenditure as at March 31, 2021.
(i) None of the CSR projects undertaken by the Group falls under the definition of "On-going Projects".
(ii) There is no amount required to be contributed to specified fund u/s 135 (6) by the Group.

37 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

The Group has Securitised certain loans, however the Group has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of transferred assets measured at amortised cost	1,875.94	1,087.90	739.81
Carrying amount of associated liabilities measured at amortised cost	1,516.68	908.11	663.46
Fair value of assets	1,879.82	1,096.44	749.29
Fair value of associated liabilities	1,516.68	908.11	663.46
Net position at Fair Value	363.14	188.33	85.82

Aptus Value Housing Finance India Limited
Annexure 6 - Consolidated summary statement of notes and other explanatory information forming part of restated consolidated summary statements

Note	Particulars
38	Maturity analysis of assets and liabilities

Rs. in million

Assets	As at March 31, 2021 Within 12 months	As at March 31, 2021 After 12 months	As at March 31, 2021 Total	As at March 31, 2020 Within 12 months	As at March 31, 2020 After 12 months	As at March 31, 2020 Total
Financial Assets						
Cash and cash equivalents	4,227.40	-	4,227.40	4,840.34	-	4,840.34
Bank Balance other than cash and cash equivalents	9.37	141.23	150.60	1,092.92	93.50	1,186.42
Loans	2,783.88	37,114.12	39,898.00	1,796.89	29,374.00	31,170.89
Investments	527.52	-	527.52	-	-	-
Other Financial assets	89.66	26.56	116.22	2.91	23.86	26.77
Non-financial Assets						
Deferred tax assets (Net)	-	169.93	169.93	-	127.23	127.23
Property, plant and equipment	-	24.82	24.82	-	32.68	32.68
Intangible assets	-	2.68	2.68	-	3.66	3.66
Right-of-use assets	-	68.06	68.06	-	64.76	64.76
Other non-financial assets	16.42	-	16.42	14.49	-	14.49
TOTAL ASSETS	**7,654.25**	**37,547.40**	**45,201.65**	**7,747.55**	**29,719.69**	**37,467.24**
LIABILITIES						
Financial Liabilities						
Trade Payables	18.81	-	18.81	6.85	-	6.85
Debt Securities	289.93	4,011.91	4,301.84	125.00	6,320.50	6,445.50
Borrowings (Other than Debt Securities)	4,410.46	16,367.45	20,777.91	2,526.37	11,177.95	13,704.32
Lease Liabilities	33.03	37.88	70.91	28.86	37.77	66.63
Other financial liabilities	133.47	-	133.47	52.42	-	52.42
Non-Financial Liabilities						
Current tax liabilities (Net)	44.49	-	44.49	58.35	-	58.35
Provisions	-	33.01	33.01	-	25.24	25.24
Other non-financial liabilities	26.67	-	26.67	17.80	-	17.80
TOTAL LIABILITIES	**4,956.86**	**20,450.25**	**25,407.11**	**2,815.65**	**17,561.46**	**20,377.11**
NET ASSETS / (LIABILITIES)	**2,697.39**	**17,097.15**	**19,794.54**	**4,931.90**	**12,158.23**	**17,090.13**

Maturity analysis of assets and liabilities

Rs. in million

Assets	As at March 31, 2019 Within 12 months	As at March 31, 2019 After 12 months	As at March 31, 2019 Total
Financial Assets			
Cash and cash equivalents	1,068.53	-	1,068.53
Bank Balance other than cash and cash equivalents	4.15	36.55	40.70
Loans	1,208.02	20,794.44	22,002.46
Investments	-	-	-
Other Financial assets	8.76	22.25	31.01
Non-financial Assets			
Current tax assets (Net)	-	8.33	8.33
Deferred tax assets (Net)	-	11.53	11.53
Property, plant and equipment	-	31.99	31.99
Intangible assets	-	8.13	8.13
Right-of-use assets	-	60.81	60.81
Other non-financial assets	13.38	-	13.38
TOTAL ASSETS	**2,302.84**	**20,974.03**	**23,276.87**
LIABILITIES			
Financial Liabilities			
Trade Payables	8.20	-	8.20
Debt Securities	-	7,013.85	7,013.85
Borrowings (Other than Debt Securities)	1,632.33	7,350.72	8,983.05
Lease Liabilities	23.91	39.81	63.72
Other financial liabilities	52.43	-	52.43
Non-Financial Liabilities			
Current tax liabilities (Net)	9.75	-	9.75
Provisions	-	18.03	18.03
Deferred tax liabilities (Net)	-	128.62	128.62
Other non-financial liabilities	15.47	-	15.47
TOTAL LIABILITIES	**1,742.09**	**14,551.03**	**16,293.12**
NET ASSETS / (LIABILITIES)	**560.75**	**6,423.00**	**6,983.75**

Note	Particulars

39 **Share-based payments**

Employee share option plan

39.1 **Details of the employee share option plan**

(a) In the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 1,800,000 options under ESOP 2015.
The scheme allows the issue of options to employees of the Group. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

(b) **Employee stock options details as on the balance sheet date:**

Particulars	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015
Date of Grant	August 07, 2015	May 17, 2017
Date of Board approval	August 07, 2015	May 17, 2017
Date of shareholders approval	August 07, 2015	August 07, 2015
Number of options granted	15,00,000	1,50,000
Method of settlement	Equity	Equity
Vesting period	31.03.2016 to 31.03.2019	31.03.2018 to 31.03.2021
Manner of vesting	In a graded manner over a 4 year period with 25% of the grants vesting in each year	
Exercise price per option	75.00	130.00
Price of Underlying share at the time of the Option Grant	56.26	111.02

(c) **Movement in share options during the year are as follows:**

Particulars	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
Options outstanding as at April 1, 2018	11,25,000	1,50,000	12,75,000
Add: Options granted during the year	-	-	-
Less: Options forfeited/lapsed during the year	(2,500)	-	(2,500)
Less: Options exercised during the year	(2,12,500)	-	(2,12,500)
Options outstanding as at March 31, 2019	**9,10,000**	**1,50,000**	**10,60,000**
Add: Options granted during the year	-	-	-
Less: Options forfeited/lapsed during the year	-	-	-
Less: Options exercised during the year	(3,35,000)	(37,500)	(3,72,500)
Options outstanding as at March 31, 2020	**5,75,000**	**1,12,500**	**6,87,500**
Add: Options granted during the year	-	-	-
Less: Options forfeited/lapsed during the year	-	-	-
Less: Options exercised during the year	(3,45,000)	(75,000)	(4,20,000)
Options outstanding as at March 31, 2021	**2,30,000**	**37,500**	**2,67,500**

39.2 **Fair value of share options granted**

During the year ended March 31, 2018, 150,000 shares were granted under the ESOP 2015. The fair value of options have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant	
	August 07, 2015	May 17, 2017
Risk Free Interest Rate	8.04% to 8.26%	7.21% to 7.73%
Expected Life (in years)	2.65 to 5.65	3 to 6
Expected Annual Volatility of Shares	43.15%	35.99%
Expected Dividend Yield	0%	0%
Price of Underlying share at the time of the Option Grant	56.26	111.02
Fair Value of the Option (Rs.)		
1st Stage	13.61	29.67
2nd Stage	17.21	36.87
3rd Stage	20.60	43.37
4th Stage	23.64	49.29

39.3 **Expense arising from share based payment transaction recognized in profit or loss statement as employee benefit expense are as follows:**

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee benefit expense	0.46	1.92	4.01

Note	Particulars
40	**Disclosure pursuant to RBI notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards**

RBI has issued Notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 in respect of recognition of impairment on financial instruments starting from financial year 2020-21 for Housing Finance Companies and from financial year 2019-20 for Non-Banking Finance Companies. The Group has complied with the requirements of Ind AS and the guidelines and policies approved by the Board in this regard.

Any shortfall in ECL provision compared to the requirements as per IRAC norms are apportioned by the Group to Impairment Reserve at reporting periods. Such balance can be utilised / withdrawn by the Group only with prior permission of the Reserve Bank of India as per the said Circular. The shortfall in ECL provision compared to IRACP requirement as at March 31, 2021 is Rs. 45.31 million. The balance in the impairment reserve as at March 31, 2021 is Rs. 76.20 million (Refer Note 20.1 and Note 20.2.5).

As at March 31, 2021 **Rs. in million**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	35,761.97	43.31	35,718.66	120.69	(77.38)
	Stage 2	4,001.48	22.44	3,979.04	14.00	8.44
	Stage 3	-	-	-	-	-
Subtotal		**39,763.45**	**65.75**	**39,697.70**	**134.69**	**(68.94)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	175.34	14.17	161.17	24.19	(10.02)
Doubtful - up to 1 year	Stage 3	70.18	30.58	39.60	15.40	15.18
1 to 3 years	Stage 3	29.37	29.63	(0.26)	11.85	17.78
More than 3 years	Stage 3	1.31	1.52	(0.21)	1.52	-
Subtotal for doubtful		**276.20**	**75.90**	**200.30**	**52.96**	**22.94**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**276.20**	**75.90**	**200.30**	**52.96**	**22.94**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,027.03	0.57	1,026.46	-	0.57
	Stage 2	7.87	0.09	7.78	-	0.09
	Stage 3	0.40	0.03	0.37	-	0.03
Subtotal		**1,035.30**	**0.69**	**1,034.61**	**-**	**0.69**
Total	Stage 1	36,789.00	43.88	36,745.12	120.69	(76.81)
	Stage 2	4,009.35	22.53	3,986.82	14.00	8.53
	Stage 3	276.60	75.93	200.67	52.96	22.97
	Total	**41,074.95**	**142.34**	**40,932.61**	**187.65**	**(45.31)**

Note	Particulars

41 Change in liabilities arising from financing activities

Rs. in million

	01-Apr-20	Cash flows	Other *	31-Mar-21
Debt Securities	6,445.50	(2,166.67)	23.01	4,301.84
Borrowings (Other than Debt Securities)	13,704.32	7,121.63	(48.04)	20,777.91
Lease Liabilities	66.63	(41.47)	45.75	70.91
Total liabilities from financing activities	**20,216.45**	**4,913.49**	**20.72**	**25,150.66**

	01-Apr-19	Cash flows	Other *	31-Mar-20
Debt Securities	7,013.85	(593.75)	25.40	6,445.50
Borrowings (Other than Debt Securities)	8,983.05	4,721.71	(0.44)	13,704.32
Lease Liabilities	63.72	(32.54)	35.45	66.63
Total liabilities from financing activities	**16,060.62**	**4,095.42**	**60.41**	**20,216.45**

Rs. in million

	01-Apr-18	Cash flows	Other *	31-Mar-19
Debt Securities	3,021.02	4,010.00	(17.17)	7,013.85
Borrowings (Other than Debt Securities)	5,395.78	3,633.10	(45.83)	8,983.05
Lease Liabilities	46.07	(28.88)	46.53	63.72
Total liabilities from financing activities	**8,462.87**	**7,614.21**	**(16.47)**	**16,060.62**

* Other column includes the effect of interest accrued but not paid on borrowing, amortisation of processing fees, recognition of liabilites on account of new lease etc.

42 Leases

The Group has lease contracts for buildings used for the branches. Leases of such assets generally have lease terms between 3 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases for buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

Movement of Lease Liability (Refer Note 1.1 of Annexure 5) Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	66.63	63.72	46.07
Add: Ind AS 116 transition adjustment / Additions during the year	38.55	26.42	40.89
Add / Less: Accretion of Interest	7.20	9.01	5.65
Less: Payments during the year	(41.47)	(32.52)	(28.89)
Closing Balance	**70.91**	**66.63**	**63.72**
Current	34.91	27.78	23.91
Non Current	36.00	38.85	39.81

The incremental borrowing rate for lease liabilities is 10% p.a.

The maturity analysis of lease liabilities are disclosed in Note 34.7.1.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2017 compared to the lease liability as accounted as at April 01, 2017 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The following are the amounts recognised in the Statement of profit and loss:

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation expense on right-of-use assets	35.24	27.88	26.16
Interest expense on lease liabilities	7.20	9.01	5.65
Expense relating to short-term leases (included in other expenses)	-	7.28	1.48
Total	**42.44**	**44.17**	**33.29**

Rs. in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total cash outflow for leases	41.47	32.54	28.88

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Note	Particulars
43	Additional Information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Division III-Schedule III to the Companies Act, 2013.

As at March 31, 2021

Name of the entity	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (Rs. in million)	As a % of Consolidated Profit and loss	Amount (Rs. in million)	As a % of Consolidated other comprehensive income	Amount (Rs. in million)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in million)
Parent Company								
Aptus Value Housing Finance India Limited	87.90%	17,399.67	81.47%	2,174.72	100.00%	(1.12)	81.46%	2,173.59
Indian Subsidiary								
Aptus Finance India Private Limited	12.10%	2,394.87	18.53%	494.72	0.00%	-	18.54%	494.73
Total	**100%**	**19,794.54**	**100%**	**2,669.44**	**100%**	**(1.12)**	**100%**	**2,668.32**

As at March 31, 2020

Name of the entity	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (Rs. in million)	As a % of Consolidated Profit and loss	Amount (Rs. in million)	As a % of Consolidated other comprehensive income	Amount (Rs. in million)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in million)
Parent Company								
Aptus Value Housing Finance India Limited	88.88%	15,189.99	85.85%	1,811.49	100.00%	(1.14)	85.84%	1,810.35
Indian Subsidiary								
Aptus Finance India Private Limited	11.12%	1,900.14	14.15%	298.63	0.00%	-	14.16%	298.63
Total	**100%**	**17,090.13**	**100%**	**2,110.12**	**100%**	**(1.14)**	**100%**	**2,108.98**

As at March 31, 2019

Name of the entity	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (Rs. in million)	As a % of Consolidated Profit and loss	Amount (Rs. in million)	As a % of Consolidated other comprehensive income	Amount (Rs. in million)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in million)
Parent Company								
Aptus Value Housing Finance India Limited	85.73%	5,987.04	91.88%	1,024.36	100.00%	(0.35)	91.88%	1,024.01
Indian Subsidiary								
Aptus Finance India Private Limited	14.27%	996.71	8.12%	90.47	0.00%	-	8.12%	90.47
Total	**100%**	**6,983.75**	**100%**	**1,114.83**	**100%**	**(0.35)**	**100%**	**1,114.48**

Note	Particulars
44	**Events after reporting period**
	(i) The Board of Directors of the Holding Company in its meeting held on May 05, 2021 and shareholders in the Extraordinary General Meeting held on May 06, 2021 approved the sub-division of shares from Rs. 10 per share to Rs. 2 per share. The number of shares used for the calculation of earnings per share, and the earnings per share in Note 35 (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013. No other adjustments are made in the Restated Consolidated Summary Statements on account of the share split.
	(ii) The Board of Directors of the Holding Company in its meeting held on May 05, 2021 has made the first and final call of Rs. 525.03 per share on the 1,500,000 equity shares allotted to Mr. M Anandan. No adjustments are made in the Restated Consolidated Summary Statements for these calls made by the Company.
	(iii) The Board of Directors of the Holding Company in its meeting held on November 12, 2020 approved the Aptus Employee Stock Option Scheme, 2021 ("ESOS 2021") with such number of options which shall not exceed 10,000,000 options. The shareholders in the Extraordinary General Meeting held on May 06, 2021 approved the ESOS 2021 with such number of options which shall not exceed 10,000,000 options. No adjustments are made in the Restated Consolidated Summary Statements on account of this proposed new ESOP Scheme.
	(iv) Based on the approval of the Board of Directors of the Company in their meeting held on May 12, 2021, the Company has filed the draft red herring prospectus dated May 14, 2021 with the Securities and Exchange Board of India, pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended in connection with the initial public offering of equity shares of Rs. 2 each of the Company and offer for sale by the selling shareholders of the Company.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

sd/-

per **Aniruddh Sankaran**
Partner
Membership No: 211107

Place : Chennai
Date : July 26, 2021

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

sd/-

M Anandan
Chairman & Managing Director
DIN: 00033633

sd/-

K M Mohandass
Director
DIN: 00707839

sd/-

P Balaji
Chief Financial Officer

sd/-

Sanin Panicker
Company Secretary
Membership No.: A32834

Place : Chennai
Date : July 26, 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

	Particulars	As at / For the year ended March 31, 2021	As at / For the year ended March 31, 2020	As at / For the year ended March 31, 2019
A	Net worth (₹ in million)	19,794.54	17,090.13	6,983.75
B	Profit for the year (₹ in million)	2,669.44	2,110.12	1,114.83
C	For basic earnings per share			
	Weighted average number of equity shares outstanding during the year	480,006,701	442,254,910	393,884,075
D	For diluted earnings per share			
	Weighted average number of equity shares outstanding during the year	480,006,701	442,254,910	393,884,075
	Additional equity shares considered for dilutive EPS for ESOPs and Partly Paid Shares	962,830	2,606,252	933,564
	Weighted Average Number of Equity Shares - Diluted	480,969,531	444,861,162	394,817,639
E	Number of shares outstanding at the end of the year*	481,416,290	479,316,290	393,913,185
F	Restated basic earnings per share (₹)	5.56	4.77	2.83
G	Restated diluted earnings per share (₹)	5.55	4.74	2.82
H	Return on net worth (%)	13.49%	12.35%	15.96%
I	Net assets value per share			
	Based on existing outstanding number of shares	41.12	35.66	17.73
J	Profit for the year (₹in million)	2,669.44	2,110.12	1,114.83
	Add: Restated Income tax expense	781.47	362.78	412.23
	Add: Depreciation and amortisation expense (₹ in million)	56.85	58.06	55.44
	Add: Finance Costs (₹ in million)	2,065.34	1,845.49	1,162.18
	Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in million)	5,573.10	4,376.45	2,744.68

**Pursuant to a resolution of our Board passed in their meeting held on May 5, 2021 and a resolution of our Shareholders passed in their extraordinary general meeting held on May 6, 2021, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of face value ₹2 each*

Notes:

1. *The ratio has been computed as below:*

   Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Pursuant to our board resolution dated May 5, 2021, and shareholders' resolution dated May 6, 2021, equity shares of face value of ₹10 each of our Company were sub divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 96,283,258 equity shares of face value of ₹10 each was sub-divided into 481,416,290 equity shares of face value of ₹2 each. Sub-division of equity shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all years presented.

   Return on net worth (%) = Net profit after tax, as restated/ net worth as restated as at year end

   Net asset value per share (₹) = Net asset value per share (NAV) is computed as the total equity as of the last day of the relevaent year divided by the outstanding number of equity shares as of the last day of the relevant year, adjusted for capital changes.

2. *Diluted number of shares have changed during the years on account of issue, exercise and lapse of employee stock appreciation rights*
3. *Earnings per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015*
4. *The amounts disclosed above are derived from the Restated Consolidated Summary Statements*
5. *Net worth has been computed as an aggregate of equity share capital and other equity as of the last day of the relevant year*
6. *EBITDA is calculated as profit for the year plus income tax expense, depreciation and amortisation expense and finance costs*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company and its Material Subsidiary for Financial Years 2019, 2020 and 2021 ("**Audited Financial Statements**") are available on our website at www.aptusindia.com/investors.php. For this purpose, a Subsidiary has been considered 'material' if it contributes 10% or more to the turnover or net-worth or profits before tax in the annual consolidated audited financial statements of the respective financial year. The definitions of turnover, net-worth and profits before tax have the same meaning as ascribed to them in the Companies Act. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLMs 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 Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

Set out below is the aggregate absolute total (post inter company eliminations) of related party transactions as a percentage of total Revenue from Operations for the financial year ended March 31, 2021, March 31, 2019 and March 31, 2018 (as derived from the summary of related party transaction on page 20):

Related party transactions	**For the year ended March 31,**		
	2021	**2020**	**2019**
	(₹ in million)		
Remuneration	70.66	59.34	42.86
Director commission and sitting fee	6.89	3.82	3.34
Rent paid	0.76	0.73	0.69
Proceeds from issue of partly paid shares	-	1.50	-
Personal guarantee given for Borrowings taken by the Company as at year end	929.55	1,127.48	1,454.61
Aggregate absolute total (post inter company eliminations) (A)	1,007.86	1,192.87	1,501.50
Revenue from operations (B)	6,366.15	5,003.26	3,238.51
Aggregate absolute total (post inter company eliminations) % to revenue from operations	**15.83%**	**23.84%**	**46.36%**

For the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019, the Company's aggregate absolute total (post inter company eliminations) of its related parties were 15.83%, 23.84% and 46.36% of its Revenue from Operations, respectively.

Set out below are details of loans provided to our Subsidiary, Aptus Finance India Private Limited by our Company, as on March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars*	FY 2021	FY 2020	FY 2019
Loan amount (in ₹ million)	180.00	510.00	655.00
Original tenure (in years)	3.00	3.00	3.00
Interest rate (%)	9.75%	10.00% - 10.15%	10.15%

** There have been no defaults on the loans provided and no rescheduling has been done during any of the reporting years set out above.*

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the Financial Year 2021, Financial Year 2020, and Financial Year 2019, see "*Restated Consolidated Summary Statements – Note 33 – Related party transactions*" beginning on page 282.

FINANCIAL INDEBTEDNESS

Our Company is engaged in the business of providing housing loans and accordingly, has availed loans in the ordinary course of its business for the purposes of onward lending and working capital requirements.

Pursuant to a resolution passed by our Board in its meeting dated June 24, 2021 and subject to our shareholders' approval in the ensuing annual general meeting, our Board as well as the IPO Committee or any such committee which the Board may constitute/ authorise for this purpose is authorised to borrow from time to time, such sum or sums of money and for availing all kinds and types of loans, advances, debt facilities and credit facilities including issuance of debentures and other debt instruments (apart from temporary loans from the Company's bankers), up to a sum of ₹40,000 million outstanding at any point of time on account of principal for and on behalf of our Company, from its bankers, other banks, NBFCs, NHB, financial institutions, companies, firms, bodies corporate, co-operative banks, investment institutions and their subsidiaries, mutual funds, trusts, other body corporate or from any other person as may be permitted under applicable laws, whether secured or unsecured. Further, our Company may issue, from time to time, debentures/bonds and other debt instruments aggregating up to ₹15,000 million within the overall borrowing limit of ₹40,000 million.

The following table sets forth details of the aggregate outstanding borrowings of our Company as of July 10, 2021:

Category of borrowing*	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Debt securities		
Secured redeemable non-convertible debentures - at amortised cost**	4,507.00	4,203.43
Borrowings (other than debt securities)		
Term loans from scheduled banks	16,950.00	12,211.83
Term loans from other financial institutions (NHB)	9,971.30	8,619.08
Others***	2,563.71	1,851.13
Total	**33,992.01**	**26,885.47**

* *As certified by R P S V & Co., Chartered Accountants pursuant to their certificate dated August 2, 2021*

** *Our NCDs are listed on the BSE*

*** *Others include Working Capital Demand Loans, Securitization Loans and lease liability as on July 10, 2021*

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company and our Subsidiary that are currently listed on BSE:

ISIN	Scrip Code	Status	Number of Debenture Holders	Name of Debenture Trustee	Outstanding Amount as on March 31, 2021 *(in ₹ million)*	Maturity
Company						
INE852O07014	954484	Listed	One	Axis Trustee Services Limited	332	May 15, 2023
INE852O07022	955695	Listed	One	Axis Trustee Services Limited	332	May 15, 2023
INE852O07030	956379	Listed	One	Axis Trustee Services Limited	333	May 15, 2023
INE852O07071	957996	Listed	One	Axis Trustee Services Limited	500	June 20, 2025
INE852O07097	958171	Listed	Two	Axis Trustee Services Limited	1,250	August 20, 2025
Subsidiary						
INE04MH07026	959971	Listed	One	Axis Trustee Services Limited	208	September 7, 2023

The following table sets forth the details of corporate guarantees for borrowings by the subsidiary as at March 31, 2021:

Loan name	As at March 31, 2021 *(in ₹ million)*
HDFC Bank (August 2017)	15.00
HDFC Bank (July 2018)	50.00
HDFC Bank (September 2019)	31.25
HDFC Bank (October 2019)	31.91
HDFC Bank (September 2020)	175.00

Federal Bank (September 2018)	40.00
Federal Bank (December 2018)	50.00
DCB -I (June 2018)	23.68
DCB -II (July 2018)	23.68
Axis Bank (March 20)	230.77
Equitas Small Finance Bank (November 2019)	110.00
Equitas Small Finance Bank (December 2019)	75.00
Equitas Small Finance Bank (March 2020)	200.00
State Bank of India (September 2020)	380.00
AU Small Finance Bank (December 2020)	241.67
A K Capital Finance Limited (NCD)	281.25
A U Small Finance Bank Limited (NCD)	208.33
Total	**2,167.54**

Principal terms of the borrowings availed by our Company

1. ***Interest***: The interest rate for term loans is typically from 7.75% to 10.40% per annum which is linked to the marginal cost of funds-based lending rate or prime lending rates of the respective lenders. The interest rate for NHB sanctioned refinance is typically from 5.05% to 9.70% per annum. Further, 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 and has entered into debenture trust deeds ("**DTDs**") in relation to such borrowings, pursuant to which a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company ranges from 9.35% to 10.36% per annum. The interest rate for the working capital demand loans availed by us is typically from 7.45% to 8.00% per annum.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security primarily by way of hypothecation or *pari passu* charge, on the Company's designated current assets, both present & future, including book debts, receivables, cash flows, outstanding moneys and other underlying assets arising out of finance of the Company, as the case maybe. In terms of the NCDs, in addition to hypothecation of designated current assets, we are also required to create security by way of registered mortgage of our Company's specified immoveable properties. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. ***Prepayment:*** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges from 0.50% to 2%. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender. In relation to the NCDs, the Company may be required to redeem the NCDs prior to the expiry of redemption period in accordance with the terms contained in the DTDs.

4. ***Re-payment:*** The repayment period for most term loans and NHB sanctioned refinance typically ranges from 5 to 7 years and 1 to 16 years, respectively. We are required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs is 7 years.

5. ***Restrictive Covenants:***

   In terms of our borrowing arrangements, we are required to comply with various restrictive covenants which place restrictions upon certain corporate actions except with the prior approval of the lender. An indicative list of such covenants which require our Company to obtain the prior approval of the lender is set out below:

   (a) make any amendments to the memorandum of association and articles of association;

   (b) effect any changes to or alter the Company's capital structure, including by way of a buyback;

   (c) issue any further share capital whether on a preferential basis or otherwise;

   (d) formulate or effect any scheme of amalgamation or merger or compromise or reconstruction;

   (e) approach capital market for mobilizing additional resources either in the form of debts or equity;

(f) effect any change in the constitution of our Company, including shareholding pattern, ownership, controlling interest and control;

(g) declare dividend for any year except out of profits relating to that year;

(h) effect any changes in the management of our Company, including changes in the composition of the Board of Directors and change in the practice with regard to remuneration of Directors;

(i) undertake guarantee obligations on behalf of any other person or provide any loan/advance to any third party;

(j) incur further indebtedness by the Company; and

(k) make any prepayment of amounts due under the facilities;

(l) pay any brokerage or fees to the Promoters/ Directors other than sitting fees as paid to Directors;

(m) enter into long term contractual obligations directly affecting the financial position of our Company; and

(n) delist debentures or permit or suffer the debentures to be delisted.

Further, our Promoters are required to obtain the prior consent from certain lenders in respect of transferring all or a part of their shareholding in our Company.

6. ***Events of Default:***

In terms of our borrowing arrangements, 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 undertaking on the part of our Company or the security providers/guarantors;

(c) failure to create security as required under the loan documents;

(d) failure in compliance with RBI/NHB norms at any time during the currency of the loan;

(e) misrepresentation or providing incorrect or misleading information by our Company;

(f) utilisation of proceeds for purposes other than the sanctioned purpose;

(g) cessation or threat of cessation of business or change in business of our Company or the security providers/ guarantors;

(h) change in control of our Company, direct or indirect, without the prior approval of the lenders;

(i) occurrence of any cross-default;

(j) occurrence of any event that may have a material adverse effect;

(k) default in payment of any amount due to any person by the security providers/guarantors or demand by any person for repayment of a loan of the security providers/guarantors ahead of its repayment terms or declaration of moratorium in respect of any indebtedness of the security providers/guarantors;

(l) substantial change in the constitution or management of our Company without the prior consent of the lenders or cessation of lenders' confidence in the management;

(m) revocation, termination or refusal or threat thereof to provide or renew any authorization or to impose onerous conditions on or on the grant or renewal of any authorization by any government (including any political or administrative sub-division thereof), governmental authority, agency, official or entity;

(n) removal of M Anandan as Chairman of the Board of Directors or the Managing Director of our Company;

(o) failure to list debentures within the specified time period;

(p) downgrading in our credit rating below specified limits; and

(q) proceedings relating to winding up, liquidation or insolvency being initiated against our Company or the security providers/guarantors.

7. ***Consequences of events of default:***

In terms of our borrowing arrangements, in the event of a default, our lenders may, *inter alia*:

(a) declare all parts of the loan together with accrued interest outstanding as immediately due and payable;

(b) demand accelerated repayments;

(c) initiate recall of the amount under the facility;

(d) enforce their security over the hypothecated / mortgaged assets;

(e) appoint nominee directors and/or observers to the Board;

(f) appoint receivers to recover the amounts due;

(g) initiate the conversion of outstanding debt into equity;

(h) levy penal/default interest;

(i) review the management structure and board and review the conditions for the appointment or re-appointment of the managing director or any other person holding substantial powers of management;

(j) appoint any person engaged in technical, management or any other consultancy business to inspect and examine the working of our Company and/or the assets, including its premises, factories, plants and units, and to report to the lender; and

(k) appoint any chartered accountants/cost accountants as auditors for carrying out any specific assignments or to examine the financial or cost accounting system and procedures adopted by our Company for its working or as concurrent or internal auditors or for conducting a special audit of our Company.

The details provided above are indicative and there may be additional terms and conditions under the various borrowing arrangements entered into by us, including terms that may require the consent of the relevant lender or the trustee and breach of which may amount to an event of default under the relevant borrowing arrangement. There are certain restrictive rights in the agreements entered into by the Company with its lenders (where such lenders include, *inter alia*, public sector banks, private sector banks and NBFCs). For details in relation to risks associated with our outstanding indebtedness, see "*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 page 28.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, derived from our Restated Consolidated Summary Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Consolidated Summary Statements*" and "*Risk Factors*" beginning on pages 306, 226 and 25, respectively.

(₹ in million)

Particulars	Pre-Offer (as at March 31, 2021)	Post-Offer
Total Borrowings	25,150.66	26,716.92
Total Equity		
Equity Share capital	949.33	991.16
Other equity	18,845.21	24,590.93
Total Equity	19,794.54	25,582.09
Total borrowing to Equity ratio	1.27	1.04

Notes:

1. *The amounts disclosed above are derived from the Restated Consolidated Summary Statements.*
2. *The Post-Offer column reflects changes in Total Equity on account of (i) the proceeds from the Fresh Issue of up to ₹5,000.00 million (represented by equity share capital of ₹28.33 million and other equity of ₹4971.67 million towards securities premium) and (ii) ₹787.55 million arising from the conversion of 1,500,000 partly paid up equity capital into fully paid up equity shares (represented by equity share capital of ₹13.50 million and other equity of ₹774.05 million towards securities premium). Further, the other equity amount has not been adjusted for share issue expenses on account of the proposed Offer.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Consolidated Summary Statements as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, including the related annexures. These Restated Consolidated Summary Statements are restated as per Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

The industry-related information contained in this section is derived from the CRISIL Report. We have exclusively commissioned CRISIL on February 25, 2021 for the CRISIL Report dated July 2021, and paid for such report only for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see "Risk Factors – Internal Risk Factors – We have referred to the data derived from industry reports commissioned by our Company from CRISIL Limited." on page 46.

Ind AS differs in certain material respects with IFRS and U.S. GAAP. See "Risk Factors – External Risk Factors – Significant differences exist Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition." on page 51.

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 16 and 25, respectively.

Overview

We are an entirely retail focussed housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. According to the CRISIL Report, our Company had the highest RoA of 5.7% among the Peer Set during the financial year 2021. We are one of the largest housing finance companies in south India in terms of AUM, as of March 31, 2021. *(Source: CRISIL Report)* Our AUM have increased from ₹22,472.33 million, as of March 31, 2019 to ₹40,677.62 million, as of March 31, 2021, at a CAGR of 34.54%. Further, according to the CRISIL Report, we had the lowest cost to income ratio among the Peer Set during the financial year 2021. Our Operating Expenses to Net Income Ratio for the financial year 2021 was 21.80%. Since the inception of our Company, we have not restructured any loans or written-off any loans receivable and as of March 31, 2021, March 31, 2020 and March 31, 2019, our Gross NPAs expressed as a percentage of our Gross Loan Assets was 0.68%, 0.70% and 0.40%, respectively. During the financial years 2021, 2020 and 2019, our Credit Costs to Average Total Assets was 0.14%, 0.11% and 0.06%, respectively.

We offer customers home loans for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans, which accounted for ₹21,032.10 million, or 51.70%, ₹8903.39 million, or 21.89% and ₹10,742.13 million, or 26.41% of our AUM, as of March 31, 2021, respectively. We only offer loans to retail customers and do not provide any loans to builders or for commercial real estate. We target first time home buyers where the collateral is a self-occupied residential property. Loans to self-employed customers accounted for ₹29,308.79 million, or 72.05% of our AUM, while loans to salaried customer accounted for ₹11,368.83 million, or 27.95%, as of March 31, 2021. As of March 31, 2021, ₹40,459.85 million, or 99.46% of our AUM were from customers who belonged to the low and middle-income groups, earning less than ₹ 50,000 per month, and ₹14,947.98 million of our AUM, or 39.88% of our customers were new to credit. Further, as of March 31, 2021, ₹25,186.99 million, or 61.92% of our AUM were from customers located in rural regions. We do not provide any loans with a ticket size above ₹2.50 million and the average ticket size of our home loans, loans against property and business loans on the basis of disbursement amounts was ₹0.72 million, ₹0.71 million and ₹0.62 million, as of March 31, 2021, respectively. As of the same date, our home loans, loans against property and business loans had an average loan-to-value of 38.89%, 38.27% and 39.21%, respectively, at the time of sanctioning of the loans.

We have implemented a robust risk management architecture which is reflected in our asset quality. We conduct all aspects of our lending operations in-house including sourcing, underwriting, valuation and legal assessment of collateral and collections, which enables us to maintain direct contact with our customers, reduce turn-around-times and the risk of fraud. Over years, we have studied and developed credit assessment models specific to over 60 types of customer profiles. Some of our profiles are customized to regions and specific types of employment. We update these profiles on a frequent basis for regional and local market specific developments and macro disruptions such as the COVID-19 pandemic. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We have leveraged technology in various facets of our operations and have robust systems and processes to assist us with our underwriting and collections functions and to monitor asset quality. These systems and processes are also technology enabled with a view to ultimately digitize the entire life cycle of a loan from origination to closure. We have also implemented digitized collection models, which has led to an increase in our collection efficiencies.

We have diversified our geographical presence by adopting a strategy of contiguous expansion across regions and are focused on achieving deeper penetration in our existing markets. As of March 31, 2021, the states of Tamil Nadu (including the union territory of Puducherry), Andhra Pradesh, Karnataka and Telangana accounted for ₹21,263.74 million, or 52.27%, ₹11,116.08 million, or 27.33%, ₹4,038.13 million, or 9.93% and ₹4,259.67 million, or 10.47% of our AUM, respectively, and we had a network of 190 branches covering 75 districts in such states and the union territory of Puducherry. According to the CRISIL Report, we had the largest branch network in south India among the Peer Set, as of March 31, 2021. Over the years, we have successfully grown our presence outside our home state of Tamil Nadu, which accounted for ₹13,418.55 million, or 59.71% of our AUM, as of March 31, 2019. We have increased the number of our branches from 142 as of March 31, 2019 to 190 as of March 31, 2021. We categorize our branches on the basis of the duration since the commencement of their operations and as of March 31, 2021, we had 108 branches that were operational for over three years with AUM of ₹32,298.90 million, while 82 branches were operational for less than three years with AUM of ₹8,378.72 million.

Our Company was founded by one of our Promoters, Chairman and Managing Director, M. Anandan, and we commenced our operations pursuant to a certificate for commencement of business, dated June 25, 2010, issued by the Registrar of Companies, Tamil Nadu at Chennai (then known as Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands). Our Company is registered with the National Housing Bank ("NHB") to carry out the business of a housing finance institution without accepting public deposits. For details, see "*Government and Other Approvals*" beginning on page 335. Our marquee shareholders include WestBridge Crossover Fund, LLC, Malabar India Fund Limited (an affiliate of Malabar Investments), SCI Investments VI (an affiliate of Sequoia Capital), Madison India Opportunities IV (Madison India Capital) and Steadview Capital Mauritius Limited (an affiliate of Steadview Capital Management). We have and expect to continue to benefit from strong capital sponsorship and professional expertise of our marquee shareholders.

Our financing requirements historically have been met from several sources, including refinancing from the NHB, financing from IFC, term loans, working capital loans and issuance of non-convertible debentures ("NCDs") to meet our capital requirements. We also monetize loans through securitization to banks and financial institutions, which enables us to optimize our cost of borrowings, liquidity and capital. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings were ₹25,150.66 million, ₹ 20,216.45 million and ₹16,060.62 million and our average cost of borrowings was 9.11%, 10.17% and 9.48%, respectively. Our average cost of incremental borrowings for March 31, 2021 was 7.70%, as compared to 9.45% for the financial year 2020 and 10.11% for the financial year 2019. As of March 31, 2021, we had borrowing relationships with the NHB, as well as with 17 banks and other financial institutions. As of March 31, 2021, the weighted average tenure of our outstanding borrowings was 83.3 months and our credit ratings were ICRA A+ (Stable) and CARE A+ (Stable). As of the same date, we had a positive asset-liability position across all maturity buckets.

As an organization, we believe in the social impact of our business and operate a financially inclusive customer centric business model. We seek to improve the standard of living of our customers and include them into the financial mainstream. Our presence in the rural and semi urban markets of India also provides employment opportunities in these regions since we primarily recruit our employees locally. As of March 31, 2021, we employed 1,913 personnel.

Recent Developments

The following table sets forth certain key operational information, as of the dates (or for the periods then ended) indicated:

Metric	As of July 10, 2021	As of March 31, 2021
AUM (₹ million)	42,668.11	40,677.62
Gross Loan Book (₹ million)	42,643.18	40,648.75
Disbursement (₹ million)	3,101.01*	4,193.32 #
Gross NPA** (₹ million)	855.32	276.2
Gross NPAs / Gross Loan Assets	2.00%	0.68%
Net NPAs / Gross Loan Assets	1.69%	0.49%
Collection Efficiency	93.94%	99.76%
Live accounts (including securitized accounts)	60,305	58,069
Number of branches	192	190

Figures disclosed in the table above are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

** Disbursement numbers are for the period from April 1, 2021 to July 10, 2021.*
 # Disbursements numbers are for the three months ended March 31, 2021.
*** We have not restructured any loans under resolution framework for COVID-19 related stress (Resolution framework 2.0).*

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

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. 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 other measures. 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 restrictions have 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. Further, India has reported a significant increase in the number of COVID-19 cases since April 2021 and one or more states have imposed or may impose additional regional or local curfews and restrictions.

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 offices and branches and we moved to a work-from-home model; we resumed operations at our offices and branches in a staggered manner in compliance with the lockdown restrictions and central and state government guidelines and were able to resume physical operations at all branches by June 2020 for the balance of the financial year 2021; since April 2021, a resurgence in the number of COVID-19 cases could result in a complete or partial closure of, or other operational issues at our offices and branches;

- it caused a decline in general economic and business activity, which resulted in slow down of disbursements by our Company; we disbursed loans amounting to ₹12,981.81 million and ₹12,709.80 million for the financial years 2021 and 2020, respectively, and ₹3,101.01 million for the period from April 1, 2021 to July 10, 2021;

- pursuant to RBI's directions, we granted moratorium to the loan installments due during the period March 1, 2020 to August 31, 2020 on the eligible loan accounts; the RBI also clarified that for all standard accounts as on February 29, 2020, moratorium period will be excluded from days past-due calculation for the purpose of asset classification under the IRAC norms; moratorium was granted by us to 14,322 customers on EMI dues of ₹471.10 million for the period between March 1, 2020 and August 31, 2020;

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

- the Supreme Court of India in Gajendra Sharma vs Union of India & Anr., passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders; any further orders of the Supreme Court in this matter may also affect our financial condition and results of operations;

- the Supreme Court of India in Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others vide a judgment dated March 23, 2021 has directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated; moving forward from the date of the judgment on March 23, 2021, our Company will resume recognizing overdue accounts not previously recognised as NPAs, as NPAs;

- by way of a circular dated April 7, 2021 on 'Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package', RBI has advised that all lending institutions are required put in place a board-approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement; the reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed at all; further, lending institutions shall disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021;

- by way of a circular dated May 5, 2021 on 'Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)' (the "**May 5 Circular**"), RBI has advised that banks and NBFCs (including HFCs) can restructure loans up to ₹250 million under the resolution framework 2.0. MSMEs with a 'standard' classification as of March 31, 2021, could approach the lenders to help ease the parameters of repayment provided, inter alia, that the borrower's account was not restructured in terms of the circulars DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020; DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020; or DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 (collectively, the "**MSME Restructuring Circulars**"). The last day for the invocation of the resolution process is September 30, 2021. Thereafter, the resolution plan will be implemented within 90 days. Further, through a circular dated June 4, 2021, the RBI enhanced the above limit of ₹250 million to ₹500 million, provided that the borrower's account was not restructured in terms of the May 5 Circular or the MSME Restructuring Circulars;

- 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 financing necessary to fund our operations or address maturing liabilities on a timely basis;

- our customers who primarily belong to the low and middle-income groups have less financial wherewithal than other borrowers and may default on their repayment obligations;

- 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 adversely affect our results of operations and financial condition and our ability to make additional borrowings;

- inherent challenges to productivity, connectivity and oversight 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 regarding the conditions that must be satisfied before government authorities completely lift "stay-at-home" orders and further imposition of such orders as a result of the resurgence of COVID-19 since April 2021; and

- potential negative impact on the health and safety of our personnel, particularly because a number of them were and could in future be afflicted by COVID-19, which 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. The impact of COVID-19 pandemic including the ongoing "second wave", on our operations and financial metrics, will depend on the future developments, which are highly uncertain. We continue to monitor the evolving situation on an ongoing basis and the management has considered events subsequent to March 31, 2020, to determine the financial implications including in respect of Expected Credit Loss (ECL) provisioning. Given the dynamic and evolving nature of pandemic, these estimates are subject to uncertainty caused by the ongoing COVID-19 pandemic and related events. 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.

Our Statutory Auditors have included an emphasis of matter in their auditor's report on the consolidated financial statements for the Financial Year ended March 31, 2021 in this regard.

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. Our cash and bank balance were ₹4,378.00 million, ₹6,026.76 million and ₹1,109.23 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our net worth was ₹19,794.54 million, ₹17,090.13 million and ₹6,983.75 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our total borrowings to equity ratio as at March 31, 2021, March 31, 2020 and March 31, 2019 was 1.27, 1.18 and 2.30, respectively. As of March 31, 2021, 2020 and 2019, our debt service coverage ratio was 1.39 times 1.38 times and 1.59 times, and our interest service coverage ratio was 2.67 times, 2.34 times and 2.32 times, respectively. Further, our overall ALM position has been positive as at March 31, 2021, and up to one year it has been positive with assets of ₹14,091.48 million and liabilities of ₹6,945.58 million as of March 31, 2021. Our provisions for NPAs were ₹75.90 million, ₹52.08 million and ₹22.00 million for the financial years 2021, 2020 and 2019, respectively. Our gross NPAs were ₹276.20 million (0.68% of Gross Loan Assets), ₹ 222.45 million (0.70% of Gross Loan Book) and ₹89.28 million (0.40% of Gross Loan Book), as of March 31, 2021, March 31, 2020 and March 31, 2019, and have increased to ₹855.32 million (2.00% of Gross Loan Assets) as of July 10, 2021. As of March 31, 2021, March 31, 2020, and March 31, 2019, our Net NPAs were ₹200.30 million (0.49% of Net Loan Assets), ₹170.37 million (0.54% of Net Loan Assets) and ₹67.28 million (0.30% of Net Loan Assets), respectively, and have increased to ₹720.69 million (1.69% of Net Loan Assets) as of July 10, 2021. 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 the "*Risk Factors*" section on page 25. Further, the outbreak, or threatened outbreak, of any severe communicable disease or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could adversely affect overall business sentiment and environment across industries.

Availability of Cost Effective Sources of Capital

The availability of cost-effective sources of capital affects our results of operations. Our financing requirements historically have been met from several sources, including refinancing from the NHB, financing from IFC, term loans, working capital loans and issuance of NCDs to meet our capital requirements. We also monetize loans through securitization to banks and other financial institutions, which enables us to optimize our cost of borrowings, liquidity and capital. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings were ₹25,150.66 million, ₹20,216.45 million and ₹16,060.62 million and our average cost of borrowings was 9.11%, 10.17% and 9.48%, respectively. Our ability to continue to meet customer demand for new loans will depend primarily on our ability to raise funds from various external sources on suitable terms and in a timely manner. Our sources of capital are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for financing. As of March 31, 2021, we had borrowing relationships with the NHB, which accounted for 23% of our Total Borrowings, as well as with 17 banks and other financial institutions. The availability for financing 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 329 as well as *"Risk Factors – Internal Risk Factors - We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition"* on page 27.

Volatility in Borrowing and Lending Rates

Our results of operations depend substantially on our net interest income, 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 fixed or 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 financial years 2021, 2020 and 2019, our interest income as a percentage of our total revenue from operations was 98.0%, 97.0% and 96.0%, respectively.

Our finance costs, which comprises interest expense on financial liabilities measured at amortised cost, represented 66.6%, 66.8% and 63.0% of our total expenses for the financial years 2021, 2020 and 2019, respectively. Interest rates are sensitive to many factors beyond our control, including the monetary policy 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 headline inflation rate. 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 Risks*" on page 329.

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 RBI Master 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 RBI Master 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 RBI Master Directions against all non-performing assets, if in the opinion of our management such provisions are necessary. In addition, on account of our recent growth, a significant portion of our loan portfolio is relatively new and has been disbursed during the last 36 months. We believe that the risk of delinquency in home loans typically emerges 18 to 36 months from disbursement.

The following table illustrates our non-performing assets for the dates indicated:

Metric	**As of**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Gross NPAs *(₹ in million)*	276.20*	222.45#	89.28#
Gross NPAs / Gross Loan Book (%)	0.68%	0.70%	0.40%
Net NPAs *(₹ in million)*	200.30	170.37	67.28
Net NPAs / Net Loan Assets *(%)*	0.49%	0.54%	0.30%
Bad Debt Write off	-	-	-

Notes:

* *For the financial year 2021, we have complied with the RBI master directions, which were issued in February 2021 and effective immediately, and accordingly have considered Stage 3 assets disclosed under Ind AS as Gross NPAs.*

For the financial years 2020 and 2019, we have treated Gross NPAs in accordance with the NHB Directions as applicable during those financial years.

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 page 32.

Competition

The Indian housing finance industry is characterized by high levels of competition. The factors on which we compete include product offerings, deeper access to the market, 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, financing than we do. In certain geographies that we may decide to enter, our competitors may have better brand recognition and a large existing customer base. If we are unable to 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, tax incentives 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 low barriers to entry in the housing finance sector, competition could increase further as a result of regulatory changes and liberalization. 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 34.

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. We are affected by a number of regulations promulgated by the RBI Master Directions 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 RBI Master Directions have 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 subsequently to 12 times of their NOF until March 31, 2022. As of March 31, 2021, we had Total Borrowings of ₹25,150.66 million, which was 1.35 times our NOF of ₹18,576.22 million.

The regulations applicable to us also address issues such as our conduct with customers and collections and loan 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. Thereafter, the RBI has also issued RBI Master Directions in February 2021 to regulate housing finance companies. 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 page 38.

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, 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.

Statement of Certain Significant Accounting Policies

Financial Instruments

Financial instruments – initial recognition

Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that we become a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by us (as per the terms of the agreement with the borrowers). We recognise debt securities and borrowings when funds reach us.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss ("**FVTPL**"), transaction costs are added to, or subtracted from, such amount.

Measurement categories of financial assets and liabilities

We classify all of our financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost or FVTPL or Fair Value through Other Comprehensive Income ("**FVOCI**").

Financial assets and liabilities

Bank balances, loans, trade receivables and financial investments at amortised cost

We measure bank balances, loans, and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. The details of these conditions are outlined below:

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. Our business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- the expected frequency, value and timing of sales are also important aspects of our assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from our original expectations, we do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of our classification process, we assess the contractual terms of financial to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, we apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial assets or financial liabilities held for trading

We classify financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit making. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Equity instruments at FVOCI

We subsequently measure all equity investments at fair value through profit or loss, unless our management has elected to classify irrevocably some of our equity investments as equity instruments at FVOCI, when such instruments meet the definition of equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when we benefit from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in Other Comprehensive Income ("**OCI**"). Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by our management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in our own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Reclassification of financial assets and liabilities

We do not reclassify our financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which we acquire, dispose of, or terminate a business line. Financial liabilities are never reclassified.

Derecognition of financial assets and liabilities

Derecognition of financial assets due to substantial modification of terms and conditions

We derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes. When assessing whether or not to derecognise a loan to a customer, amongst others, we consider the following factors change in counterparty.

The modification is such that the instrument would no longer meet the SPPI criterion. The modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, we record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. We also derecognise the financial asset if we have both, transferred the financial asset and the transfer qualifies for derecognition. A transfer only qualifies for derecognition if either, we have transferred substantially all the risks and rewards of the asset or have neither transferred, nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When we have neither transferred nor retained substantially all the risks and rewards and have retained control of the asset, the asset continues to be recognised only to the extent of our continuing involvement, in which case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration we could be required to pay. In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

Overview of the ECL principles

We record allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, which together with loan commitments, are referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or "**LTECL**"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("**12mECL**").

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both, LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

We have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, we categorise our loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, we recognise an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, we record an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. We record an allowance for the LTECLs.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Up to 30 days	12 month ECL
Stage 2	31 to 90 days	Lifetime ECL
Stage 3	90 days and above	Lifetime ECL

In addition to days past due, we also consider other qualitative factors in determining significant increase in credit risks since origination.

The calculation of ECLs

We calculate ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

Probability of Default: The probability of default ("**PD**") is an estimate of the likelihood of default over a given time horizon.

A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default: The exposure at default ("**EAD**") is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

Loss Given Default: The loss given default ("**LGD**") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. We calculate the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, we record an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

We monitor all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, we will measure the loss allowance based on lifetime rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on our historical experience and expert credit assessment including forward-looking information.

Stage 3: For loans considered credit-impaired, we recognise the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. We assess whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Loan commitment

When estimating LTECLs for undrawn loan commitments, we estimate the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In our ECL models, we rely on a broad range of forward looking information as economic inputs. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

Estimates and associated assumptions applied in preparing the financial statements, especially for the expected credit loss on advances, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic. We have used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of defaults and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans.

Write-off

Loans and debt securities are written off when we have no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when we determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. We may apply enforcement activities to financial assets written off. Recoveries resulting from our enforcement activities will result in impairment gains.

Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Recognition of Interest Income

The effective interest rate method

Interest income is recorded using the effective interest rate ("**EIR**") method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Interest income

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. If the financial assets cures and is no longer credit-impaired, we revert to calculating interest income on a gross basis.

Fee and other charges

Fee and other charges include fees other than those that are an integral part of EIR. The fees included in this part of our statement of profit or loss include among other things, fees charged for servicing a loan including cheque bounce charges, field visit charges and pre-closure charges etc when there is no uncertainty on ultimate collection.

Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

Leases

Our Right-of-Use ("**ROU**") assets consist of leases for buildings. We assess whether a contract contains a 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: (i) the contract involves the use of an identified asset, (ii) we have substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) 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 short-term leases and low value leases. The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Transition to Ind AS 116:

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Relied on its previous assessment of whether leases are onerous under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. There were no onerous contracts as at April 1, 2018.

4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

5. Used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, for all the contracts as at April 1, 2018, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Employee benefits

Post-employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the earlier of

(i) The date of the plan amendment or curtailment, and
(ii) The date that the Group recognises related restructuring costs

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements),
- interest expense, and
- re-measurement.

We present the first two components of defined benefit costs in profit or loss in the line item 'employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by us in respect of services provided by employees up to the reporting date. We record the leave encashment liability based on actuarial valuation computed using projected unit credit method.

Share-based payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in Employee Stock Options Reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the country where we operate and generate taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

  - When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

  - In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
    The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
    Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
    Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
    When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Property, plant and equipment* (“PP&E”) *and intangible assets

PP&E is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation on the following categories of PP&E (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Life	Life as per Schedule II
Office Equipment	3 years	5 years
Servers (under office equipment)	3 years	6 years
Furniture and Fixtures	3 years	10 years
Vehicles	3 years	8 years
Leasehold improvements	Primary lease period or 3 years, whichever is lower	Not applicable

Freehold Land is not depreciated, but is subjected to impairment assessment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible Assets

Our other intangible assets represent computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to us.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken in to account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event, it is probable that we will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Earnings per share ("EPS")

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate (Refer Note 35). Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 'Operating Segments', based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

Determination of Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level 2 financial instruments** − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

- **Level 3 financial instruments** − Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

Components of Profit & Loss Statement

Our income and expenses are reported in the following manner:

Income

Total income comprises revenue from operations and other income.

Revenue from operations. Revenue from operations comprises interest income, net gain on fair value changes and fees and other charges.

Revenue from interest income comprises interest income from home loans for the purchase and self-construction of residential property, home improvement and extension loans; loans against property; and business loans.

Fees and other charges comprise fees charged for servicing a loan including cheque bounce charges, field visit charges and pre-closure charges.

Other Income. Other income comprises interest income from deposits with banks, income from mutual funds, charges for marketing/ display and other non-operating income.

Expenses

Expenses comprise finance costs, employee benefits expense, depreciation and amortisation expense, other expenses and impairment of financial instruments.

Finance Costs. Finance costs comprise interest expense on debt securities, borrowings (other than debt securities) and others.

Employee Benefits Expense. Employee benefits expense comprises salaries, bonus and commission; employee stock options expense; contributions to provident and other funds; gratuity expense and staff welfare expenses.

Depreciation and Amortisation Expense. Depreciation and amortisation expenses are primarily incurred on account of depreciation of office equipment, leasehold improvements, furniture and fixtures, vehicles and amortisation of computer software.

Other Expenses. Other expenses primarily comprise rates and taxes, communication expenses, travelling and conveyance, office expenses and legal and professional expenses.

Impairment of Financial Instruments. Impairment of financial instruments primarily comprises expected credit loss expense.

Our Results of Operations

The following table sets out select financial data derived from our restated consolidated statement of profit and loss for the financial years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such years:

	For the financial year					
	2021		2020		2019	
	(₹ in million)	(% of Total income)	(₹ in million)	(% of Total income)	(₹ in million)	(% of Total income)
Revenue from Operations:						
Interest income	6,238.89	95.2	4,852.29	92.7	3,108.87	92.2
Net gain on fair value changes	7.61	0.1	31.35	0.6	42.47	1.3
Fees and commission income	119.65	1.8	119.62	2.3	87.17	2.6
Total revenue from operations	**6,366.15**	**97.2**	**5,003.26**	**95.5**	**3,238.51**	**96.1**
Other income	**186.27**	**2.8**	**233.94**	**4.5**	**132.64**	**3.9**
Total Income	**6,552.42**	**100.0**	**5,237.20**	**100.0**	**3,371.15**	**100.0**
Expenses:						
Finance costs	2,065.34	31.5	1,845.49	35.2	1,162.18	34.5
Employee benefits expense	713.83	10.9	648.05	12.4	481.18	14.3
Depreciation and amortisation expense	56.85	0.9	58.06	1.1	55.44	1.6
Impairment on financial instruments	58.18	0.9	34.32	0.7	11.73	0.3
Other expenses	207.31	3.2	178.38	3.4	133.56	4.0
Total Expenses	**3,101.51**	**47.3**	**2,764.30**	**52.8**	**1,844.09**	**54.7**
Restated Profit Before Tax	**3,450.91**	**52.7**	**2,472.90**	**47.2**	**1,527.06**	**45.3**
Tax Expense:						
Current tax	826.67	12.6	601.54	11.5	370.71	11.0
Tax relating to previous years	(2.87)	0.0	5.89	0.1	(1.12)	(0.0)
Deferred tax charge/(credit)	(42.33)	(0.6)	(244.65)	(4.7)	42.64	1.3
Restated income tax expense	**781.47**	**11.9**	**362.78**	**6.9**	**412.23**	**12.2**
Restated profit for the year	**2,669.44**	**40.7**	**2,110.12**	**40.3**	**1,114.83**	**33.1**

Financial Year 2021 compared to Financial Year 2020

Our results of operations for the financial year 2021 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 benefits expense 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 2021.

Total Income

Our total income increased by 25.11% to ₹6,552.42 million for the financial year 2021 from ₹5,237.20 million for the financial year 2020, primarily due to an increase in revenue from operations.

Revenue from Operations: Total Revenue from operations increased by 27.24% to ₹6,366.15 million for the financial year 2021 from ₹5,003.26 million for the financial year 2020, due to an increase in interest on term loans to ₹6,093.18 million for the financial year 2021 from ₹4,681.88 million for the financial year 2020 and an increase in fees and commission income to ₹119.65 million for the financial year 2021 from ₹119.62 million for the financial year 2020. The increase in interest income on term loans was consistent with the increase in our customer base; our AUM were ₹40,677.62 million as of March 31, 2021 as compared to ₹31,786.94 million as of March 31, 2020.

Other Income: Other income reduced to ₹186.27 million for the financial year 2021 from ₹233.94 million for the financial year 2020, primarily due to decrease in charges for marketing / display to ₹186.21 million for the financial year 2021 from ₹232.14 million for the financial year 2020.

Expenses

Finance Costs: Finance costs increased by 11.91% to ₹2,065.34 million for the financial year 2021 from ₹1,845.49 million for the financial year 2020, primarily due to an increase in interest expense on financial liabilities measured at amortised cost - borrowings (other than debt securities) to ₹1,431.51 million for the financial year 2021 from ₹1,073.29 million for the financial year 2020 marginally offset by decrease in interest expense on financial liabilities measured at amortised cost - debt securities to ₹626.63 million for the financial year 2021 from ₹761.29 million for the financial year 2020, as a result of the increase in the outstanding amount of borrowings over the year to support the growth of our business. The average cost of our borrowings (including securitization) was 9.11% for the financial year 2021 and 10.17% for the financial year 2020.

Employee Benefits Expense: Employee benefits expense increased by 10.15% to ₹713.83 million for the financial year 2021 from ₹648.05 million for the financial year 2020, primarily due to an increase in salaries, bonus and commission to ₹643.94 million for the financial year 2021 from ₹570.58 million for the financial year 2020. The increase in salaries, bonus and commission 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 1,913 employees as of March 31, 2021 from 1,702 employees as of March 31, 2020.

Depreciation and Amortisation Expense: Depreciation and amortisation expense decreased by 2.08% to ₹56.85 million for the financial year 2021 from ₹58.06 million for the financial year 2020.

Impairment on Financial Instruments: Impairment on financial instruments increased to ₹58.18 million for the financial year 2021 from ₹34.32 million for the financial year 2020, primarily due to an increase in expected credit loss expense on loans measured at amortised cost to ₹58.63 million for the financial year 2021 from ₹34.22 million for the financial year 2020, primarily on account of the growth in our Gross Loan Assets, the COVID-19 pandemic and management overlays on account of the pandemic.

Other Expenses: Other expenses increased by 16.22% to ₹207.31 million for the financial year 2021 from ₹178.38 million for the financial year 2020, primarily due to an increase in office expenses to ₹36.90 million for the financial year 2021 from ₹32.79 million for the financial year 2020, an increase in corporate social responsibility expenditure to ₹33.85 million for the financial year 2021 from ₹6.97 million for the financial year 2020 and an increase in communication expenses to ₹14.06 million for the financial year 2021 from ₹11.95 million for the financial year 2020.

Income Tax Expense: Restated Income tax expense increased to ₹781.47 million for the financial year 2021 from ₹362.78 million for the financial year 2020. For the financial year 2021, we primarily had a current tax of ₹826.67 million and a deferred tax credit of ₹42.33 million. For the financial year 2020, we primarily had a current tax of ₹601.54 million and a deferred tax credit of ₹244.65 million which was on account of reversal of deferred tax liability on special reserve created of ₹207.85 million. Our effective tax rate (which represents the income tax expenses to profit before tax during the relevant year, expressed as a percentage) was 22.65% and 14.67% for the financial years 2021 and 2020, respectively.

Profit for the year: Our profit for the year increased by 26.51% to ₹2,669.44 million for the financial year 2021 from ₹2,110.12 million for the financial year 2020.

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; and
- an increase in the absolute amount of our employee benefits expense 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 55.35% to ₹5,237.20 million for the financial year 2020 from ₹3,371.15 million for the financial year 2019, primarily due to an increase in revenue from operations.

Revenue from Operations: Total Revenue from operations increased by 54.5% to ₹5,003.26 million for the financial year 2020 from ₹3,238.51 million for the financial year 2019, due to an increase in interest on term loans to ₹4,681.88 million for the financial year 2020 from ₹3,095.52 million for the financial year 2019 and an increase in fees and commission income to ₹119.62 million for the financial year 2020 from ₹87.17 million for the financial year 2019. The increase in interest income on term loans was consistent with the increase in our customer base; our AUM were ₹31,786.94 million as of March 31, 2020 as compared to ₹22,472.33 million as of March 31, 2019.

Other Income: Other income increased to ₹233.94 million for the financial year 2020 from ₹132.64 million for the financial year 2019, primarily due to an increase in charges for marketing / display to ₹232.14 million for the financial year 2020 from ₹131.58 million for the financial year 2019.

Expenses

Finance Costs: Finance costs increased by 58.8% to ₹1,845.49 million for the financial year 2020 from ₹1,162.18 million for the financial year 2019, primarily due to an increase in interest expense on financial liabilities measured at amortised cost - borrowings (other than debt securities) to ₹1,073.29 million for the financial year 2020 from ₹625.18 million for the financial year 2019 and an increase in interest expense on financial liabilities measured at amortised cost - debt securities to ₹761.29 million for the financial year 2020 from ₹531.36 million for the financial year 2019, both as a result of the increase in the outstanding amount of borrowings over the year to support the growth of our business. The average cost of our borrowings (including securitization) was 10.17% for the financial year 2020 and 9.48% for the financial year 2019.

Employee Benefits Expense: Employee benefits expense increased by 34.7% to ₹648.05 million for the financial year 2020 from ₹481.18 million for the financial year 2019, primarily due to an increase in salaries, bonus and commission to ₹570.58 million for the financial year 2020 from ₹434.16 million for the financial year 2019. The increase in salaries, bonus and commission 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 1,702 employees as of March 31, 2020 from 1,322 employees as of March 31, 2019.

Depreciation and Amortisation Expense: Depreciation and amortisation expense increased by 4.7% to ₹58.06 million for the financial year 2020 from ₹55.44 million for the financial year 2019, primarily due to depreciation on right of use assets due to a growth in the number of branches.

Impairment on Financial Instruments: Impairment on financial instruments increased to ₹34.32 million for the financial year 2020 from ₹11.73 million for the financial year 2019, primarily due to an increase in expected credit loss expense on loans measured at amortised cost to ₹34.22 million for the financial year 2020 from ₹11.72 million for the financial year 2019, primarily on account of the growth in our Gross Loan Assets, the COVID-19 pandemic and management overlays on account of the pandemic.

Other Expenses: Other expenses increased by 33.6% to ₹178.38 million for the financial year 2020 from ₹133.56 million for the financial year 2019, primarily due to an increase in travelling and conveyance to ₹30.51 million for the financial year 2020 from ₹23.50 million for the financial year 2019, an increase in rates and taxes to ₹32.44 million for the financial year 2020 from ₹24.93 million for the financial year 2019 and an increase in legal and professional charges to ₹14.30 million for the financial year 2020 from ₹9.14 million for the financial year 2019.

Income Tax Expense: Restated Income tax expense decreased by 12.0% to ₹362.78 million for the financial year 2020 from ₹412.23 million for the financial year 2019. For the financial year 2020, we primarily had a current tax of ₹601.54 million and a deferred tax credit of ₹244.65 million on account of the reversal of deferred tax liability on special reserve of ₹207.85 million. For the financial year 2019, we primarily had a current tax of ₹370.71 million and a deferred tax charge of ₹42.64 million. Our effective tax rate (which represents the income tax expenses to profit before tax during the relevant year, expressed as a percentage) was 14.67% and 27.0% for the financial years 2020 and 2019, respectively.

Profit for the year: Our profit for the year increased by 89.2% to ₹2,110.12 million for the financial year 2020 from ₹1,114.83 million for the financial year 2019.

Financial Position

Assets

The following table sets forth the principal components of our assets as of March 31, 2021, March 31, 2020, and March 31, 2019:

(₹ in million)

	As of March 31,		
	2021	**2020**	**2019**
Financial Assets:			
Cash and cash equivalents	4,227.40	4,840.34	1,068.53
Bank balance other than cash and cash equivalents	150.60	1,186.42	40.70
Loans	39,898.00	31,170.89	22,002.46
Investments	527.52	-	-
Other financial assets	116.22	26.77	31.01
Total Financial Assets	**44,919.74**	**37,224.42**	**23,142.70**
Non-financial Assets:			
Current tax assets (Net)	-	-	8.33
Deferred tax assets (Net)	169.93	127.23	11.53
Property, plant and equipment	24.82	32.68	31.99
Intangible assets	2.68	3.66	8.13
Right of use assets	68.06	64.76	60.81
Other non-financial assets	16.42	14.49	13.38
Total Non-financial Assets	**281.91**	**242.82**	**134.17**
Total Assets	**45,201.65**	**37,467.24**	**23,276.87**

As of March 31, 2021, we had total assets of ₹45,201.65 million, compared to ₹37,467.24 million as of March 31, 2020, and compared to ₹23,276.87 million as of March 31, 2019. 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 March 31, 2021, we had cash and cash equivalents of ₹4,227.40 million, compared to ₹4,840.34 million as of March 31, 2020, and compared to ₹1,068.53 million as of March 31, 2019. Our cash and cash equivalent decreased between March 31, 2020 and March 31, 2021, primarily due to the effective utilization of funds.

Loans

As of March 31, 2021, we had loans of ₹39,898.00 million, compared to ₹31,170.89 million as of March 31, 2020, and compared to ₹22,002.46 million as of March 31, 2019. The increase in our loans between March 31, 2019 and March 31, 2021 was primarily on account of a growth in our operations resulting in a higher disbursement of loans.

Other Financial Assets

As of March 31, 2021, we had other financial assets of ₹116.22 million, compared to ₹26.77 million as of March 31, 2020, and compared to ₹31.01 million as of March 31, 2019. The increase in other financial assets between March 31, 2020 and March 31, 2021 was primarily on account of other receivables.

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2021, March 31, 2020, and March 31, 2019:

(₹ in million)

	As of March 31,		
	2021	**2020**	**2019**
Financial Liabilities:			
Trade Payables:			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.81	6.85	8.20
Debt securities	4,301.84	6,445.50	7,013.85
Borrowings (other than debt securities)	20,777.91	13,704.32	8,983.05
Lease liabilities	70.91	66.63	63.72
Other financial liabilities	133.47	52.42	52.43
Total Financial Liabilities	**25,302.94**	**20,275.72**	**16,121.25**
Non-Financial Liabilities:			
Current tax liabilities (Net)	44.49	58.35	9.75
Provisions	33.01	25.24	18.03
Deferred tax liabilities (Net)	-	-	128.62
Other non-financial liabilities	26.67	17.80	15.47
Total Non-financial Liabilities	**104.17**	**101.39**	**171.87**
Total Liabilities	**25,407.11**	**20,377.11**	**16,293.12**
Equity:			
Equity Share Capital	949.33	945.13	787.83
Other Equity	18,845.21	16,145.00	6,195.92
Total Equity	**19,794.54**	**17,090.13**	**6,983.75**
Total Liabilities and Equity	**45,201.65**	**37,467.24**	**23,276.87**

Debt Securities

As of March 31, 2021, we had debt securities of ₹4,301.84 million, compared to ₹6,445.50 million as of March 31, 2020 and compared to ₹7,013.85 million as of March 31, 2019. The decrease in debt securities in March 31, 2021 from March 31, 2020 was primarily on account of the early redemption of debt securities which was replaced with funds at a lower rate of interest.

Borrowings (Other than Debt Securities)

As of March 31, 2021, we had borrowings (other than debt securities) of ₹20,777.91 million, compared to ₹13,704.32 million as of March 31, 2020, and compared to ₹8,983.05 million as of March 31, 2019. The increase in borrowings (other than debt securities) between March 31, 2019 and March 31, 2021 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.

Total Liabilities

As of March 31, 2021, we had total liabilities of ₹25,407.11 million, compared to ₹20,377.11 million as of March 31, 2020, and compared to ₹16,293.12 million as of March 31, 2019. 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 March 31, 2021, our Total Equity was ₹19,794.54 million, representing 43.8% of our total assets. As of March 31, 2020, our Total Equity was ₹17,090.13 million, representing 45.6% of our total assets. As of March 31, 2019, our Total Equity was ₹6,983.75 million, representing 30.0% of our total assets. The increase in our Total Equity between March 31, 2019 and March 31, 2021, 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 financing from several sources, including refinancing from the NHB, financing from IFC, term loans, working capital loans and issuance of NCDs to meet our capital requirements. We also monetize loans through securitization to banks and other financial institutions. For the financial years 2021, 2020 and 2019, we had proceeds of borrowings from banks and other financial institutions of ₹9,671.3 million, ₹7,850.00 million and ₹7,810.00 million, respectively. As of March 31, 2021, our Total Borrowings were ₹25,150.66 million.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our capital 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 301 and 28, respectively.

Cash Flows

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

(₹ in million)

	For the financial year		
	2021	**2020**	**2019**
Net cash flow (used in) operating activities	(6,209.64)	(7,348.01)	(7,131.93)
Net cash flow from / (used in) investing activities	647.58	(968.90)	450.29
Net cash flow from financing activities	4,949.12	12,088.72	7,630.15
Net increase/(decrease) in cash and cash equivalents	**(612.94)**	**3,771.81**	**948.51**

Operating Activities

Net cash used in operating activities was ₹6,209.64 million for the financial year 2021. While our profit before tax was ₹3,450.91 million for the financial year 2021, we had an operating profit before working capital changes of ₹5,478.42 million. This increase was primarily due to finance costs of ₹2,065.34 million and depreciation and amortisation expense of ₹56.85 million, which was partially offset by interest on fixed deposits with banks of ₹145.71 million. Our changes in working capital for the financial year 2021 primarily consisted of an increase in loans of ₹8,785.75 million to satisfy the credit requirements of our growing customer base for our housing loans.

Net cash used in operating activities was ₹7,348.01 million for the financial year 2020. While our profit before tax was ₹2,472.90 million for the financial year 2020, we had an operating profit before working capital changes of ₹4,210.93 million. This increase was primarily due to finance costs of ₹1,845.49 million and depreciation and amortisation expense of ₹58.06 million, which was partially offset by interest on fixed deposits with banks of ₹170.41 million. Our changes in working capital for the financial year 2020 primarily consisted of an increase in loans of ₹9,201.78 million to satisfy the credit requirements of our growing customer base for our housing loans.

Net cash used in operating activities was ₹7,131.93 million for the financial year 2019. While our profit before tax was ₹1,527.06 million for the financial year 2019, we had an operating profit before working capital changes of ₹2,704.60 million, primarily due to finance costs of ₹1,162.18 million and depreciation and amortisation expense of ₹55.44 million. Our changes in working capital for the financial year 2019 primarily consisted of an increase in loans of ₹8,268.15 million to satisfy the credit requirements of our growing customer base for our housing loans.

Investing Activities

Net cash flow from investing activities was ₹647.58 million for the financial year 2021, primarily comprising deposits placed with banks (net) of ₹1,029.62 million and interest received on bank deposits of ₹151.91 million.

Net cash used in investing activities was ₹968.90 million for the financial year 2020, primarily comprising deposits withdrawn from banks, net of ₹1,122.53 million, which was partially offset by interest received on bank deposits of ₹147.21 million.

Net cash generated from investing activities was ₹450.29 million for the financial year 2019, primarily comprising from redemption of investments ₹9,432.58 million net of purchase of investments ₹8,986.22 million.

Financing Activities

Net cash flow from financing activities was ₹4,949.12 million for the financial year 2021, primarily comprising proceeds from borrowings (other than debt securities) of ₹11,084.02 million, which was partially offset by repayment of borrowings of ₹3,962.39 million and repayment of debt securities of ₹2,416.67 million.

Net cash flow from financing activities was ₹12,088.72 million for the financial year 2020, primarily comprising proceeds from borrowings of ₹8,529.46 million and proceeds from issue of equity shares (including securities premium) of ₹8,031.43 million, which was partially offset by repayment of borrowings (other than debt securities) of ₹3,807.74 million and repayment of debt securities of ₹1,093.75 million.

Net cash generated from financing activities was ₹7,630.15 million for the financial year 2019, primarily comprising proceeds from borrowings of ₹4,725.27 million and proceeds from issue of debt securities of ₹4,010.00 million, which was partially offset by repayment of borrowings of ₹1,092.18 million.

Financial Indebtedness

As of March 31, 2021, our Total Borrowings were ₹25,150.66 million. The following table sets forth certain information relating to outstanding indebtedness as of March 31, 2021, and our repayment obligations in the periods indicated:

(₹ in million)

	As of March 31, 2021				
	Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Debt Securities	4,301.84	289.93	4,011.91	-	-
Borrowings (Other than Debt Securities)	20,777.91	4,426.62	7,649.07	5,345.64	3,356.58
Lease Liabilities	70.91	33.03	33.87	2.86	1.15
Total	**25,150.66**	**4,749.58**	**11,694.85**	**5,348.50**	**3,357.73**

Capital and Other Commitments

As of March 31, 2021, we had loans sanctioned to borrowers pending disbursement of ₹1,598.76 million.

Securitization Arrangements

During the financial years 2021, 2020 and 2019, we securitized assets worth ₹912.75 million, ₹777.33 million and ₹643.91 million, respectively.

Contingent Liabilities

As of March 31, 2021, our contingent liabilities as per Ind AS 37 were as follows:

Particulars	**Amount (₹ in million)**
Corporate undertakings for securitization of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitized receivables	5.55

Off-Balance Sheet Commitments and Arrangements

Except as disclosed above in "*Securitization 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 financial year 2021, we added property, plant and equipment of ₹9.31 million, primarily for office equipment, leasehold improvements and furniture and fixtures. For the financial year 2020, we added property, plant and equipment of ₹21.98 million, primarily for office equipment and leasehold improvements. For the financial year 2019, we added property, plant and equipment of ₹19.25 million, primarily for office equipment and leasehold improvements. For the financial year 2022, 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 derived as of the dates indicated:

	As of		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Capital Adequacy Ratio	73.63%	82.49%	43.64%
Capital Adequacy Ratio – Tier I Capital	73.78%	82.25%	43.21%
Capital Adequacy Ratio – Tier II Capital	(0.15)%	0.25%	0.43%

Note: *As of March 31, 2021, Tier II Capital includes general provisions and loss reserves on Stage 1 assets of ₹394.95 million reduced by first loss credit enhancement of ₹771.17 million on securitized assets, resulting in Tier II capital of ₹(376.22) million.*

Credit Ratings

Our credit ratings as of the relevant dates indicated are set forth below:

Rating Agency	**Instrument**	**Credit Ratings as of March 31,**				
		2021	**2020**	**2019**	**2018**	**2017**
ICRA Limited	Non-convertible debentures	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	Not applicable[#]
	Bank term loans	ICRA A+ (Stable)	ICRA A+ (Stable)	ICRA A (Stable)	ICRA A (Stable)	ICRA A-(Stable)
Care Ratings	Non-convertible debentures	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive
	Bank term loans	CARE A+; Stable	CARE A+; Stable	CARE A; Stable	CARE A; Stable	CARE A-; Positive

[#] *The Company had not obtained any credit ratings from ICRA Limited for the non-convertible debentures as of March 31, 2017.*

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 "*Other Financial Information – Related Party Transactions*" on page 299.

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed to certain financial risks such as interest rate risk, credit risk, liquidity risk and operational risk.

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. Interest rate risk is managed through the Asset Liability Management Policy framed by us. This policy is administered through the Asset Liability Management Committee, which monitors certain items on a monthly basis including, our borrowing costs as of a particular date, the interest rate scenario in the market, gaps in cash flows at the prevalent interest rates, the effect of interest rate changes on the gap in cash flows and fixing the appropriate interest rate to be charges to customers.

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.

Credit Risk

Credit risk arises due to default by customers on their contractual obligations, which results in financial losses. Credit Risk stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment for us pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

We manage credit risk through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures are implemented to help mitigate default risk. We have a Credit Risk Management Committee which reviews policies, processes and products on an ongoing basis, with approval from our Board when required. We have a robust credit risk management framework at various levels. There are credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents and highlight early warning signals and industry developments enabling pro-active field risk management. Credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.

Credit risk monitoring for is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims at managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

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 page 30.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both, normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

We manage and measure liquidity risk as per our Asset Liability Management Policy and the Asset Liability Management Committee is responsible for managing liquidity risk. We not only measure our current liquidity position on an ongoing basis but also forecast how our liquidity position may emerge under different assumptions. Our liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities.

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.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems.

We recognize that operational risk events that have the potential to result in substantial losses includes internal fraud, external fraud, employment practices and workplace safety; clients, products and business practices, business disruption and system failures, damage to physical assets, and execution, delivery and process management.

We endeavor to manage such risks through a control framework and by monitoring and responding to potential risks. We have established robust controls mechanisms which assist us from the origination of a loan till delinquency management and accounting in the books of accounts. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audits.

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*" on page 25. 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*" on pages 25, 163 and 306, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 163, 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 operations, we are not 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 163, 110 and 25, 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 March 31, 2021

See " – *Recent Developments*" on page 307. To our knowledge, no other 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 VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation, in each case involving our Company, Subsidiary, Promoters or our Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on May 5, 2021, has considered and adopted a policy of materiality for identification of material civil litigation ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigation involving the Relevant Parties which exceeds the amount which is 1% of the profit after tax as per the Restated Consolidated Summary Statements for the Financial Year 2021 would be considered material for our Company. For the Financial Year 2021, our profit for the year as per the Restated Consolidated Summary Statements is ₹2,669.44 million. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable, (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹26.69 million; or (b) 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.*

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.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has, pursuant to the Board resolution dated May 5, 2021 considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Creditors' Materiality Policy**"). In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹0.94 million, which is 5% of the total trade payables of our Company as on March 31, 2021, as per the Restated Consolidated Summary Statements included in this Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2021, any outstanding dues exceeding ₹0.94 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 Development Act, 2006, as amended.*

Litigation involving our Company

Litigation by our Company

A. Criminal proceedings

Recovery proceedings initiated by our Company under Section 138 of the Negotiable Instruments Act, 1881

1. Our Company, in the ordinary course of its business, has initiated 7 recovery proceedings against various parties for the dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. These proceedings are pending at various stages of adjudication before various courts. The aggregate amount involved in such proceedings is approximately ₹8.75 million.

B. Material civil litigation

Nil

Litigation against our Company

A. Criminal proceedings

Nil

B. Material civil litigation

Nil

Action taken by regulatory and statutory authorities

Nil

Tax proceedings

Nil

Litigation involving our Promoters

Litigation against our Promoters

Nil

Litigations by our Promoters

Nil

Litigation involving our Directors

Litigations against our Directors

A. *Criminal proceedings*

Recovery proceedings initiated against our Directors under Section 138 of the Negotiable Instruments Act, 1881

Our Director, Kanarath Payattiyath Balaraj, is named as an accused in two complaints filed by Tata Capital Finance Services Limited under the Negotiable Instruments Act, 1881 with respect to the alleged dishonour of cheques issued by Vasan Healthcare Private Limited before the Fast Track Court, Saidapet, Chennai. The court has not yet taken cognizance of the complaint (accordingly it has not yet been numbered) and has not directed him to appear before it. He was a nominee non-executive director of Vasan Healthcare Private Limited. The aggregate amount involved in such proceedings is approximately ₹20.00 million.

Action taken by regulatory and statutory authorities against our Directors

1. Our Director, Kanarath Payattiyath Balaraj, received summons bearing F. No. T-1/MISC/HIU/2016 issued by the Directorate of Enforcement, Government of India, New Delhi, under the Foreign Exchange Management Act, 1999 to provide a statement in connection with an investigation being conducted in the case of Sequoia Capital India Advisors Private Limited in April 2016. He attended interviews before the Directorate of Enforcement, Government of India, New Delhi. There have been no developments on this matter since the last interview in July 2016.

2. Our Director, Kanarath Payattiyath Balaraj, received summons bearing F. No. T-3/59/CEZO/2016 issued by the Directorate of Enforcement, Government of India, Chennai under the Foreign Exchange Management Act, 1999 to provide a statement in connection with an investigation being conducted in the case of Vasan Healthcare Private Limited in January 2017. He attended an interview in January 2017 before the Directorate of Enforcement, Government of India, Chennai. No other personal interviews were held.

3. Our Director, Kanarath Payattiyath Balaraj, received two summons bearing F.No. ECIR/07/HIU/2017 issued by the Directorate of Enforcement, Government of India, New Delhi, to provide a statement in connection with an investigation being conducted in the case of INX Media Private Limited in September and November 2019. He attended interviews before the Directorate of Enforcement, Government of India, New Delhi. No further involvement of Kanarath Payattiyath Balaraj has been requested since 2019.

4. Our Director, Kanarath Payattiyath Balaraj, received a notice bearing F.No. SFIO/01/2021/INV/VasanHealthCare/1142 dated January 25, 2021 issued by the Serious Fraud Investigation Office, Government of India, Chennai seeking certain documents to assist them in relation to their investigation of Vasan Healthcare Private Limited. He responded on February 02, 2021 clarifying that the notice erroneously referred to him as a director of Vasan Healthcare Private Limited and that he had resigned from the said directorship in 2015. He also stated that as a nominee non-executive director he never had a role to play in the day to day management of Vasan Healthcare Private Limited and that consequently he did not have the documents sought by them. Thereafter, he received another notice bearing F.No. SFIO/01/INV/VHCPL/DIR/2020-21/1358 dated February 09, 2021 from the Serious Fraud Investigation Office, Government of India, Chennai seeking certain additional clarifications. He provided these clarifications through a reply dated February 22, 2021. There have been no updates on this matter thereafter.

5. Our Director, Kanarath Payattiyath Balaraj, received a summons dated August 4, 2021 on August 9, 2021, under Section 131 (1A) of the Income Tax Act, 1961 from the Office of the Assistant Director of Income Tax, Investigation, DDIT/ADIT (Inv), 3(4). The summons required him to submit certain documents and information to the authorities on August 13, 2021. He has on August 13, 2021, through counsel, requested for an additional period of time to submit his responses and has been granted four weeks to do so.

Litigations by our Directors

Nil

Litigation involving our Subsidiary

Nil

Past actions by NHB against our Company

1. On December 28, 2017, the NHB imposed a penalty of ₹5,000 on our Company upon failure to make disclosure required under paragraph 5.1 of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016. Our Company has deposited the penalty amount with the NHB.

2. Our Company received a show cause notice dated November 19, 2020 pursuant to the inspection of our Company by the NHB as per the provisions of the NHB Act with respect to our position as on March 31, 2019 ("**NHB Notice**"). The NHB Notice stated that during the course of the inspection, it was observed that our Company was claiming deduction under section 36(1)(viii) of the Income Tax Act on the entire housing and non-housing portfolio including loans sanctioned for the tenor of less than five years, in contraveniton of section 29C of the NHB Act, and that our Company had not submitted the statutory auditor's certificate specifically mentioning that all loans given by the Company are eligible for benefit under section 36(1)(viii) of the Income Tax Act. Further, the NHB Notice stated that our Company had not created any provision for inter-corporate loan given to our Subsidiary as on March 31, 2019 which was not in compliance with para 28 of the Housing Finance Companies (NHB) Directions, 2010. In this regard, the NHB Notice required our Company to show cause as to why penalty of ₹5,000 each should not be levied on our Company for contravention of section 29(C)1 of the NHB Act and non-compliance with provisions of para 28 of the NHB Directions respectively. On January 11, 2021, our Company responded to the NHB and stated that our Company has deposited the composite penalty amount of ₹11,800, inclusive of GST, with the NHB and confirmed that our Company shall adhere to the NHB's policy circular 93 dated February 15, 2019 with regard to disclosure requirements of penalty imposed by the NHB.

Outstanding dues to creditors

Our Board, in its meeting held on May 5, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Creditors' Materiality Policy**"). In terms of the Creditors' Materiality Policy, creditors of our Company to whom an amount exceeding five per cent of our total trade payables as on March 31, 2021 was outstanding, were considered 'material' creditors. As per the Restated Consolidated Summary Statements, our total trade payables as on March 31, 2021 was ₹18.81 million and accordingly, creditors to whom outstanding dues exceed ₹0.94 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 on March 31, 2021 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	-	-
Material creditors	3	8.42
Other creditors	427	10.39
Total	**430**	**18.81**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at www.aptusindia.com/investors.php.

It is clarified that such details available on our website do not form a part of this Prospectus.

Material Developments

Except as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments*" on page 307, 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 and its Subsidiary, which are necessary for undertaking their business. In view of such material approvals, our Company can undertake the Offer and its current business activities as disclosed in this Prospectus. 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.

For further details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies in India" beginning on page 177.

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 beginning page 339.

II. Material approvals in relation to our Company

(a). Material approvals obtained by our Company

We require various approvals to carry on our business in India. We have received the following material Government and other approvals pertaining to our business:

A. Material approvals in relation to our incorporation

1. Certificate of incorporation dated December 11, 2009 issued by the RoC to our Company in the name of Aptus Value Housing Finance India Limited.
2. Certificate of commencement of business dated June 25, 2010 issued by the RoC to our Company.
3. Our Company has been allotted a corporate identity number U65922TN2009PLC073881.

For further details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" beginning on page 185.

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 May 31, 2010 granted by the NHB bearing registration number 05.0084.10 pursuant to which our Company is allowed to commence/ carry on the business of a housing finance institution without accepting public deposits.
2. Recognition as a 'financial institution' by the Ministry of Finance, by notification dated December 18, 2015 for the purpose of sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the SARFAESI Act.
3. Legal Entity Identifier registration number 335800B5FZTE7UR3W714 from Legal Entity Identifier India Limited.
4. Registration for information utility services from National e-Governance Services Limited dated February 13, 2019.
5. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest.

C. Tax related approvals of our Company

1. Our PAN is AAICA0871G.
2. Our tax deduction account number is CHEA15905B.

3. GST registration numbers of our Company, as per the state where our business operations are spread, are as follows:

State	Registration Number
Andhra Pradesh	37AAICA0871G1ZQ
Karnataka	29AAICA0871G1ZN
Puducherry	34AAICA0871G1ZW
Tamil Nadu	33AAICA0871G1ZY
Telangana	36AAICA0871G1ZS

4. Our Company has branches in Andhra Pradesh, Karnataka, Puducherry, Tamil Nadu and Telangana 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 or is proposing to file an application for obtaining necessary approvals.

5. Our Company has obtained registration under the Chennai City Municipal Corporation Act, 1919, for payment of company tax.

D. Labour and commercial approvals

1. We are required to obtain a certificate of establishment issued by the labour departments of the respective state governments where the Registered Office and branches of our Company are located under the provisions of the relevant state specific legislations on shops and establishments. We have obtained the relevant shops and establishment registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our Registered Office and branches in India. Certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses/approvals or are in the process of making such applications.

2. We are required to intimate NHB before opening of new branches. We have made intimations for opening of new branches in accordance with the applicable law.

3. Registration no. TN/83085 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

4. Registrations issued by the Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948:

State	Registration Number
Andhra Pradesh	62510919870011004
Karnataka	53510919870011004
Puducherry	55510919870011004
Tamil Nadu	51000919870001004
Telangana	52510919870011004

E. Intellectual Property Registrations

Trademarks

As on the date of this Prospectus, our Company has registered a trademark in India as disclosed below.

Sr. No.	Description	Class	Trademark Number	Date of Registration
1.	APTUS	36	303664	August 20, 2015

(b). **Material approvals to be obtained by our Company**

Material approvals or renewals applied for but not received

Nil

III. Material approvals in relation to our Material Subsidiary i.e., AFIPL

(a). Material approvals obtained by AFIPL

AFIPL has received the following major Government and other approvals pertaining to its business:

A. Material approvals in relation to incorporation of AFIPL

1. Certificate of incorporation dated September 18, 2015 issued by the RoC to AFIPL in the name of Aptus Finance India Private Limited.

2. AFIPL has been allotted a corporate identity number U74900TN2015PTC102252.

B. Material approvals in relation to the business of AFIPL

1. Certificate of registration dated December 16, 2016 granted by the RBI to AFIPL bearing registration number N-07.00824 pursuant to which AFIPL is allowed to commence/ carry on business of a NBFC without accepting public deposits.

2. Legal Entity Identifier registration number 335800JW2IS8Y2LZ4S32 from Legal Entity Identifier India Limited.

3. Registration for information utility services from National e-Governance Services Limited dated August 31, 2019.

4. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest.

C. Tax related approvals of AFIPL

1. The PAN of AFIPL is AANCA7956K.

2. The tax deduction account number of AFIPL is CHEA22070G.

3. GST registration numbers of AFIPL, as per the state where its business operations are spread, are as follows:

State	Registration Number
Andhra Pradesh	37AANCA7956K1ZW
Karnataka	29AANCA7956K1ZT
Puducherry	34AANCA7956K1Z2
Tamil Nadu	33AANCA7956K1Z4
Telangana	36AANCA7956K1ZY

4. AFIPL has obtained registration for its branch in Chennai, Tamil Nadu under the respective professional tax legislation.

5. AFIPL has obtained registration under the Chennai City Municipal Corporation Act, 1919, for payment of company tax.

D. Labour and commercial approvals

1. Registration no. TNMAS1740643000 issued to AFIPL by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

2. Registration no. 51001245440001099 issued to AFIPL by Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948.

E. Intellectual Property Registrations

Nil

(b). Material approvals to be obtained by AFIPL

Material approvals or renewals applied for but not received

Nil

Material approvals or renewals to be applied for

Nil

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 May 5, 2021 and by our Shareholders pursuant to a special resolution passed at their meeting held on May 6, 2021. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale and has approved the Draft Red Herring Prospectus pursuant to its resolution dated May 5, 2021. Our Board has approved the Red Herring Prospectus pursuant to its resolution dated August 2, 2021 and the Prospectus pursuant to its resolution dated August 13, 2021.

The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale as set out below:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ Authorisation	Date of Consent Letter
Padma Anandan*	2,500,000@	-	May 14, 2021
Aravali Investment Holdings	19,762,495@	May 10, 2021	July 26, 2021
JIH II, LLC	28,379,135@	May 10, 2021, as further modified by resolution dated July 26, 2021	July 26, 2021
GHIOF Mauritius	9,997,855@	May 10, 2021	July 26, 2021
Madison India Opportunities IV	3,723,710@	May 12, 2021	July 26, 2021
KM Mohandass HUF**	125,000@	-	May 14, 2021
R Umasuthan***	75,000@	-	May 14, 2021
Saurabh Vijay Bhat	27,500@	-	May 14, 2021
Total	**64,590,695@**		

@ *Subject to finalisation of the Basis of Allotment*

* *25,000,000 Equity Shares held jointly with M Anandan (where Padma Anandan is the first holder). Additionally, Padma Anandan jointly holds 88,654,165 Equity Shares with M Anandan (where Padma Anandan is the second holder) and 4,583,330 Equity Shares with Anu Anand (where Padma Anandan is the second holder)*

** *Kandheri Munuswamy Mohandass, the karta of KM Mohandass HUF and the registered owner of the Equity Shares held by KM Mohandass HUF, is a Non-Executive Independent Director on our Board*

*** *R Umasuthan is an independent director on the board of directors of our Subsidiary*

Under paragraph 45.2 of the RBI Master Directions, which currently apply to the Company, require that any change in shareholding of a HFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of such HFC, requires a prior written approval from the RBI. Accordingly, our Company has filed an application dated May 12, 2021 with the RBI seeking prior written permission under the National Housing Bank Act, 1987, as amended and the RBI Master Directions to undertake the Offer, pursuant to which our Company has received a letter dated July 20, 2021 from the RBI to undertake the Offer.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 9, 2021 and June 24, 2021, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, the persons in control of our Company, the persons in control of WestBridge Crossover Fund, LLC and the Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoter of any company which has been debarred from accessing the capital markets by SEBI.

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 Promoters or Directors have not been declared as Fugitive Economic Offenders.

The Equity Shares held by the Promoters are in dematerialized form.

All the Equity Shares are fully paid-up and there are no partly paid-up Equity shares as on the date of filing of this Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and the Selling Shareholders, 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

Except for Sumir Chadha, who serves as a director on the board of directors of WestBridge Capital Partners, LLC, a limited liability company incorporated under the laws of Mauritius, which is registered with the Securities and Exchange Board of India as a 'Category I Appropriately Regulated- Investment Manager' bearing registration number INMUFP211915, none of our Directors are associated with the securities market in any manner including securities market related business. No outstanding action has been initiated against him by SEBI in the past five years.

Eligibility for the Offer

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. Except for Equity Shares that may be allotted pursuant to the conversion of vested employee stock options, if any, granted under the ESOP schemes of the Company, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The Selling Shareholders confirm that they have held the Offered Shares for a continuous period of at least one year prior to the date of this Prospectus and accordingly it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Summary Statements:

(a) Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

(b) Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

(d) Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Summary Statements included in this Prospectus as at, and for the last three Financial Years, are set forth below:

(*₹ in million, unless otherwise stated*)

	Financial Year 2021	**Financial Year 2020**	**Financial Year 2019**
Net tangible assets, as restated	19,553.87	16,894.48	7,031.90
Monetary assets, as restated	4,378.00	6,026.76	1,109.23
Monetary assets, as a percentage of net tangible assets, as restated	22.39%	35.67%	15.77%
Pre-tax operating profit, as restated	3,264.64	2,238.96	1,394.42
Net worth, as restated	19,794.54	17,090.13	6,983.75

Notes:

1. *The above figures (other than calculated figures) are based on Restated Consolidated Summary Statements.*
2. *Net Tangible assets means the sum of all the assets of the Company excluding Goodwill, Intangible assets and right of use assets reduced by total liability excluding deferred tax liability (net) of the Company.*
3. *Monetary assets means cash and cash equivalents and other bank balances (including non-current bank deposits and non-current margin deposits)*
4. *For the purpose of above computation, "Pre-tax operating profit" is computed by deducting finance costs, employee benefits expense, depreciation and amortisation expense, impairment on financial instruments, other expenses from Revenue from operations (consisting of Interest income, net gain on fair value changes and fee and commission income).*
5. *As per section 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, "Net Worth" means the aggregate value of the paid-up Equity Share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Offer to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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, ICICI SECURITIES LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES 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 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 THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY, THE INDIVIDUAL PROMOTER SELLING SHAREHOLDER AND THE INVESTOR 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 MAY 14, 2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS 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.

All applicable legal requirements pertaining to this Offer have been complied with at the time of filing of the Red Herring Prospectus and this Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, the Directors and the Book Running Lead Managers

Our Company, the Directors 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 in 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, www.aptusindia.com, or the respective websites of any of our Promoters, the members of our Promoter Group or Book Running Lead Managers would be doing so at his or her own risk.

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 among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software or hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents 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 from the Selling Shareholders

The Selling Shareholders accept no responsibility for statements made otherwise than in 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 www.aptusindia.com, or the respective websites of WestBridge Crossover Fund, LLC, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. Each of the Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and with respect to its Offered Shares.

The Selling Shareholders shall not be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to each of the Selling Shareholder and its 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 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. The Selling Shareholders and its 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.

Disclaimer in respect of Jurisdiction

The Offer was being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. The Red Herring Prospectus and this Prospectus does not constitute an offer for sale or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction including in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and 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 will be made only pursuant to the Red Herring Prospectus and this 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 has received the preliminary offering memorandum for the Offer, which contained 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.

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 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 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 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.

Bidders were advised to ensure that any Bid from them should not exceed investment limits or maximum number of Equity Shares that could be held by them under applicable law. Further, each Bidder where required to agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

"As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, is as set forth below:

BSE Limited ("**the Exchange**") has given vide its letter dated June 9, 2021 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 the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company is as set out below:

"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/1034 dated June 24, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this 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."

Disclaimer Clause of NHB

The Company is having a valid Certificate of Registration dated 31-05-2010 issued by the National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness or any of the statements or representations made or opinion expressed by the company and for repayment of deposits/ discharge of liabilities by the company.

Disclaimer Clause of RBI (in relation to our Subsidiary)

This company (i.e., our Subsidiary) is having a valid Certificate of Registration dated December 16, 2016 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits / discharge of liabilities by the company.

Listing

Applications will be 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 this 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 of the Selling Shareholder, severally and not jointly, undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from it in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, legal counsels, the Book Running Lead Managers, the bankers to our Company, the Industry Expert, independent chartered accountant and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Monitoring Agency, Bankers to the Offer (Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank, and Refund Bank) to act in their respective capacities, have been obtained, and 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 as on the date 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 dated August 13, 2021 from our Statutory Auditors, S.R. Batliboi & Associates 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 our Statutory Auditors and in respect of the examination report dated July 26, 2021 on the Restated Consolidated Summary Statements and the statement of special tax benefits dated July 26, 2021 and such consents have not been withdrawn as on the date of this Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an expert or consent within the meaning as defined under the U.S. Securities Act.

Our Company has also received consent dated August 13, 2021, from MSKA & Associates, Chartered Accountants, to include their name in this Prospectus as an "expert" in terms of the Companies Act, in relation to their certificate dated July 26, 2021 in relation to the statement of tax benefits available to our Material Subsidiary and its shareholders included in this Prospectus.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Prospectus.

Capital issue during the preceding three years by our Company

Other than as disclosed above and as disclosed in "*Capital Structure – Equity Share capital history of our Company*" beginning on page 70, our Company has not made any capital issues during the three years preceding the date of this Prospectus.

Only the non-convertible debentures of our Subsidiary are listed on the debt segment of the BSE and its equity share are not listed on the any of the stock exchanges. For details, see "*Financial Indebtedness*" on page 301. Our Company does not have any group company or associates.

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 offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Prospectus.

Our Company has not undertaken any rights issue in the five years preceding the date of this Prospectus.

The non-convertible debentures of our Company are listed on the debt segment of the BSE.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

None of the equity shares of our Subsidiary or WestBridge Crossover Fund, LLC is not listed on any stock exchanges.

The non-convertible debentures of our Subsidiary are listed on the debt segment of the BSE.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

A. ICICI Securities Limited

1. Price information of past issues handled by ICICI Securities Limited

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.	Home First Finance Company India Limited	11,537.19	518.00	February 3, 2021	618.80	+4.98%,[+1.97%]	-5.64%,[-1.05%]	+15.86%,[+6.58%]
2.	Railtel Corporation of India Limited	8,192.42	94.00	February 26, 2021	109.00	+35.64%,[-0.15%]	+37.50%,[+5.32%]	NA*
3.	Kalyan Jewellers India Limited	11,748.16	87.00(1)	March 26, 2021	73.95	-24.60%,[-1.14%]	-7.07%,[+8.13%]	NA*
4.	Suryoday Small Finance Bank Limited	5,808.39	305.00(2)	March 26, 2021	292.00	-18.38%,[-1.14%]	-26.87%,[+8.13%]	NA*
5.	Nazara Technologies Limited	5,826.91	1,101.00(3)	March 30, 2021	1,990.00	+62.57%,[+0.13%]	+37.59%,[+6.84%]	NA*
6.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	+30.22%,[+5.21%]	+75.43%,[+10.89%]	NA*
7.	Shyam Metalics and Energy Limited	9,087.97	306.00(4)	June 24, 2021	380.00	+40.95%,[+0.42%]	NA*	NA*
8.	Dodla Dairy Limited	5,201.77	428.00	June 28, 2021	550.00	+44.94%,[-0.43%]	NA*	NA*
9.	G R Infraprojects Limited	9,623.34	837.00(5)	July 19, 2021	1,715.85	NA*	NA*	NA*
10.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	NA*	NA*	NA*

**Data not available*

(1) *Discount of Rs. 8 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 87.00 per equity share.*
(2) *Discount of Rs. 30 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 305.00 per equity share.*
(3) *Discount of Rs. 110 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,101.00 per equity share.*
(4) *Discount of Rs. 15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 306.00 per equity share.*
(5) *Discount of Rs. 42 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 837.00 per equity share.*

2. Summary statement of price information of past issues handled by ICICI Securities Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	5	53,913.08	-	-	-	-	3	-	-	-	-	-	-	-

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	-	2	4	2	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* *This data covers issues up to YTD*

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*

B. Citigroup Global Markets India Private Limited

1. Price information of past issues handled by Citigroup Global Markets India Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	NA	NA	NA
2.	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	NA
3.	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]
4.	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[20.25%]	+5.81%[+24.34%]
5.	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.36%[-5.35%]	+14.70%[-1.99%]	+23.76%[-4.09%]

Source: www.nseindia.com

Notes:

(1) *Nifty is considered as the benchmark index.*

(2) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.*

(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	1	93,750.00	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	-	1	-	1
2019-20	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	1

Source: www.nseindia.com

Notes:

The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss Financial Services 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.	Powergrid Infrastructure Investment Trust	77,349.91	100.00	May 14, 2021	104.00	14.00% [7.64%]	22.04% [10.93%]	Not Applicable
2.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
3.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	498.00	30.68% [0.09%]	28.92% [-2.05%]	115.34% [8.08%]
4.	Indigo Paints Limited^	11,691.24	1,490.00^	February 2, 2021	2,607.50	75.72% [4.08%]	55.40% [-0.11%]	74.84% [7.61%]
5.	Burger King India Limited	8,100.00	60.00	December 14, 2020	112.50	146.5% [7.41%]	135.08% [10.86%]	168.25% [16.53%]
6.	Equitas Small Finance Bank Limited	5,176.00	33.00	November 2, 2020	31.10	5.45% [12.34%]	19.55% [16.84%]	68.18% [25.38%]
7.	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	18.90% [5.87%]	52.90% [20.25%]	45.79% [24.34%]

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
8.	Angel Broking Limited	6,000.00	306.00	October 5, 2020	275.00	-2.32% [2.70%]	10.02% [21.86%]	-3.74% [29.24%]
9.	Route Mobile Limited	6,000.00	350.00	September 21, 2020	717.00	105.81% [5.74%]	231.04% [22.31%]	349.14% [31.05%]
10.	Prince Pipes and Fittings Limited	5,000.00	178.00	December 30, 2019	160.00	0.14% [-1.63%]	-44.33% [-29.34%]	-35.00% [-15.28%]

Source: www.nseindia.com

^ *Indigo Paints Limited - A discount of ₹148 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹1490 per equity share*

Notes:

1) *Based on date of listing.*
2) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3) *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4) *The Nifty 50 index is considered as the benchmark index*
5) *Not Applicable. – Period not completed*
6) *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues handled by Edelweiss Financial Services Limited:

Financial Year*	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	2	102,349.91	-	-	-	-	1	1	-	-	-	-	-	-
2020-21	7	45,530.35	-	-	1	3	1	2	-	-	1	5	1	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1

The information is as on the date of the document

1) *Based on date of listing.*
2) *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3) *The Nifty 50 index is considered as the Benchmark Index.*

**For the financial year 2021-22- 2 issues have been completed and both have completed 90 calendar days.*

D. ***Kotak Mahindra Capital Company Limited***

1. Price information of past issues handled by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	750	-	-	-
2.	Zomato Limited	93,750.00	76	July 23, 2021	116.00	-	-	-
3.	Clean Science and Technology Limited	15,466.22	900	July 19, 2021	1,755.00	-	-	-
4.	G R Infraprojects Limited	9,623.34	837[1]	July 19, 2021	1,715.85	-	-	-
5.	Krishna Institute of Medical Sciences Limited	21,437.44	825[2]	June 28, 2021	1,009.00	+48.10%,[-0.43%]	-	-
6.	Sona BLW Precision Forgings Limited	55,000.00	291	June 24, 2021	301.00	+45.45%, [+0.42%]	-	-
7.	Macrotech Developers Limited	25,000.00	486	April 19, 2021	436.00	+30.22%[+5.21%]	+75.43%[+10.89%]	-
8.	Home First Finance Company India Limited	11,537.19	518	February 3, 2021	618.80	+4.98%[+1.97%]	-5.64%[-1.05%]	+64.83%[+6.58%]
9.	Indigo Paints Limited	11,691.24	1,490[3]	February 2, 2021	2,607.50	+75.72%[+4.08%]	+55.40%[-0.11%]	+74.84%[+7.61%]
10.	Burger King India Limited	8,100.00	60	December 14, 2020	115.35	+146.50%[+7.41%]	+135.08%[+10.86%]	+168.25%[+16.53%]

Source: www.nseindia.com and www.bseindia.com

Notes:

1. *In G R Infraprojects Limited, the issue price to eligible employees was ₹795 after a discount of ₹42 per equity share*
2. *In Krishna Institute of Medical Sciences Limited, the issue price to eligible employees was ₹785 after a discount of ₹40 per equity share*
3. *In Indigo Paints Limited, the issue price to eligible employees was ₹1,342 after a discount of ₹148 per equity share*
4. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
5. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
6. *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%
2021-22	7	235,413.00	-	-	-	-	3	-	-	-	-	-	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

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	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

1. *The information is as on the date of this Prospectus.*
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 Book Running Lead Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	Edelweiss Financial Services Limited	www.edelweissfin.com
4.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com

Redressal and Disposal of Investor Grievances by our Company

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the from the date of listing and commencement of trading of the Equity Shares 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.

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers 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 orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for RIB who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

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, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on 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. Each of the Selling Shareholder has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its Offered Shares.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company has also appointed Sanin Panicker, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 61.

Our Company has constituted a Stakeholders' Relationship Committee comprising Shailesh Jayantilal Mehta, VG Kannan and Kanarath Payattiyah Balaaraj 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*" beginning on page 199.

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company and our Subsidiary have not received any investor complaints during the three years preceding the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus, and hence no investor complaint in relation to our Company and Subsidiary is pending as on the date of filing this Prospectus.

Our Company does not have any group companies (as defined under the SEBI ICDR Regulations and in terms of the Materiality Policy).

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, 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, RBI, RoC, NHB and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, NHB, Government of India, the Stock Exchanges, RoC and/ or any other authorities while granting their approval for the Offer.

The Offer

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

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 378.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 213 and 378, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price is ₹353 per Equity Share. The Floor Price is ₹346 per Equity Share and at the Cap Price is ₹353 per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹353 per Equity Share.

The Price Band and the minimum Bid Lot was decided by our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers and were advertised in all editions of English national daily newspaper, The Financial Express, all editions of Hindi national daily newspaper, Jansatta and the Chennai editions of the Tamil daily newspaper, Makkal Kural (Tamil being the regional language of Tamil Nadu, where our Registered 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 required to be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price was determined by our Company, Individual Promoter Selling Shareholder and the Investor 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 our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy 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 our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 378.

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 July 29, 2016 amongst our Company, CDSL and the Registrar to the Offer (in its erstwhile name); and
- Tripartite agreement dated May 2, 2013 between our Company, NSDL and the Registrar to the Offer (in its erstwhile name).

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 42 Equity Shares. For further details, see “*Offer Procedure*” beginning on page 361.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, were allowed to 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), was 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) were allowed to 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 stood stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer was entitled to make a fresh nomination in the manner prescribed. Fresh nomination could be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and the Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank 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 the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, 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.

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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENED ON	August 10, 2021[1]
BID/OFFER CLOSED ON	August 12, 2021[2]
Finalisation of Basis of the Allotment with the Designated Stock Exchange	On or about August 18, 2021
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about August 20, 2021
Credit of Equity Shares to demat accounts of Allottees	On or about August 23, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about August 24, 2021

1. *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations i.e., August 9, 2021.*

2. *UPI mandate end time and date was 12:00 pm on August 13, 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. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The above timetable is indicative and does not constitute any obligation or liability 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 delay in receipt of final certificates from SCSBs, etc resulting in delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders has confirmed that it shall extend reasonable co-operation in relation to the Offered Shares required by

our Company and the Book Running Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 were required to be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

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.

The Registrar to the Offer submitted the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs were required to unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members were preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount was not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, were required to 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 were cautioned that, in the event a large number of Bids were received on the Bid/Offer Closing Date, some Bids would not get uploaded due to lack of sufficient time. Such Bids that were not uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids were accepted only during Monday to Friday (excluding any public/ bank holiday). None of our Company, each of the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges were taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days (or such other timeline as may be prescribed under applicable law) after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum.

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 Individual Promoter Selling Shareholder and the Investor Selling Shareholders in the Offer for Sale; (ii) through the sale of Offered Shares being offered by the Other Selling Shareholders in the Offer for Sale; and (iii) through the issuance of balance part of the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, can be met with spill-over from the other categories at the discretion of our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company will 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 has not issued any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 70 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 the Articles of Association*" beginning on page 378.

OFFER STRUCTURE

The Offer is of 78,755,000* Equity Shares of face value of ₹2 at an Offer Price of ₹353 per Equity Share for cash (including a share premium of ₹351 per Equity Share) aggregating up to ₹27,800.52 million comprising a Fresh Issue of 14,164,305* Equity Shares aggregating up to ₹5,000.00 million and an Offer of Sale of 64,590,695* Equity Shares aggregating up to ₹22,800.52 million by the Selling Shareholders. The Offer constitutes 15.89% of the post-Offer paid-up Equity Share capital of our Company.

**Subject to finalisation of the Basis of Allotment*

The Offer was 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 39,377,500^ Equity Shares	Not less than 11,813,250^ Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than 27,564,250^ 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 made 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 be eligible for allocation in the remaining Net 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) 787,550^ Equity Shares was made available for allocation on a proportionate basis to Mutual Funds only; and (b) 14,963,450^ Equity Shares was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 60% of the QIB Portion (of 23,626,500^ Equity Shares) was allocated on a discretionary basis to Anchor Investors of which one-third was made available for allocation to Mutual Funds only, subject to valid Bid having been received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Proportionate, subject to minimum bid lot. The allotment to each RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For further details, see "*Offer Procedure*", beginning on page 361.
Mode of Bid	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (including the UPI Mechanism)(3)
Minimum Bid	Such number of Equity Shares and in multiples of 42 Equity Shares such that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of 42 Equity Shares such that the Bid Amount exceeds ₹200,000	42 Equity Shares and in multiples of 42 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 42 Equity Shares not exceeding the size of the Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of 42 Equity Shares not exceeding the size of the Offer (excluding the QIB Portion),	Such number of Equity Shares in multiples of 42 Equity Shares so that the Bid Amount does not exceed ₹200,000

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs
		subject to limits applicable to Bidder	
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	42 Equity Shares and in multiples of 42 Equity Shares thereafter		
Allotment Lot	A minimum of 42 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 registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts, and FPIs who are individuals, corporate bodies and family offices 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 was required to be paid by the Anchor Investors at the time of submission of their Bids[(5)] **In case of all other Bidders**: Full Bid Amount was required to 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers 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 was ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100 million but ₹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 ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof were permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor was required to make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100 million. One-third of the Anchor Investor Portion was reserved for allocation for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation was made to Anchor Investors.*

(2) *This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Anchor Investors are not permitted to use the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form contained 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 required to be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price was paid 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, each of the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, was required to be met with spill-over from the other categories or a combination of categories at the discretion of our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion was not allowed to be met with spill-over from other categories or a combination of categories. For further details, see the "*Terms of the Offer*" beginning on page 354.

OFFER PROCEDURE

All Bidders were required to read 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, and which will be part of the abridged prospectus accompanying the Bid cum Application Form. 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 of Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders could refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), 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 was mandated 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. Moreover, 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 will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of these circulars are deemed to form part of this Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has reduced the time period for refund of application monies from 15 days to four days.*

Our Company, the Selling Shareholders 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 have occurred after the date of the Red Herring Prospectus and which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids were submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in 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 this Offer.

Book Building Procedure

The Offer has been made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was required to be allocated on a proportionate basis to QIBs. Our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, 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. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis only to Mutual Funds, 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 to Non-Institutional Bidders and not less than 35% of the Offer was made available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price.

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 did 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 to be treated as incomplete and were liable to be rejected. Bidders do 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 has been 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 Company has appointed one of the SCSBs as the 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 made available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered 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.

RIBs Bidding using the UPI Mechanism were required to provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that did not contain the UPI ID are liable to be rejected.

All Bidders (other than Anchor Investors) were required to mandatorily 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 being made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, 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 had sufficient credit balance as an amount equivalent to the full Bid Amount which could be blocked by the SCSB.

For Anchor Investor, the Anchor Investor Application Form were 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 made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism), Designated Intermediaries (other than SCSBs) were required to submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and were required to not submit it to any non-SCSB bank or any Escrow Collection Bank. 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 allowed 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 was required tol 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 was with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction had come to a halt. The NPCI was required to share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the Bankers to the Offer. The Book Running Lead Managers were also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs were required to send SMS alerts for mandating block and unblock in the format prescribed under the SEBI *circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated March 16 ,2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank was required to undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and was required to ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank was required to undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks were required to download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI was required to coordinate with issuer banks and Sponsor Banks on a continuous basis. The Sponsor Bank was required to send details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact or bearing on the Bidding process to the e-mail address of intermediaries (closed user group) entities periodically in intervals not exceeding three (3) hours. In case of exceptional events such as technical issues with UPI handles/PSPs/TPAPS/SCSBs etc., such events were required tobe intimated immediately to the closed user group entities so as to facilitate the flow of information in the Offer process. The Sponsor Bank was required to obtain the relevant information from the Stock Exchanges and Book Running Lead Managers for the development of the automated web portal, prior to the Bid/Offer Opening Date.

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 Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as were 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 other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of the Promoter Group were not permitted to participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group were not permitted to 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 was 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 was deemed to be an "associate of the Book Running Lead Managers" 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 was required to be lodged along with the Bid cum Application Form. Failing this, our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserved 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 was 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 treated as multiple Bids provided that the Bids clearly indicate 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% may not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs were required to 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 were required to 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 was 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 377.

Participation of Eligible NRIs in the Offer was subject to the FEMA Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs were required to be made, in the individual name of the *Karta*. The Bidder/applicant was required to specify that the Bid was 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 were 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 on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was required to be attached to the Bid cum Application Form, failing which our Company reserved the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (blue in colour).

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 were required to be treated as multiple Bids and were 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 were made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, which did not utilize the MIM Structure, and bear the same PAN, were 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, were 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 were liable to be rejected. Further, in the following cases, the bids by FPIs were not 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 April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(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.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder was required to not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure were aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Prospectus read with the General Information Document, Bid Cum Application Forms were liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Prospectus.*"

For example, an FPI was required to ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") were below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital were liable to be rejected.

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 were required to be lodged along with the Bid cum Application Form. Failing this, our Company and 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers in their absolute discretion, reserved 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 as amended, *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 an investee company directly or through investment in the units of other AIF, subject to the conditions prescribed by SEBI. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. 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, the Individual Promoter Selling Shareholder and the Investor 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserved 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 and non-financial services cannot exceed 20% of the bank'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 were 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 was required to 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book Running Lead Managers reserved 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 were advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and were required to 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders in consultation with the Book Running Lead Managers reserved 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserved 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 was as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund was aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors was opened one Working Day before the Bid/ Offer Opening Date, and was completed on the same day.

5) Our Company, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the the Book Running Lead Managers finalized allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion were not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion was up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) 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, subject to minimum Allotment of ₹50 million per Anchor Investor.

6) Allocation to Anchor Investors was required to be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, was made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors were not permitted to withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) Equity Shares Allotted in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

9) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which were associate of the Book Running Lead Managers or insurance companies promoted by entities which were associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which were associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which were associate of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group were required to apply under the Anchor Investors category.

10) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not required to be considered multiple Bids.

For more information, please read the General Information Document

The information set out above was 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 have occurred after the date of the Red Herring Prospectus and which may occur after the date 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.

Information for Bidders

The relevant Designated Intermediary was required to enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options were not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary did not guarantee that the Equity Shares were allocated/Allotted. Such Acknowledgement Slip was non-negotiable and by itself was not required to create obligation of any kind. When a Bidder revises his or her Bid, he /she was required to surrender the earlier Acknowledgement Slip and could request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus, the Red Herring Prospectus or this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

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 this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

6. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned were 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. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment

managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

19. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and PAN available in the Depository database;

20. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

22. Ensure that the Demographic Details are updated, true and correct in all respects;

23. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

24. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

25. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

26. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

27. RIBs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

28. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

29. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which was not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a RIB;

3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);

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 and this Prospectus;

15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

18. Anchor Investors should not bid through the ASBA process;

19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

28. Do not submit incorrect details in the UPI ID 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. Further, ensure that no incorrect details are submitted in the UPI Mechanism;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

31. Do not Bid if you are an OCB;

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 61.

Further, helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of Book Running Lead Managers	Helpline	Telephone
1.	ICICI Securities Limited	aptus.ipo@icicisecurities.com	+91 22 2288 2460/70
1.	Citigroup Global Markets India Private Limited	aptus.ipo@citi.com	+91 22 6175 9999
2.	Edelweiss Financial Services Limited	aptus.ipo@edelweissfin.com	+91 22 4009 4400
3.	Kotak Mahindra Capital Company Limited	aptus.ipo@kotak.com	+91 22 4336 0000

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 in accordance with applicable law. 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. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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 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, the Individual Promoter Selling Shareholder and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers decided the list of Anchor Investors to whom the CAN were required to be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names were to be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "Aptus Value Housing Finance India Limited - Anchor R"

(b) In case of Non-Resident Anchor Investors: "Aptus Value Housing Finance India Limited - Anchor NR"

Anchor Investors should 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 Bank 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, The Financial Express, all editions of Hindi national daily newspaper, Jansatta and the Chennai editions of the Tamil daily newspaper, Makkal Kural (Tamil being the regional language of Tamil Nadu, where our Registered 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, The Financial Express, all editions of Hindi national daily newspaper, Jansatta and the Chennai edition of Tamil daily newspaper, Makkal Kural (Tamil being the regional language of Tamil Nadu, where our Registered Office is located) each with wide circulation.

The information set out above was 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 have occured after the date of the Red Herring Prospectus and will occur after the date of 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 would then be termed as this 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 were 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 1% 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 Promoters’ contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;
- except for any exercise of options vested pursuant to the ESOP 2021 and the ESOP 2015, no further issue of the Equity Shares shall be made till the Equity Shares offered through 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 shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder undertake, severally and not jointly, in relation to itself and its Offered Shares that:

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;
- it shall deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer prior to the filing of the Red Herring Prospectus with the RoC;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer; and

- 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 Shareholder, are statements which are specifically confirmed or undertaken, severally and not jointly, by the Selling Shareholder in relation to themselves and 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 and the circulars and notifications issued thereunder. 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, if any. For details, see *"Key Regulations and Policies in India – Foreign Investments in HFCs"* beginning on page 169.

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.

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 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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

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) in the United States to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to 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 was 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 have occured after the date of the Red Herring Prospectus and will occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE 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. 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

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by our Shareholders.

Authorised Share Capital

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the MoA or as altered from time to time, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company

Alteration of Capital

Power to sub-divide, consolidate and cancel share certificate.

The Company may, by Ordinary Resolution, from time to time, alter the conditions of MoA as follows:

a. increase its Share Capital by such amount as it thinks expedient;

b. Consolidate and divide all or any its share capital into shares of larger amount than its existing shares; *Provided* that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

c. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by MoA;

d. cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.; and

e. Convert all or any one its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

Allotment of Shares

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board thinks fit.

Forfeiture and Lien

The Company shall subject to applicable law have a first and paramount lien on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article. For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Certificate

Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in the Articles and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

Every certificate of shares shall be under the seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.

If any certificate be defaced, mutilated, torn or old, decrepit, worn- out or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

No fee shall be charged for sub-division and consolidation of share / debenture certificates and for sub-division of letters of allotment, split and consolidation.

Transfer of Shares

In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

Transmission of shares

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate or other legal representation as the case may be from a competent court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of the probate or letter of administration or a secession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Borrowing Powers

The Board may, from time to time and at its discretion, raise or borrow or secure the payment of any sums or sum of money for the purposes of the Company in such manner and upon such terms and conditions in all respects as it thinks fit.

Issue of Bonus Shares

The Company in its General Meeting may resolve to issue the bonus shares to its shareholders subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

General Meetings

All General Meetings of the Company other than the Annual General Meeting shall be called an Extra-ordinary General Meeting. The notice of a General Meeting shall be given to the Members of the Company, the persons entitled to a share in consequence of the death or insolvency of a Member, the Directors of the Company and the auditors for the time being of the Company.

Meetings of Directors

The Board of Directors shall meet at least once in every three months with a maximum gap of four months between two meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four such meetings shall be held in every year. Notice of at least seven days, in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad. The notice shall include the time, venue and agenda of such meeting.

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. If within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

Managing Directors

Subject to the provision of the Act, the Board may, from time to time, appoint one or more Directors to be managing director or managing directors of the Company and may, from time to time. The managing director shall not be liable to retirement by rotation as long as he holds office as managing director.

Appointment of Directors

a. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year. Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

b. From the date of receipt of the listing and trading approval in relation to the IPO, subject to the receipt of the requisite regulatory authorization and corporate authorizations (including shareholder approval in the manner prescribed by SEBI) post-listing of the Company, (a) the Company shall at all times have such number of Directors appointed in accordance with the provisions of the Act and, on and from the date of execution of the Waiver Cum Amendment Agreement, subject to applicable law, including the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time, (b) WestBridge Crossover Fund, LLC shall have the right to nominate 2 (two) nominee Directors to the Board (the "**Investor Nominee Directors**"), until such time as WestBridge Crossover Fund, LLC, AIH and JIH collectively hold 10% or more of the issued and paid up share capital of the Company, (c) M Anandan and Padma Anandan shall have the right to nominate such number of nominee Directors (including, without limitation, M Anandan) to the Board, as would constitute a majority on the Board (excluding the independent Directors), until such time as M Anandan and Padma Anandan continue to be classified as "promoters" of the Company within the meaning of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and (d) the chairman of the Board shall, at all times, be M Anandan, subject to M Anandan and Padma Anandan continuing to be classified as "promoters" under applicable law.

Votes of Members

On a show of hands every Member present in person and being a holder of Equity Shares shall have one vote and every person present either as a Proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote.

On a poll, the voting rights of holder of Equity Shares 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 the Act and shall vote only once.

A person becoming entitled to a share shall not before being registered as Member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.

No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien.

Dividend

The Company in General Meeting may declare the dividends, but no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

No dividend shall bear interest against the Company.

Unpaid or Unclaimed Dividend

Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with the provisions of the applicable law.

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of 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 30 days, open a special account in that behalf in any scheduled bank and transfer to such account, the total amount of the dividend which remains unpaid or in relation to which no divided warrant has been posted.

Any money transferred to the said special account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as "Investor Education and Protection Fund" established under the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and the Company shall comply with the provisions of the applicable laws in respect of such dividend.

Winding Up

Subject to the provisions of applicable law, the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, such assets shall be distributed among the Members according to their rights and interests in the Company.

Indemnity

Subject to the provisions the Act, the Company shall indemnify every Director and Officer of the Company against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in which relief is granted to them by the court or the tribunal. However, such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

PART B

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. Part B of the Articles of Association of the Company provides for the rights and obligations of the parties to the SHA entered into between our Company, M Anandan, WestBridge Crossover Fund, LLC, Aravali Investment Holdings and JIH II, LLC and the WCA, entered into between our Company, M Anandan, Padma Anandan, WestBridge Crossover Fund, LLC, Aravali Investment Holdings and JIH, II LLC. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by our Shareholders.

SECTION IX: 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 were deemed material and were attached to the copy of the Red Herring Prospectus filed with the RoC and to the copy of this Prospectus, as applicable, 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 Office between 10 a.m. and 5 p.m. IST on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated May 14, 2021, as amended on July 26, 2021 among our Company, the Selling Shareholders, and the Book Running Lead Managers, read together with the termination letter dated July 26, 2021 issued by WestBridge Crossover Fund, LLC withdrawing from the Offer.

2. Registrar Agreement dated May 14, 2021, as amended on July 27, 2021 among our Company, the Selling Shareholders, and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated August 2, 2021 among our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, and the Banker to the Offer.

4. Share Escrow Agreement dated July 29, 2021 among our Company, the Selling Shareholders, and the Share Escrow Agent.

5. Syndicate Agreement dated August 2, 2021 among our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement dated August 13, 2021 among our Company, the Selling Shareholder, and the Underwriters.

7. Monitoring Agency Agreement dated July 31, 2021 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated December 11, 2009 issued by the RoC to our Company in the name of Aptus Value Housing Finance India Limited.

3. Certificate of commencement of business issued by the RoC to our Company on June 25, 2010.

4. Certificate of registration dated May 31, 2010 granted by the NHB bearing registration number 05.0084.10 pursuant to which our Company is allowed to commence/ carry on the business of a housing finance institution without accepting public deposits.

5. Certificate of registration dated December 16, 2016 granted by the RBI to AFIPL bearing registration number N-07.00824 pursuant to which AFIPL is allowed to commence/ carry on business of a NBFC without accepting public deposits.

6. Copies of annual reports of our Company for the Financial Years 2020, 2019 and 2018.

7. Resolution of our Board of Directors dated May 5, 2021 authorising the Offer and other related matters.

8. Resolution of the Shareholders of our Company dated May 6, 2021 authorising the Fresh Issue and other related matters.

9. Resolution of the board of directors of JIH II, LLC dated May 10, 2021, as further modified by resolution dated July 26, 2021, consenting to participate in the Offer for Sale.

10. Resolution of the board of directors of Aravali Investment Holdings dated May 10, 2021, consenting to participate in the Offer for Sale.

11. Resolution of the board of directors of Madison India Opportunities IV dated May 12, 2021, consenting to participate in the Offer for Sale.

12. Resolution of the board of directors of GHIOF Mauritius dated May 10, 2021, consenting to participate in the Offer for Sale.

13. Consent letters of the Selling Shareholders, consenting to participate in the Offer for Sale.

14. Resolutions of the Board of Directors and our IPO Committee dated May 12, 2021 and May 14, 2021, respectively, approving the Draft Red Herring Prospectus.

15. Resolution of Board of Directors dated August 2, 2021, approving the Red Herring Prospectus for filing with the RoC and subsequently with SEBI and Stock Exchanges.

16. Resolution of Board of Directors dated August 13, 2021, approving this Prospectus for filing with the RoC and subsequently with SEBI and Stock Exchanges.

17. Resolution of IPO Committee dated August 13, 2021, approving the Offer Price.

18. Consent letter from CRISIL Limited dated July 26, 2021 to rely on and reproduce part or whole of the report titled "*Assessment of Housing Finance Market in India, July 2021*" and include their name in this Prospectus.

19. The report titled "*Assessment of Housing Finance Market in India, July 2021*" issued in July 2021 by CRISIL Research, a division of CRISIL Limited.

20. Letter dated February 25, 2021 (read with the addendum to the letter dated July 12, 2021), appointing CRISIL Limited as the Industry Expert for the Offer.

21. The report dated July 26, 2021 on the statement of special tax benefits of our Material Subsidiary issued by MSKA & Associates, Chartered Accountants.

22. The report dated July 26, 2021 on the statement of special tax benefits of our Company issued by our Statutory Auditors, namely, S.R. Batliboi & Associates LLP, Chartered Accountants.

23. Examination report dated July 26, 2021 of our Statutory Auditors on the Restated Consolidated Summary Statements, included in this Prospectus.

24. Consent letter dated August 13, 2021 from our Statutory Auditors, namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated July 26, 2021 on our Restated Consolidated Summary Statements; and (ii) their report dated July 26, 2021 on the statement of special tax benefits in this Prospectus and such consent has 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.

25. Consent dated August 13, 2021 from MSKA & Associates, Chartered Accountants, to include their name in this Prospectus as an "expert" in terms of the Companies Act 2013, in relation to their certificate dated July 26, 2021 in relation to the statement of tax benefits available to our Material Subsidiary and its shareholders included in this Prospectus.

26. Consent letters of the Selling Shareholders, Directors, our Company Secretary and Compliance Officer, Indian Legal Counsel to our Company, Indian Legal Counsel to the Book Running Lead Managers, International Legal Counsel to the Book Running Lead Managers, Bankers to our Company, Indian Legal Counsel to WestBridge Crossover Fund, LLC and Investor Selling Shareholders, the Book Running Lead Managers, the Syndicate Members, the Banker to the Offer and the Registrar to the Offer, to act in their respective capacities.

27. Restated Shareholders Agreement dated September 2, 2019 between the Company, M Anandan, WestBridge Crossover Fund, LLC, Aravali Investment Holdings and JIH II, LLC, as amended on May 12, 2021, and read with letter arrangement dated May 12, 2021.

28. ESOP 2015 and ESOP 2021.

29. In-principle listing approvals dated June 9, 2021 and June 24, 2021 issued by BSE and NSE, respectively.

30. Tripartite agreement dated July 29, 2016 among our Company, CDSL and the Registrar to the Offer (in its erstwhile name).

31. Tripartite agreement dated May 2, 2013 among our Company, NSDL and the Registrar to the Offer (in its erstwhile name).

32. Due diligence certificate dated May 14, 2021 addressed from the Book Running Lead Managers to SEBI.

33. SEBI observation letter no. SEBI/HO/CFD/DIL2/P/W/2021/15811/1 dated July 20, 2021.

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 certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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M Anandan
(Chairman and Managing Director)

Place: Chennai

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kandheri Munuswamy Mohandass
(Non-Executive Independent Director)

Place: Chennai

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sankaran Krishnamurthy
(Non-Executive Independent Director)

Place: Chennai

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Krishnamurthy Vijayan
(Non-Executive Independent Director)

Place: Chennai

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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VG Kannan
(Non-Executive Independent Director)

Place: Thane

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mona Kachhwaha
(Non-Executive Independent Director)

Place: Gurgaon

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shailesh Jayantilal Mehta
(Non-Executive Director)

Place: San Francisco, CA 9401

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kanarath Payattiyah Balaraj
(Non-Executive Nominee Director)

Place: Bangalore

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sumir Chadha
(Non-Executive Nominee Director)

Place: California

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Suman Bollina
(Non-Executive Director)

Place: Visakhapatnam

Date: August 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Balaji P
(Chief Financial Officer)

Place: Chennai

Date: August 13, 2021

DECLARATION

I, Padma Anandan, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as a 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.

Padma Anandan

Place: Chennai

Date: August 13, 2021

DECLARATION

We, Aravali Investment Holdings, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as a 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 ARAVALI INVESTMENT HOLDINGS

Authorised Signatory

Name: Muralidhar Madhav Shenoy

Designation: Director

Date: August 13, 2021

Place: Mauritius

DECLARATION

We, JIH II, LLC, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as a 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 JIH II, LLC

Authorised Signatory

Name: Muralidhar Madhav Shenoy

Designation: Director

Date: August 13, 2021

Place: Mauritius

DECLARATION

We, GHIOF Mauritius, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as a 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 GHIOF MAURITIUS

Authorised Signatory

Name: Sameet S. Mehta

Designation: Director

Date: August 13, 2021

Place: San Francisco, California, USA

DECLARATION

We, Madison India Opportunities IV, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as a 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 MADISON INDIA OPPORTUNITIES IV

Authorised Signatory

Name: Indranathsingh Seewooruttun

Designation: Director

Date: August 13, 2021

Place: Mauritius

DECLARATION

We, KM Mohandass HUF, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Prospectus in relation to ourselves, as a 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 KM MOHANDASS HUF

Authorised Signatory

Name: Kandheri Munuswamy Mohandass

Designation: Karta

Place: Chennai

Date: August 13, 2021

DECLARATION

I, Saurabh Vijay Bhat, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as a 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.

Saurabh Vijay Bhat

Place: Thane

Date: August 13, 2021

DECLARATION

I, R Umasuthan, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as a 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.

R Umasuthan

Place: Chennai

Date: August 13, 2021