IIFL FINANCE LIMITED

IIFL Finance Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on October 18, 1995 as a private limited company with the name Probity Research & Services Private Limited under the provisions of the Companies Act, 1956. The status of our Company was changed to a public limited company and our name was changed to Probity Research & Services Limited pursuant to a fresh certificate of incorporation dated on April 28, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was subsequently changed to India Infoline.Com Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Company was further changed to India Infoline Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Company was changed to IIFL Holdings Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Company was changed to IIFL Finance Limited and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019. Also, our Company has obtained a Certificate of Registration dated March 06, 2020 bearing Registration No. N-13.02386 issued by the Reserve Bank of India ("**RBI**") to commence the business of a non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company ("**NBFC**"). For more information about the Company, please see "*General Information*" and "*History and Main Objects*" on pages 46 and 144, respectively of this Tranche II Prospectus.

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane 400 604, Maharashtra, India;
Tel.: +91 22 4103 5000; **Fax:** +91 22 2580 6654; **PAN:** AABCI0745G; **Website:** www.iifl.com; **CIN:** L67100MH1995PLC093797
Corporate Office: 802, 8th Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069, Maharashtra, India.; **Tel.:** +91 22 6788 1000; **Fax:** +91 22 6788 1010;
Chief Financial Officer: Kapish Jain; **Email**: kapish.jain@iifl.com; **Telephone**: +91 22 6788 1000
Company Secretary and Compliance Officer: Sneha Patwardhan; **Email:** csteam@iifl.com; **Telephone**: +91 22 6788 1000

PUBLIC ISSUE BY IIFL FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS" OR "DEBENTURES") FOR AN AMOUNT OF ₹ 300 CRORE ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹ 1,200 CRORE AMOUNTING TO ₹1,500 CRORE ("TRANCHE II ISSUE LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 5,000 CRORE AND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED JUNE 2, 2023 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE II ISSUE ("TRANCHE II PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED DECEMBER 30, 2022 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, MUMBAI, MAHARASHTRA ("ROC"), STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE II PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS").

THE TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SEBI NCS REGULATIONS, THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

(i) Mr. Nirmal Bhanwarlal Jain; Email: csteam@iifl.com; Tel: +91 22 6788 1000 and (ii) Mr. R Venkataraman; Email: csteam@iifl.com; Tel: +91 22 6788 1000. For details of our Promoter, please refer to the section "*Our Promoter*" on page 172 of this Tranche II Prospectus.

GENERAL RISKS

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "*Risk Factors*" and "*Material Developments*" on page 19 and 193, respectively of this Tranche II Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Tranche II Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹5,000 crore by CRISIL Limited ("CRISIL") *vide* their rating letter dated June 28, 2022, revalidated vide letter dated July 29, 2022, further revalidated vide letter dated September 13, 2022, further revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 26, 2022 and further revalidated vide letter dated May 24, 2023, and "[ICRA] AA (stable)" (pronounced as ICRA Double A (stable)) for an amount of ₹ 5,000 crore by ICRA Limited ("**ICRA**") *vide* their rating letter dated August 2, 2022, revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 23, 2022 and further revalidated vide letter dated May 24, 2023. The rating given by CRISIL and ICRA are valid as on the date of this Tranche II Prospectus and shall remain valid until the ratings are revised or withdrawn. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures A and B* of this Tranche II Prospectus for the rationale and press release of the above ratings.

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

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and Eligible Investors of the NCDs, see "*Terms of the Issue*" on page 300 of this Tranche II Prospectus. For details relating to eligible investors please see "*Issue Procedure*" on page 316 of this Tranche II Prospectus.

LISTING

The NCDs offered through this Tranche II Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") and NSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from NSE *vide* their letter no. NSE/LIST/D/2022/0105 dated August 17, 2022, extended vide letter No. NSE/LIST/D/2022/0168 dated November 21, 2022 and from BSE *vide* their letter no. DCS/BM/PI-BOND/009/22-23 dated August 17, 2022.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated August 5, 2022 has been filed with the NSE and BSE, pursuant to the provisions of the SEBI NCS Regulations and was open for public comments until 5 p.m. on August 17, 2022.

LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE
Edelweiss Financial Services Limited 801 - 804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051 **Tel:** +91 22 4086 3535 **Email:** iifl.ncd@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Lokesh Singhi	**IIFL Securities Limited*** 10th Floor, IIFL Centre Kamala Centre, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **Email:** iifl.ncd2022@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Nishita Mody/Pawan Jain	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex N.M. Joshi Marg Lower Parel, Mumbai 400 013 Maharashtra, India **Tel:** + 91 22 4332 0736 **Email:** iifl.ncd@equirus.com **Website:** www.equirus.com **Contact person:** Malay Shah	**Trust Investment Advisors Private Limited** 109/110, Balarama, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Tel**: +91 22 4084 5000 **Email**: projectinca@trustgroup.in **Website**: www.trustgroup.in **Contact Person**: Hani Jalan	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India **Tel.:** +91 810 811 4949 **Fax**: +91 22 4918 6195 **Email:** iifl.ncd2022@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Ms. Shanti Gopalkrishnan

DEBENTURE TRUSTEE TO THE ISSUE***	CREDIT RATING AGENCIES		JOINT STATUTORY AUDITORS	
Vardhman Trusteeship Private Limited The Capital, 412 A, A Wing, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra **Tel:** 022 4264 8335 / 8657900674 **Email:** nilesh@vardhmantrustee.com **Website:** http://www.vardhmantrustee.com/ **Contact Person:** Mr. Nilesh Palav	**CRISIL Ratings Limited** **(A subsidiary of CRISIL Limited, an S&P Global Company)** CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Maharashtra, India **Tel**: +91 22 3342 3000 **Email**: crisilratingdesk@crisil.com **Website**: www.crisil.com **Contact Person**: Ajit Velonie	**ICRA Limited** Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025 **Tel**: +91 22 61143406 **Fax**: +91 22 24331390 **Email**: shivakumar@icraindia.com **Website**: www.icra.in **Contact Person**: L Shivakumar	**M/s V. Sankar Aiyar & Co.** 2-C, Court Chambers 35, New Marine Lines, Mumbai 400020 Maharashtra, India **Tel.**: + 91 22 2200 4465 **Email:** mumbai@vsa.co.in **Website**: www.vsa.co.in **Contact Person:** G Sankar	**M/s Chhajed & Doshi,** 101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai- 400 069 **Tel**: +91 22 61037878 **Email**: info@cndindia.com **Website**: www.cndindia.com **Contact Person**: M P Chhajed

ISSUE PROGRAMME**

Tranche II Issue opens on: June 9, 2023	**Tranche II Issue Closes on:** June 22, 2023

** IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*
******This Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that this tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Finance Committee, thereof, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of Tranche II Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure). On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Tranche II Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 294 of this Tranche II Prospectus.*
**** Vardhman Trusteeship Private Limited under regulation 8 of SEBI NCS Regulations has by its letter dated June 27, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue and the same is annexed as Annexure C to this Tranche II Prospectus*
A copy of the Shelf Prospectus and this Tranche II Prospectuses shall be filed with the Registrar of Companies, Mumbai, Maharashtra, in terms of section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 354 of this Tranche II Prospectus.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche II Prospectus to "**the Issuer**", "**our Company**", "**the Company**" or " **IIFL**" "**IIFL Finance Limited**" are to IIFL Finance Limited, public limited company incorporated under the Companies Act, 1956, validly existing under Companies Act, 2013, registered as an NBFC with the RBI under Section 45-IA of the RBI Act and having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India.

Unless the context otherwise indicates, all references in this Tranche II Prospectus to "we" or "us" or "our" are to our Company. Unless the context otherwise indicates, all references in this Tranche II Prospectus to "Subsidiaries" shall mean Subsidiaries of our Company namely, IIFL Home Finance Limited, IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited), IIHFL Sales Limited and IIFL Open Fintech Private Limited.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche II Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
"Articles" or "Articles of Association" "AOA"	Articles of Association of our Company
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of the Board of Directors
Audit Committee	Audit committee of the Board of Directors
"Auditors" or "Statutory Auditors" or "Joint Statutory Auditors"	The statutory auditors of the Company, M/s. V. Sankar Aiyar & Co. and Chhajed & Doshi
"Board" or "Board of Directors" or "our Board" or "our Board of Directors"	Board of Directors of our Company or any duly constituted committee thereof.
Brickworks	Brickworks Ratings India Private Limited
Committee	A committee constituted by the Board, from time to time.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
"Credit Committee" or "Group Credit Committee"	Credit Committee/ Group Credit Committee as approved by the Board of Directors depending upon the value of transactions.
Directors	Directors of the Company
DSA	Direct Selling Agent
Equity Shares	Equity shares of the Company of face value of ₹ 2 each
ESOP/s	Employee Stock Options
Finance Committee	Finance Committee as constituted by the Board of Directors
IIFL ESOP Plan	IIFL Finance Employees Stock Option Plan 2007; IIFL Finance Employee Stock Option Plan 2008; and IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme
IIFL Open Fintech	IIFL Open Fintech Private Limited
IIHFL	IIFL Home Finance Limited
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
IT Strategy Committee	IT Strategy Committee as constituted by the Board of Directors
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Tranche II Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013, as under: *"key managerial personnel", in relation to a company, means –* *i. the chief executive officer or the managing director or the manager;* *ii. the company secretary;*

Term	Description
	iii. the whole-time director; *iv. the chief financial officer;* *v. such other officer not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and* *vi. such other officer as may be prescribed"*
LAP	Loan Against Property
Loan Book	Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Networth	As defined in Sec 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Preference Shares	Preference shares of the Company
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (ff) of the SEBI NCS Regulations
"Promoters" or "our Promoter"	The promoters of our Company are Mr. Nirmal Bhanwarlal Jain and Mr. R Venkataraman
Reformatted Consolidated Financial Statements	The reformatted consolidated statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted consolidated Statement of Profit and Loss for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the reformatted consolidated Statement of Cash Flows for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the reformatted consolidated statement of Changes in Equity for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, each prepared in accordance with IND AS, as examined by the Statutory Auditors of our Company. Our audited consolidated financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 form the basis for such Reformatted Consolidated Financial Statements.
Reformatted Financial Statements	Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements
Reformatted Standalone Financial Statements	The reformatted standalone statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted standalone statement of profit and loss for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the reformatted standalone statement of cash flows for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the reformatted standalone statement of changes in equity for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, each prepared in accordance with IND AS, as examined by the Statutory Auditors of our Company. Our audited standalone financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 form the basis for such Reformatted Standalone Financial Statements.
Registered Office	The registered office of our Company is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC/Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
Shareholders	The holders of the Equity Shares from time to time

Term	Description
Samasta	IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)
Stakeholders Relationship Committee	Stakeholders Relationship Committee as constituted by the Board of Directors
Subsidiaries	Subsidiaries of our Company namely, IIHFL, Samasta, IIHFL Sales Limited and IIFL Open Fintech Private Limited

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and this Tranche II Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Shelf Prospectus and this Tranche II Prospectus to the successful Allottees
Allottee(s)	A successful Applicant to whom the NCDs will be/have been allotted
"Applicant" or "Investor" or "Bidder" or "ASBA Applicant"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI mechanism pursuant to the terms of this Tranche II Prospectus and Abridged Prospectus and the Application Form for this Tranche II Issue
"ASBA" or "Application Supported by Blocked Amount" or "Application" or "ASBA Application" or "Application" or "Bid"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto ₹ 500,000 which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche II Prospectus.
Application Amount/ Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue or the amount blocked in the ASBA Account.
Application Form/ASBA Form/ Bid cum Application Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and this Tranche II Prospectus.
ASBA Account	A bank account maintained with an SCSB as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 500,000.
Banker(s) to the Issue	Collectively Sponsor Bank, Public Issue Account Bank(s) and Refund Bank.
Base Issue Size	₹ 300 crore
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure – Basis of Allotment*" on page 341 of this Tranche II Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time.
BSE	BSE Limited.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with a minimum corpus of ₹25 crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;

Term	Description
	• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹500 crore as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI. Or as specified under this Tranche II Prospectus.
Category II (Non Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. Or as specified under the this Tranche II Prospectus.
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue or as specified under this Tranche II Prospectus.
Category IV (Retail Individual Investors or Retail Individual Bidder(s) or RIB(s) applying through UPI)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism or as specified under the this Tranche II Prospectus.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular.
CIBIL	TransUnion CIBIL Limited
CRIF	CRIF High Mark Credit Information Services Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Operational Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Consortium Agreement	Agreement dated June 1, 2023 between our Company, the Lead Managers and the Consortium Members

Term	Description
Consortium Members	Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited), IIFL Securities Limited, Equirus Securities Private Limited, Trust Financial Consultancy Services Private Limited and Trust Securities Services Private Limited.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL and ICRA
CRISIL	CRISIL Limited
Debenture(s) / NCD(s)	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each
Debenture Holder(s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time.
Debenture Trustee Agreement	The agreement dated June 28, 2022, entered into between the Debenture Trustee and our Company in relation to this Issue.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being Vardhman Trusteeship Private Limited
Deemed Date of Allotment	The date on which the Board/or the Finance Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or the Finance Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code, bank account detail and UPI ID, where applicable.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche II Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediary(ies)	Collectively, the Lead Managers, Syndicate Members/ Consortium Members, Trading Members, agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Application Forms from the Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Syndicate, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.

Term	Description
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the Application Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹ 500,000) are available on the respective websites of the Stock Exchanges.
Designated Stock Exchange	NSE
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated August 5, 2022, filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Edelweiss	Edelweiss Financial Services Limited.
ICRA	ICRA Limited
Interest Payment Date/ Coupon Payment Date	Please see the section titled "*Terms of the Issue*" on page 300 of this Tranche II Prospectus.
Issue	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") of the face value of ₹ 1,000 each for an amount aggregating upto ₹ 5,000 crore ("**Shelf Limit**") (hereinafter referred to as the "**Issue**"),
Issue Agreement	The Issue Agreement dated August 5, 2022 entered between our Company and the Lead Managers read with the addendum to the Issue Agreement dated June 1, 2023.
Tranche II Issue Closing Date	June 22, 2023
Tranche II Issue Opening Date	June 9, 2023
Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, IIFL Securities Limited*, Equirus Capital Private Limited and Trust Investment Advisors Private Limited. **IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("**Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue*.
Market Lot	One (1) NCD
Maturity Amount or Redemption Amount	Please see the section titled "*Terms of the Issue*" on page 300 of this Tranche II Prospectus.
Maturity Date or Redemption Date	Please see the section titled "*Terms of the Issue*" on page 300 of this Tranche II Prospectus.
Members of the Syndicate	Members of the Syndicate includes Lead Managers and Consortium Members(s)
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
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% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer Document	The Draft Shelf Prospectus, Shelf Prospectus, this Tranche II Prospectus and Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement and/or other intermediaries for the purpose of this Tranche II Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see

Term	Description
	the chapter titled "*Material Contracts and Documents for Inspection*" on page 354 of this Tranche II Prospectus.
Public Issue Account Bank	HDFC Bank Limited
Public Issue Account and Sponsor Bank Agreement	Agreement dated June 1, 2023 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Manager for the appointment of the Sponsor Bank in accordance with the SEBI Operational Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	A bank account to be opened with HDFC Bank Limited to receive monies from the ASBA Accounts on the Designated Date as specified for in this Tranche II Prospectus.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors and/or Finance Committee as constituted by the Board of Directors, from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Tranche II Prospectus.
Refund Bank(s)	HDFC Bank Limited
Register of Debenture Holders/ NCD Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants.
Registrar Agreement	Agreement dated July 28, 2022 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Resident Individual	An individual who is a person resident in India
Security	The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and this Tranche II Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of pari-passu and/or specified charge in favour of the Debenture Trustee on the present and future receivables, book debts, loan and advances and current assets of our company, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables, present and/or future, specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please see "*Terms of the Issue*" on page 300 of this Tranche II Prospectus.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

Term	Description
	for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series/ Option	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled "*Issue Related Information*" beginning on page 294 of this Tranche II Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹5,000 crore to be issued under the Shelf Prospectus through one or more tranches.
Shelf Prospectus	The Shelf Prospectus dated December 30, 2022 filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Specified Cities/ Specified Locations	Bidding Centres where the Members of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	The Banker to this Tranche II Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 500,000 and carry out any other responsibilities in terms of the SEBI Operational Circular.
Stock Exchange(s)	BSE and NSE.
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Syndicate Members/Consortium Members, brokers or the Trading Members of the Stock Exchanges or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see the section titled "*Terms of the Issue*" on page 300 of this Tranche II Prospectus.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: • preference shares other than those which are compulsorily convertible into equity; • revaluation reserves at discounted rate of 55%; • general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; • hybrid debt capital instruments; • subordinated debt; and • perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations,

Term	Description
	guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchanges.
Tranche II Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹1,000 each ("**Debentures**" or "**NCDs**") for an amount of ₹ 300 crore ("**Base Issue Size**") with a green shoe option of up to ₹ 1,200 crore amounting to ₹ 1,500 crore ("**Tranche II Issue Limit**") ("**Tranche II Issue**") which is within the shelf limit of ₹ 5,000 crore.
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Tripartite Agreements	Tripartite Agreement dated July 27, 2020 among our Company, the Registrar and CDSL and Tripartite Agreement dated March 11, 2005 among our Company, the Registrar and NSDL.
Transaction Documents	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements, read with amendments, if any, executed or to be executed by our Company, as the case may be.
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Operational Circular as amended from time to time, to block funds for application value upto ₹ 5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
"UPI Mandate Request" or "Mandate Request"	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
Web Interface	Web interface developed by Designated Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI mechanism.
Wilful Defaulter	Wilful defaulter shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
Working Day(s)/ Business Day(s)	Working Day(s) shall mean all days excluding Saturdays and Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Saturdays, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR or Rs.	The lawful currency of India
ACH	Automated Clearing House
AGM	Annual General Meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ALCO/ Asset Management Committee	Assets Liability Management Committee

Term/Abbreviation	Description/ Full Form
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AML	Anti Money Laundering
AS	Accounting Standards issued by Institute of Chartered Accountants of India
AUM	Assets Under Management
ASBA	Application Supported by Blocked Amount
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BFSI	Banking, financial services and insurance sector
Billion	100,00,00,000 (One hundred crore)
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
CEIC	Census Economic Information Centre
CIN	Corporate Identification Number
Code of Criminal Procedure/ CrPC	Code of Criminal Procedure, 1973
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
Crore	1,00,00,000 (One hundred lakhs)
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP ID	Depository Participant's Identity Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DSA	Direct Sales Agent
ECS	Electronic Clearing Scheme
EGM	Extraordinary General Meeting
EIR	Effective Interest Rate as defined in Appendix A to Ind AS 109
ESOP	Employee Stock Option Scheme
Expected Credit Loss /ExCL	ExCL is a probability-weighted estimate of credit losses. Credit loss is the difference between cash flows that are due to an entity in accordance with the contract and cash flows that the entity expects to receive discounted at the original effective interest rate.
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended
FEMA Regulations / FEMA20 (R)	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
Financial Year / FY/ Fiscal/ Fiscal Year	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India

Term/Abbreviation	Description/ Full Form
Gross NPAs/ GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPAs
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IICL	India Infoline Commodities Limited
IMF	International Monetary Fund
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
MTM	Mark to Market refers to the value of any asset as the current fair value after price or value on account of foreign exchange fluctuations
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
N.I. Act	Negotiable Instruments Act, 1881, as amended
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND-SI	Systemically Important Non deposit taking NBFC, regulated by the RBI guidelines
NBFC-ML	Middle Layer NBFC under SBR Framework
NBFC-UL	Upper Layer NBFC under SBR Framework
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NRI or Non-Resident Indian	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934 as amended
RBI Master Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
RTGS	Real Time Gross Settlement
SBR Framework	RBI Scale based regulation circular dated October 22, 2021, as amended

Term/Abbreviation	Description/ Full Form
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Operational Circular	SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended
DT Operational Circular	SEBI circular no. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
AMC	Asset Management Company
AUM	Asset Under Management (meaning total adjusted Loans & Advances)
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
LTV	Loan to value ratio
MFI	Microfinance institutions
Middle Layer	The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
MSME	Micro, Small and Medium Enterprises
NPAs	Non-Performing Assets.
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
RBI	Reserve Bank of India.
Upper Layer	The Upper Layer shall comprise of those NBFCs which are specifically identified by RBI vide notification dated DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.

Term/Abbreviation	Description/ Full Form
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the *chapters titled "Capital Structure", "Regulations and Policies", "History and Main Objects", "Statement of Tax Benefits", "Our Management", "Financial Indebtedness", "Outstanding Litigation and Defaults" and "Issue Procedure" on pages 58, 175, 144, 80, 151, 194, 250 and 316 of this Tranche II Prospectus, respectively will have the meanings ascribed to them in the relevant sections of this Tranche II Prospectus.*

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

Certain Conventions

All references in this Tranche II Prospectus to "**India**" are to the Republic of India and its territories and possessions. All references to the Government or State Government are to Government of India, Central or State, as applicable.

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year. Our Company's financial statements for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"). For the purposes of disclosure in this Tranche II Prospectus, we have prepared and presented our reformatted Ind AS financial information for the latest Fiscals (in this case, for Fiscal 2023, 2022 and 2021).

The Reformatted Financial Statements are included in this Tranche II Prospectus. The examination reports on the Reformatted Financial Statements as issued by our Company's Statutory Auditor, M/s. V. Sankar Aiyar & Co and M/s. Chhajed & Doshi, are included in this Tranche II Prospectus in the section titled "*Financial Information*" beginning at page 192 of this Tranche II Prospectus.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Tranche II Prospectus is on a consolidated basis.

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

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

The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Our Company has relied on the "*NBFC Report 2022 - April 2023 update*" issued by CRISIL Limited for industry related data that has been disclosed in this Tranche II Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors – Internal Risks – Certain facts and statistics are derived from publications not independently verified by our Company, the Lead Managers or their respective advisors*" on page 32 of this Tranche II Prospectus. While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Entities consolidated during the preparation of financial statements of our Company, during the three years ended March 31, 2023, March 31, 2022, March 31, 2021 are as below:

Fiscal 2023	Fiscal 2022	Fiscal 2021
Subsidiaries		
IIFL Home Finance Limited	IIFL Home Finance Limited	IIFL Home Finance Limited

Fiscal 2023	Fiscal 2022	Fiscal 2021
IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)	IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)	IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)
IIFL Open Fintech Private Limited	IIHFL Sales Limited**	-
IIHFL Sales Limited**		-
Trust with residual benefits		
-	Eminent Trust October 2019	Eminent Trust October 2019
-	Eminent Trust November 2019	Eminent Trust November 2019

*** IIHFL Sales Limited is a wholly owned subsidiary of IIFL Home Finance Limited and our Company holds 79.59% in IIHFL Home Finance Limited.*

Currency and Unit of Presentation

In this Tranche II Prospectus, references to "**₹**", "**Indian Rupees**", "**INR**", "**Rs.**" and "**Rupees**" are to the legal currency of India, references to "**US$**", "**USD**", and "**U.S. dollars**" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Tranche II Prospectus, data will be given in ₹ in crore.

Certain figures contained in this Tranche II Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Tranche II 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. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

Any industry and market data used in this Tranche II Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche II Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche II Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (in ₹) of the USD for the respective dates are provided below:

Currency	March 31, 2023	March 31, 2022	March 31, 2021
USD	82.22	75.81	73.50

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

In the event that March 31 of any of the respective years is a public holiday, the previous working day not being a public holiday has been considered.

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

In this Tranche II Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

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

- Any increase in the levels of non-performing assets ("**NPA**") on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations;
- Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
- Unanticipated turbulence in interest rates or other rates or prices;
- Performance of the financial and capital markets in India and globally;
- Changes in the value of Rupee and other currency changes;
- Rate of growth of our Loan Book;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to sustain growth or manage it effectively;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business:
- Performance of, and the prevailing conditions affecting, the real estate market in India;
- Certain risks related to the microfinance industry in India due to the category of borrowers that it services; which are not generally associated with other forms of lending;
- Volatility in gold prices which may affect the value of collateral held with us.
- other factors discussed in this Tranche II Prospectus, including under the section titled "*Risk Factors*" on page 19 of this Tranche II Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled *"Our Business", "Risk Factors"* and *"Outstanding Litigations"* on pages 118, 19 and 250, respectively, of this Tranche II Prospectus. The forward-looking statements contained in this Tranche II Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Tranche II Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Managers nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Tranche II Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Tranche II Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Tranche II Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Reformatted Financial Statements as included in this Tranche II Prospectus.

Internal Risks

1. We are subjected to supervision and regulation by the RBI as a systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.

Being an NBFC, the operations of the Company are subject to various regulations prescribed by the RBI and other statutory authorities including regulations relating to foreign investment in India. Pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 vide its circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (Updated as on December 29, 2022) as amended from time to time, the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. Pursuant to the aforesaid circular, among other things, NBFCs will be required to consider a loan as non-performing asset if it is overdue for more than 90 days than the earlier norm of 180 days overdue for loans. The Company is required to maintain a CAR of 15% besides complying with other Prudential Norms, directions and the requirements under the revised regulatory framework. Further, RBI has by way of circular dated June 24, 2021 has capped the dividend pay-out ratios for NBFCs and has laid out minimum prudential guidelines for NBFCs to be eligible for declaring and paying out dividends. Restrictions as laid out by RBI may restrict our Company to pay out dividend to its shareholders. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. Further, the RBI's may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

While the RBI has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs (other than NBFC-MFIs) but there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business. We work in a regulated environment and we cannot predict any restrictions that may be placed by the regulator with respect to interest that is to be charged to our customers in future. There can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

2. Our Company, Directors, Promoters, and group companies are involved in certain legal and other proceedings. Any final judgment awarding material damages against us could have a material adverse impact on our future financial performance, business and our operations.

We or our directors or officers, are often involved in litigations (including civil or criminal) for a variety of reasons, which generally arise because we seek to recover our dues from borrowers or because customers seek claims against us. The majority of these cases arise in the normal course of business and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone and consolidated financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone and consolidated financial statements. In certain instances, present and former employees have instituted legal and other proceedings against us alleging irregularities. When there is only a remote risk of loss, we do not recognize a provision nor do we include a disclosure in the standalone and consolidated financial statements.

There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future.

For further details in relation to legal proceedings, please see "*Outstanding Litigations*" on page 250 of this Tranche II Prospectus.

3. Our Company's inability to recover the amounts due from customers to whom it has provided secured and unsecured loans in a timely manner, or at all, and its full collateral and its customers' failure to comply with applicable statutory or regulatory requirements in relation to such loans could adversely affect our Company's operations and profitability.

Our Company's Loan Book, as on March 31, 2023, is ₹ 40,101.87 crore which includes secured loans constituting 73.53% and unsecured loans constituting 26.47% of our Company's Loan Book. Substantial portion of our Company's Loan Book is secure in nature and the value of collateral that we collect is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements; (v) fluctuation in gold prices. We maintain loan-to-value on the basis of the products being offered and product specific LTVs vary from case to case. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title as security, prolonged legal proceedings, unavailability of a ready market and fraudulent actions by borrowers, or we may not be able to foreclose on collateral at all. Further, certain kinds of loans that are advanced by us are not secured by any assets. In India, foreclosure on collateral may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. Foreclosure on collateral generally requires a written petition to an Indian court or tribunal, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral.

A decline in the value of the security could impair our ability to realize the secured assets upon any foreclosure, which may require us to increase our provision for loan losses. In the event of a default with respect to any of these loans, the amounts we receive upon sale of the secured assets may be insufficient to recover the outstanding principal and interest on the loan. If we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, our profitability could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The remaining portion of the Company's Loan Book is unsecured and in the event of defaults by such customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company.

4. As an NBFC, non-compliance with the RBI's observations made during its periodic inspections could expose us to penalties and restrictions.

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all NBFCs registered with it under the RBI Act. Our Company, being an NBFC-ND-SI, is subject to periodic inspection by the RBI under the provisions of the RBI Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects the books of accounts of our Company and other records. The RBI in its earlier inspection report of India Infoline Finance Limited (merged NBFC of

IIFL Finance Limited) for the fiscal year ended March 31, 2019 made certain observations during the inspection which, among other things, were related to diminution in the value of the property, requirement of strengthening present gold loan disbursement systems and processes to mitigate the risk of lending to existing delinquent customers, high dependence on manual intervention on important aspects of loan management, incorrect tagging of complaints as queries/requests, delay in creation of charge by filing form CHG-1, requirement of further strengthening IT systems and training of staff etc. Our Company, vide its letters, has responded to the RBI concerning its observations and has provided information and clarifications sought by the RBI. The observations were pursuant to routine inspections of the RBI. Further, after conducting annual onsite inspection for the fiscal year ended March 31, 2020, RBI through its letters /DoS.SED.No.SUO–49355.01.006/2021-22 dated May 31, 2021 and /DoS.SED.No.SUO-50819/06.01.006/2021-22 dated June 3, 2021, released its Risk Assessment Report and Inspection Report regarding our Company. We have submitted our response to these reports on August 2, 2021. Further, RBI, *vide* its letter CO.DOS.SED.No. S2444/73-01-001/2022-2023 dated July 14, 2022 issued inspection report pertaining to the inspection for fiscal year ended March 31, 2021 in the form of Risk Assessment report (RAR) and Inspection report (IR) and has made certain observations regarding credit policy and appraisal and recovery process while dealing with NPA accounts. RBI has also recommended certain practices which, among other things, related to recording of date of commencement of commercial operations ("**DCCO**") and non-classification of non-performing assets under NDSI Master Directions dated September 1, 2016, approval to be obtained from audit committee of Board for management overlays, etc. Further we have submitted Board approved response to these reports dated August 28, 2022.

Any adverse action taken by the RBI pursuant to such inspections, or non-compliance by our Company with the RBI's observations, could materially and adversely affect our Company's business and operations.

5. ***There are outstanding legal proceedings against our group companies, if determined, could have a material adverse impact on our business, results of operations and financial conditions.***

There are certain outstanding legal proceedings against our group companies pending at various levels of adjudication before courts, tribunals, authorities and appellate bodies. There can be no assurance that these legal proceeding will be decided in favour of our group companies. Decisions in any of such proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our group companies, we may face monetary and/ or reputational losses. Furthermore, we may also not be able to quantify all the claims in which our group companies are involved.

"IIFL" is a well-established brand among retail, institutional and corporate investors in India and we believe we have benefited extensively from the brand. We also derive substantial benefit from synergies and cross-selling opportunities generated between our company and entities within IIFL group. As a result, our company's reputation and brand may be affected by any regulatory orders alleging non-compliance by other entities within the IIFL group with laws and regulations.

For instance, our associate company, IIFL Commodities Limited has been the subject of investigations conducted by regulatory authorities in India in connection with allegations of breaches of the Forward Contracts (Regulation) Act, 1952, false representation in respect of assured/risk free returns, failure to report suspicious transactions and failure to ensure proper segregation of assets, involving the now defunct National Spot Exchange Limited ("**NSEL Case**"). As a result of such investigations, the Economic Offences Wing of the Mumbai police filed a charge-sheet on April 26, 2019 before the Special Sessions Court, MPID, Mumbai against IIFL Commodities Limited, including Mr. Chintan Modi, one of the Directors of IIFL Commodities Limited. Further, an application has been filed by Mr. Arvind Bahl, one of the client of IIFL Commodities Limited under section 190 of the Code of Criminal Procedure, 1973 who had prayed that the Special Sessions Court, MPID, Mumbai ought to take cognizance of the application against the promoters and other directors of the 3 non-defaulting brokers, including IICL. Now, vide order dated May 18, 2023, the Special Sessions Court, MPID, Mumbai has taken cognizance and has directed to issue summons against former director of IICL i.e. Mr. Nirmal Jain and India Infoline Finance Limited. The matter is currently pending for hearing. It is to be noted that IIFL Commodities Limited is now a subsidiary of IIFL Securities Limited.

6. ***Our Company (including certain members of our Promoters, Promoter Group, Directors and Employees) are involved in various legal, regulatory and other proceedings which could have an adverse impact on our business and reputation.***

SEBI has by way of a letter dated June 7, 2022 ("**Letter**") directed us to provide certain specific information and documents with respect to suspected insider trading activities, including (amongst others) (a) chronology of events in relation to declaration of financial results for the period ended December 31, 2020 on January 29, 2021; (b) details of all persons who were involved in the process of/ having access to unpublished price sensitive information vis-a-vis the aforesaid financial results; (c) all relevant documentary evidence with respect to communications with members of board of directors for the period August 31, 2020 to May 3, 2021; (d) details of all on market and off market trades undertaken by the directors, promoters, key managerial personnel, compliance officer of the Company and their family members during the period August 31, 2020 to May 3, 2021; (e) relationship of Company and/or any of its Promoters/ Directors/ employees or any other person with the entities as mentioned in the letter issued by SEBI, etc. Each of these requests were responded by our Company to SEBI.

As on the date of this Tranche II Prospectus, the Company and/or any of its Promoters/ Directors/ employees or group companies or key managerial personnel, compliance officer of the Company and their family members or any other person ("**Relevant Entities**") have not received any further communication from SEBI and no proceedings have been initiated against them by SEBI in relation to the Letter. However, SEBI may, pursuant to the investigation, initiate regulatory proceedings against such entities or persons and may impose fines or penalties If Relevant Entities receive similar directions / request in the future or in case any proceedings are initiated or adversely determined against them, it could have an adverse impact on such Relevant Entities including cost implications, loss of reputation and diversion of management's attention or other recourses. Further, please see "*Risk Factors – Internal Risks – We are dependent on IIFL group, for our clientele, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of IIFL group may have a concurrent adverse effect on our business and results of operations*." on page 33 of this Tranche II Prospectus.

7. High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance.

Our Company's business involves lending money and accordingly, our Company is subject to risks of customer default which includes default or delays in repayment of principal and/or interest on the loans our Company provides to its customers. Customers may default on their obligations as a result of various factors, including certain external factors which may not be within our Company's control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates and changes in regulations. Customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If customers fail to repay loans in a timely manner or at all, our Company's financial condition and results of operations will be adversely impacted. To the extent our Company is not able to successfully manage the risks associated with lending to these customers, it may become difficult for our Company to make recoveries on these loans. In addition, our Company may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. An increase in delinquency rates could result in a reduction in our Company's total interest income (i.e., our Company's accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from its operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans, and make loan loss provisions as per applicable laws. Our Company may also be required to make additional provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

8. Our financial performances are particularly vulnerable to interest rate risk and volatility in interest rates could adversely affect our net interest margin, the value of our fixed income portfolio, our income from treasury operations, the quality of our loan portfolio and our financial performance.

For the Fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from operations on a standalone basis was ₹ 4,058.18 crore, ₹ 4,079.66 crore and ₹ 3,375.63 crore, respectively, whereas our total comprehensive income was ₹ 826.31 crore, ₹ 735.63 crore and ₹ 321.47 crore, respectively.

For the Fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from operations on a consolidated basis was ₹ 8,258.85 crore, ₹ 6,854.73 crore and ₹ 5,818.13 crore, respectively, whereas our total comprehensive income was ₹ 1,639.74 crore, ₹ 1,197.46 crore and ₹ 736.49 crore, respectively.

Our Company's financial performance is substantially dependent upon the level of its net interest margins. As at March 31, 2023, March 31, 2022 and March 31, 2021, on a consolidated basis, our Loan Book stood at ₹ 40,101.87 crore, ₹ 34,066.58 crore and ₹ 33,611.98 crore, respectively and our assets under management were ₹ 64,637.64 crore, ₹ 51,209.79 crore and ₹ 44,688.03 crore, respectively.

Our Company's financial performance is substantially dependent upon the level of its net interest margins. As at March 31, 2023, March 31, 2022 and March 31, 2021, on a standalone basis, our Loan Book stood at 14,047.88 crore, ₹ 12,625.07 crore and ₹ 14,640.25 crore, respectively and our assets under management were ₹ 25,573.46 crore, ₹ 21,108.58 crore and ₹ 19,198.77 crore, respectively.

As a result of certain reserve requirements of the Reserve Bank of India applicable to non-banking financial companies, we are structurally exposed to interest rate risk than other corporates. These requirements result in our maintaining a portfolio of fixed income government of India securities, and we could be materially adversely impacted by a rise in interest rates, especially if the rise were sudden or sharp. Realized and marked-to-market gains or losses on investments in fixed income securities, including government of India securities, are an important element of our profitability and are impacted by movements in market yields. If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Further, any tightening of liquidity and volatility in markets may limit our access to capital markets and result in an increase in our cost of funding. Continued volatility in international markets could also constrain and increase the cost of our borrowings and our ability to replace maturing borrowings and fund new assets.

Furthermore, we are also exposed to interest rate risks as a result of lending to customers at fixed/ floating interest rates and in amounts and for periods which may differ from our funding sources. While we seek to match our interest rate positions to minimise interest rate risk, we are unable to assure you that significant variation in interest rates will not have an effect on our results of operations. Moreover, volatility in interest rates is sensitive to factors which are 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 such considerations. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, 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, our net interest income and net interest margin would be adversely impacted and the same would adversely affect our business and results of operations.

9. We may not be able to successfully sustain our growth plans.

In recent years, we have experienced steady growth. Our growth plan includes growing our secured and unsecured lending and expanding our retail customer base through strategic business alliances and marketing initiatives, expanding and diversifying our loan product portfolio, growing our operations and network across the country and expanding our customer base across various business verticals in India. However, there can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our Loan Book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. Our Company has experienced growth in our mortgage loans, microfinance loans and gold loans businesses; our branch network has expanded significantly as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

Further, a principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our business streams viz. mortgage loans, construction and real estate finance, small & medium enterprise loans, gold loans, capital market finance, microfinance and home Loans. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

10. Our statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results.

Our statutory auditors have highlighted certain emphasis of matters to their audit opinion/ relating to our audited financial statements as mentioned below:

Financial year ended	Auditor remarks
March 31, 2023	*Emphasis of matter in consolidated financial statements:* *Nil* *Emphasis of matter consolidated financial statements:* *Nil*
March 31, 2022	*Emphasis of matter in consolidated financial statements:* The auditors have drawn attention to Note 8.3 to the consolidated financial statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. The auditors have not modified their opinion in respect of these matters. *Emphasis of matter in standalone financial statements:* We draw attention to Note 8.3 to the Standalone Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. The auditors have not modified their opinion in respect of these matters.
March 31, 2021	*Emphasis of matter in consolidated financial statements:* The auditors have drawn attention to Note 8.3 to the consolidated financial statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. The auditors have not modified their opinion in respect of these matters. *Emphasis of matter in standalone financial statements:* The auditors have drawn attention to Note 8.3 to the consolidated financial statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. The auditors have not modified their opinion in respect of these matters.

For further details, in relation to the emphasis of matter, etc. please see "*Financial Information*" on page 192 of this Tranche II Prospectus. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

11. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from various sources, including shareholder funding, term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures, cash credit facilities from banks and inter-corporate deposits. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, capital adequacy levels, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through issuance of non-convertible debentures can disrupt its sources of funding and as a consequence, could have a material adverse effect on our Company's liquidity and financial condition.

Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition

12. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.

The RBI vide its Circular DBR.No.BP.BC.43/ 21.01.003/2016-17 dated December 1, 2016 and Circular DBR.No.BP.BC.31/21.01.003/2018-19 dated April 1, 2019 and circular No. DBR.No.BP.BC.43/21.01.003/2018-19 dated June 3, 2019 as amended from time to time, has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. These Circulars restricts bank's exposures to a single NBFC to 15 percent of their eligible capital base and to a group of connected NBFCs or group of connected counterparties having NBFCs in the group to 25 percent of their Tier I Capital. In September 2019, the Reserve Bank of India (RBI) again increased a banks exposure limit to a single NBFC from 15% to 20% of its Tier-I capital. On May 23, 2020, the exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group was increased from 25% to 30% of their Tier I Capital as a one-time measure due to covid-19 and the increased limit is applicable upto June 30, 2021. In terms of RBI circular DOR.CRE.REC.24/21.01.003/2022-23 dated April 19, 2022, RBI has prescribed Large exposure framework for NBFC in upper layer.

Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. Since these circulars limit a bank's exposure to NBFCs, the same consequently restricts our ability to borrow from banks.

Further, as per the extant guidelines by RBI, it has now been decided that rated exposures of banks to all NBFCs (including our Company), excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates.

These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

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

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, our Company is also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as an NBFC-ND-SI and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the timeframe anticipated by our Company, or at all. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition and results of operation. In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

14. ***Our Company's business is dependent on relationships established through its branches with its clients. Any events that harm these relationships including closure of branches or the loss of our Company's key personnel or employees may lead to a decline in our Company's revenue and profits. Further, our Company's results of operations could be adversely affected in the event of any disputes with its employees.***

Our Company's business is dependent on the key personnel and employees who directly manage client relationships. Our Company encourages dedicated personnel to service specific clients since our Company believes that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel or employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either becomes ineffective or leaves the organisation. As a result, there may be an adverse effect on our Company's business and profits. While our Company believes that our Company maintains good relationships with its employees, there can be no assurance that our Company will not experience future disruptions to its operations due to disputes or other problems with its work force which may adversely affect our Company's business and results of operations.

15. ***As on March 31, 2023, our Company's (on a standalone basis) top 20 borrowers represented 14.79% of our total advances. Our inability to maintain relationships with these customers or any payment default by or credit losses of these customers could materially and adversely affect our business, future financial performance and results of operations.***

As on March 31, 2023, our Company's top 20 borrowers accounted for 14.79% of our total advances on a standalone basis. Our business and results of operations will be adversely affected if we are unable to maintain or further develop relationships with such significant customers. There can be no assurance that we will be able to maintain the historic levels of business from such significant customers. Further, in the event we lose any such significant customer, we cannot assure that we will be able to replace them, which could have a material adverse effect on our results of operations. Our business and results of operations depend upon the timely repayment of the interest and principal from our significant customers. We cannot assure you that we will not experience delays in servicing of the loan advanced or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operations and consequently, our profitability. In case we are unable to recover the full amount of principal and interest or any part of thereof, and the collateral is not sufficient to recover the full amount, our financial condition may be adversely affected.

16. ***The value of our collateral may decrease or we may experience delays in enforcing our collateral when borrowers default on their obligations to us which may result in failure to recover the expected value of collateral security exposing us to a potential loss.***

A substantial portion of our loans to our customers is secured by collateral. Changes in asset prices may cause the value of our collateral to decline, and we may not be able to realize the full value of our collateral as a result of delays in bankruptcy and foreclosure proceedings, delays in the creation of security interests, defects or deficiencies in the perfection of collateral (including due to inability to obtain approvals that may be required from various persons, agencies or authorities), fraudulent transfers by borrowers and other factors, including depreciation in the value of the collateral and illiquid market for disposal of and volatility in the market prices for the collateral, current legislative provisions or changes thereto and past or future judicial pronouncements. Foreclosure on collateral consisting of property can be undertaken directly by lenders by fulfilling certain procedures and requirements (unless challenged in courts of law) or otherwise by a written petition to an Indian court or tribunal. An application, when made (or a legal challenge to the foreclosure undertaken directly), may be subject to delays or administrative requirements that may result in, or be accompanied by, a decrease in the value of collateral. These delays can last for several days and might lead to deterioration in the physical condition or market value of the collateral.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, our Company may not be able to recover the full value of the collateral for the loans provided by it within the expected timeframe or at all. Further, legal proceedings may have to be initiated by our Company in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our Company's cash flow.

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

Any default in the repayment of the outstanding credit obligations by our Company's customers may expose it to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to potential losses. Any such losses could adversely affect our Company's financial condition and results of operations. Furthermore, the process of litigation to enforce our Company's legal rights against defaulting customers in India is generally a slow and potentially expensive process.

Similarly, in case of capital market finance, the value of collateral may be extremely volatile and in default scenario might not yield results same as per book value. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

Further, the security for our MSME loans are usually movable assets, making it difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such collaterals at prices sufficient to cover the amounts under default. In addition, there may be delays associated with seizure and disposal of such collaterals, including litigations and court proceedings which is generally a slow and potentially expensive process in India. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

We also extend gold loans secured by gold jewellery provided as collateral by the customer. At the time of sanctioning of gold loans, we follow stringent KYC procedures and rely on the quality of the gold jewellery provided as collateral. In the event of any decrease in the price of gold, customers may not repay their loans and the value of collateral gold jewellery securing the loans may decrease significantly in value; consequently, we may not be able recover dues on the loan entirely. Additionally, we may not be able to realise the full value of our collateral, due to, among other things, defects in the quality of gold or wastage on melting gold jewelry into gold bars. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and predetermined loan closure call thresholds, the impact on our financial position and results of operations of a decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

17. Any increase in the levels of non-performing assets ("NPA") on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations

Various factors, including a rise in unemployment, prolonged recessionary conditions, our regulators' assessment and review of our loan portfolio, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and global competition, could cause an increase in the level of our non-performing assets and have a material adverse impact on the quality of our loan portfolio. Consistent with the growth of our branch network and our product portfolio, we expect an increase in our loan assets. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As of March 31, 2023, March 31, 2022 and March 31, 2021 the gross value of NPAs on a consolidated basis was ₹ 738.14 crore, ₹ 1,074.29 crore and ₹ 719.20 crore, respectively which is 1.84%, 3.15% and 2.14%, respectively, of our Loan Book. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation (or change in accounting standards) requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital and debt funds at favourable terms. Further, if our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

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

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

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- destruction / material damage to the underlying property;
- fraud by borrowers;
- errors in assessing the value of the collateral;
- illiquid market for the sale of the collateral;
- applicable legislative provisions or changes thereto and past or future judicial pronouncements; and
- variation in interest rates of gold loans.

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

19. Any non-compliance with mandatory Anti-Money Laundering and Know Your Customer policies could expose us to additional liability and harm our business and reputation.

In accordance with the requirements applicable to us, we are mandated to comply with rules and regulations under Prevention of Money Laundering Act (**PMLA**) 2002, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and RBI Know Your Client ("**KYC"**) regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our networks for money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. There can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may, accordingly, be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

20. In our housing finance business, we have significant exposure to the real estate sector and any negative trends affecting this sector could adversely affect our business and result of operations.

In our housing finance business, the primary security for the loans disbursed by the Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by the Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations.

Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition. Following the introduction of the SARFAESI Act, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 (RERaD Act) is expected to have the biggest impact over the long term. After notification of certain Sections of the Act with effect from May 2016, the full provisions of the Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India.

To ensure compliance with the requirements of the RERaD, companies in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various companies in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

21. ***Certain non-GAAP measures and other statistical information relating to our operations and financial performance have been included in this Tranche II Prospectus. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.***

Certain non-GAAP measures and other statistical information relating to our operations and financial performance such as net worth, return on net worth and Net Asset Value per Equity Share have been included in this Tranche II Prospectus. Such non-GAAP measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS 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. We compute and disclose such non-GAAP measures and 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. However, such information 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 companies and are not measures of operating performance or liquidity defined by Ind AS.

22. ***A significant component of our exposure is towards mortgage loans and real estate sector and any factor affecting this sector could adversely affect our business.***

As of March 31, 2023 on a consolidated basis, we have assets under management aggregating to ₹ 31,165.62 crore, towards mortgage loans which comprises of housing loans of approximately ₹ 21,800.37 crore. Loan against property of ₹6,671.20 crore and construction and developer loans of ₹ 2,694.06 crore . This amounts to 48.22% of our loan portfolio. In the event the real estate sector is adversely affected due to any reason whatsoever, the value of our collateral may diminish which may affect our results of operations in the event of a default in repayment by our clients.

As of March 31, 2023, the wholesale book comprises 4.17% of our AUM. The projects primarily comprise residential projects in Mumbai MMR, Delhi NCR, Bengaluru and Pune region.

23. ***We may not be able to realise the full value of our pledged gold, which exposes us to potential loss.***

In case of loan against gold, we may not be able to realise the full value of our pledged gold, due to, among other things, defects in the quality of gold. We cannot assure you that we will be able to auction such pledged gold jewellery at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with the auction process. Any failure to recover the expected value of pledged gold could expose us to a potential loss. Any such losses could adversely affect our financial condition, cash flows and results of operations.

24. ***Inaccurate appraisal of pledged gold jewellery by our personnel may adversely affect our business and financial condition.***

The accurate appraisal of pledged gold jewellery is a significant factor in the successful operation of our business and such appraisal requires a skilled and reliable workforce. Inaccurate appraisal of gold by our workforce may result in gold being overvalued and pledged for a loan that is higher in value than the gold's actual value, which could adversely affect our reputation and business.

Further, we are subject to the risk that our gold appraisers may engage in fraud regarding their estimation of the value of pledged gold. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

25. ***Majority of the gold loans we offer are due within one year of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

Most of the gold loans we offer are due within one year of disbursement. The relatively short-term nature of our loans means that our long-term interest income stream is less certain. In addition, our existing customers may not avail new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

26. ***Microfinance loans offered by our subsidiary, Samasta are unsecured and are susceptible to various operational, credit and political risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operation and financial condition.***

The focus client segment for our micro-loans is women in rural areas. The clients of Samasta typically have limited sources of income, savings and credit histories and as a result, are usually adversely affected by declining economic conditions. Further, for most of the loans provided by Samasta, clients do not provide any collateral or security for their borrowings as the RBI has mandated that loans given by NBFC-MFIs should be collateral free and should have annual household income up to ₹3,00,000 (RBI vide circular DoR.FIN.REC.95/03.10.038/2021-22 dated March 14, 2022) for the purpose of "*consideration as microfinance loans*". Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. Furthermore, although Samasta uses credit bureau reports to check certain background information such as the total indebtedness of each potential client and their existing repayment/ default history, the information in such reports may be incomplete or unreliable and accordingly the credit risk analysis we carry out on potential clients may be limited. Further, Samasta relies primarily on non-traditional guaranteed mechanisms rather than any tangible assets such as collateral. Most of its loans involve a joint liability mechanism whereby borrowers form an informal joint liability group and provide joint and several guarantees for loans obtained by each member of the group. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if there is irregular participation in group meetings, if inadequate risk management procedures have been employed, or as a result of adverse external factors such as natural calamities. As a result, its clients potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, the microfinance business is susceptible to various political and social risks, including political interference in the working of MFIs at the district, state or national level; adverse publicity or litigation relating to the microfinance sector; public criticism of the microfinance sector; introduction of a stringent regulatory regime; or religious beliefs relating to loans and introduction of a stringent regulatory regime; or religious beliefs relating to loans and interest payments, which adversely affect repayment by its clients and may have an adverse effect on our business prospects and future financial performance.

Due to the underlying profile of the clients of Samasta, we may, in the future, experience increased levels of non-performing assets and related provisions and write-offs, which would materially and adversely impact our business and results of operations.

27. ***Insurance of relevant assets obtained by our borrowers may not be adequate to protect them against all potential losses, which could indirectly affect our ability to recover our loans to such borrowers.***

Pursuant to our loan agreements, where loans are extended on the basis of a charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of hypothecation or mortgage, or both. In addition, the terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on the assets charged, primarily as collateral against the loan granted by us. However, our borrowers may not have obtained the required insurance coverage, or may not renew the insurance policies, or the amount of insurance coverage may be less than the replacement cost of the relevant assets and therefore insufficient to cover all financial losses that our borrowers may suffer, or at all, resulting in adverse effect on our business and financial condition.

28. A rise in the general income level of our customers may adversely affect the demand for our loans.

The size of our loans portfolios is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

29. We may not be able to appropriately assess the credit worthiness of our customers before extending credit facilities to them. Unavailability of adequate information or inaccurate and/or incomplete information provided by our customers may adversely affect our operations and profitability.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading. In addition, we may not be able to place a reliance on credit bureaus to assess credit worthiness of all our segment borrowers. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. As a result, our ability to effectively manage our credit risk may be adversely affected.

Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.

30. The new Bankruptcy Code in India may affect our rights to recover loans from borrowers.

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% 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 Bankruptcy Code 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, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

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

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹ 100,000 to ₹ 10,000,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less than ₹ 10,000,000 may impact the recovery of outstanding loans and profitability of our Company.

31. We may face tax related assessments or regulatory actions.

The laws and regulations governing the tax liability of our Company could change in the future and any such changes could adversely affect its business and future financial performance by requiring a restructuring of its activities, which may impact its results of operations.

Our Company has filed tax returns with the tax department which are pending for assessment. There is a possibility that the tax department may impose additional tax liability on our Company upon completion of these assessments. Our Company cannot assure you that the tax department will not initiate scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the tax department may have a material adverse effect on our Company's reputation, business, operations and financial conditions.

32. Certain facts and statistics are derived from publications not independently verified by our Company, the Lead Managers or their respective advisors.

The information in the section titled "*Industry Overview*" has been derived from the report titled *"NBFC Report 2022 - April 2023 update"*, (the "**Report**") provided by CRISIL Research. While our Company has taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by our Company, the Lead Managers or their respective advisors and, therefore, they make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics in this Tranche II Prospectus may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

33. The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively.

The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are larger institutions, which may have much larger customer and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalising branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

In our housing finance and gold loan business, we face increasing competition from commercial banks and other players in the unorganized sector. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have also increased our exposure to competition. The demand for housing loans has also increased due to the increase in demand of real estate, stable property prices, higher disposable incomes and increased fiscal incentives for borrowers. The demand for gold loans has also increased due to urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of gold loans as a source of quick access to funds. All of these factors have resulted in the housing finance and gold loan industry, including our Company, facing increased competition from other lenders to the retail housing market, including commercial banks. Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some extent, on our ability to raise low-cost sources of funding in the future. If we are unable to compete effectively with other participants in the housing finance and gold loan industry, our business, future financial performance and the trading price of the NCD may be adversely affected.

Furthermore, as a result of increased competition in the housing finance and gold loan industry, home loans and gold loans are becoming increasingly standardized and terms such as floating rate interest options for housing loans, lower processing fees, monthly rest periods and no prepayment penalties are becoming increasingly common in India. There can be no assurance 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. Increasing competition may have an adverse effect on our net interest margin and other income, and if we are unable to compete successfully, the origination of new loans will decline and we may not be able to achieve our growth objectives.

34. Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business and results of operations and may correspondingly adversely affect our goodwill, operations and profitability and further our Promoter has significant control in our Company, which will enable them to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of Equity Shares.

As on March 31, 2023, our Promoter and Promoter Group along with persons acting in concert holds 24.85% the paid up equity share capital. Any change in control of the Promoter / Promoter Group may have an adverse effect on the operations of the Company including influencing the policies of the Company. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "IIFL" and our goodwill as a part of the IIFL group of companies may be adversely affected, which in turn could adversely affect our business and results of operations. Further, our Promoter has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoter may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

35. We are dependent on IIFL group, for our clientele, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of IIFL group may have a concurrent adverse effect on our business and results of operations.

We are part of IIFL group and to some extend depend upon it for steady inflow of business. In the event IIFL group's goodwill is impacted the same may have impact on our business and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

In the event IIFL group is unable to maintain the quality of its services or its goodwill deteriorates, our Company's business and results of operations may be adversely affected. Any disassociation of our Company from the IIFL group and/or our inability to have access to the infrastructure provided by other companies in the IIFL group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

36. We are permitted to use the IIFL trademark IIFL FINANCE, by IIFL Securities Limited pursuant to the trademark license agreement between our Company and IIFL Securities Limited. Such right to use the IIFL trademark is subject to the termination based on the terms and conditions of the trademark license agreement and any such termination may result in us being unable to use the IIFL trademark, which could have a material adverse effect on our reputation and business.

We have been given the right to use the IIFL trademark, owned by IIFL Securities Limited pursuant to the trademark license agreement entered into between our Company and IIFL Securities Limited. We have been provided a non-exclusive, non-transferable for a onetime fee payable to the Licensor, as set out therein, to use the trademark. Any termination of the agreement by IIFL Securities Limited may result in us being unable to use this trademark which could have a material adverse effect on our reputation and business. For further details, please see "*History and Main Objects*" on page 144 of this Tranche II Prospectus.

37. We may not be able to adequately protect our intellectual property rights.

Our ability to compete effectively depends in part upon protection of our intellectual property rights. On February 22, 2021, we made an application for registration of our logo "MyMoney" and trademark "My Money", respectively, with the Registrar of Trade Marks, Mumbai under class 36 of the Trade Marks Act. The registration of our logo has been refused by the Trademarks Registry, Mumbai vide an order dated December 15, 2022. While our Company is in the process of filing an appeal against the said order, there can be no assurance that our trademark application will be accepted. Further, there are no assurances that we will be able to register this mark. In the event we are not able to obtain registrations due to any injunctive or other adverse order issued against us by the appellate authorities in respect of the registration of our logo or slogan, we may not be able to avail legal protections under the trade mark or prevent unauthorised use of such trademarks by third parties, and in case the logo or slogan is used or claimed by a third party, our ability to use such logo or slogan may be restricted or lost, which may adversely affect our goodwill or business. For further details, please see "*Our Business*" on page 118 of this Tranche II Prospectus.

38. Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings.

As we are a "systemically important non-deposit accepting" NBFC and do not have access to deposits, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, we currently have long term ratings of "AA" with stable outlook from CRISIL, ICRA and CARE and "AA+" with negative outlook from Brickworks. In relation to our short-term debt instruments, we have also received rating of "A1+" from ICRA and CRISIL. Also, the Company has raised money through MTN programme for which the rating has been obtained from international rating agencies. Currently the rating assigned to the issuance by Fitch Ratings is B+ (Stable) and by Moody as B1 with Stable Outlook. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

Our business depends and will continue to depend on our ability to access diversified funding sources. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.

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

Our Company's funding requirements is met through long-term and medium-term funding sources such as bank loans and non-convertible debentures and our short-term funding requirements are met through working capital demand loans, cash credit, commercial paper and other short term loans. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Our Company's inability to obtain additional credit facilities or renew its existing credit facilities in a timely and cost-effective manner to meet its maturing liabilities, or at all, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company's liquidity position, and in turn, its operations and financial performance.

Our liquidity position may be adversely affected and we may be required to pay higher interest rates in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

The following table describes the standalone ALM of our Company as on March 31, 2023:

(₹ in crore)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,761.23	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	77.02	85.10	110.77	24.23	638.21	0.28	-	-	935.61
Investments	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign	2,836.81	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
currency borrowings)									
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

** Net of ECL Provision of ₹ 505.20 crore*

40. We extend margin funding loans, or loans against shares, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.

We extend, margin funding loans or loans against shares which are secured by liquid, marketable securities at an appropriate or predetermined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral which secures the loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

41. The MSMEs to which our Company provides loans may not perform as expected and our Company may not be able to control the non-performance of such businesses.

Our Company provides loans to select growing MSMEs which obtain loans against their assets and profits made by them. Our Company does not manage, operate or control such businesses or entities. Further, our Company has no control over those businesses' functions or operations. As a result, such businesses may make business, financial or management decisions which our Company does not agree or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our Company's best interests. The repayment of the loans extended to such businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our Company's customers may lead to significant losses and affect their ability to repay our Company's loans. Consequently, this may adversely affect our Company's financial performance.

42. We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.

At present we do not own the premises of any of our branch offices. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on favorable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

43. We are required to comply with the requirements of certain labour laws which may impose additional costs on us.

Our employees are required to be registered under the provisions of certain labour laws such as the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972, and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. We are also required to maintain certain records under the provisions of these laws, which add to our costs. If we are subject to penalties under these labour laws or if we do not obtain the requisite approvals, our business, financial condition, cash flows and results of operations may be adversely affected.

44. Our results of operations could be adversely affected by any disputes with employees.

As of March 31, 2023, the Company (along with its subsidiaries) has a strong workforce of 33,910 employees on a consolidated basis. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

45. We require several licenses and approvals for our business and in the event we are unable to procure or renew them in time or at all, our business may be adversely affected.

We require several licenses, approvals and registration in order to undertake our business activities. These registrations include registrations with the RBI as a systemically important non-deposit taking NBFC. We are also required to maintain licenses under various state Shops and Establishment Acts for some of our offices. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

46. Our branches are vulnerable to various operational risks, including theft, fraud, burglary and embezzlement by our employees and customers due to high volume of cash and gold jewellery handled by us.

Our business involves carrying out cash and gold jewellery transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Storage of cash and pledged gold jewellery as part of our business entails the risk of theft and resulting loss to our reputation and business. The short tenure of the loans advanced by us and our practice of processing loan repayments within short timelines require us to store pledged gold on our premises at all points in time. With regard to all burglaries, we may not be able to recover the entire amount of the loss suffered and may receive only a partial payment of the insurance claim. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer. Additionally, our cash in transit policies do not cover theft where an employee is involved, unless such involvement is identified within 48 hours of such thefts. Further, the actual recovery of the insured amount from the insurer requires the undertaking of certain procedures, and any delay in recovery could adversely affect our reputation and results of operation.

Pursuant to the same, while we have strengthened our security policies and procedures, we cannot guarantee that theft will not be committed in the future, which could adversely affect our reputation, business and results of operations. Further, we are exposed to the risk of fraud and other misconduct by employees and customers. While we carefully recruit all of our employees and screen all our employees who are responsible for disbursement of gold loans and custody of gold, there have in the past been acts of fraud with respect to gold loans and cash related misappropriation committed by our employees.

47. Our Company has entered into securitisation agreements to sell certain loans from our outstanding loan portfolio. Our business, financial condition and results of operations could be adversely affected due to some of the restrictions imposed under such agreements or downgrade in the ratings of our securitized debt or if such assignment of loan is held to be unenforceable or due to any change in the regulatory requirements.

As part of our means of raising and/or managing our funds, we assign or securitise the receivables from our loan portfolio to banks and other institutions. Such assignment or securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. As of March 31, 2023 outstanding book value of securitised assets of ₹ 564.26 crore and assignment of ₹ 8,418.66 crore on a standalone basis. Our Company has sold and assigned a group of similar loans from our outstanding loan portfolio to Banks/financial institutions in return for an upfront fixed consideration. As of March 31, 2023, our outstanding portfolio of securitised loans on a standalone basis, constituted 2.21% of AUM. Under such agreements, we have provided credit enhancement through fixed deposits with banks to the purchaser for an amount equal to a percentage of the value of the loans being assigned as per the rating agency to enhance the rating of the pool. If there is any short fall in the scheduled cash flow promised to the investor then credit enhancement will be utilized to that extent.

Further, any change in statutory and/regulatory requirements such as securitisation guidelines issued by RBI in June 2018 in relation to assignments or securitizations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitization transactions. Any adverse changes in the policy and/or regulations in connection with securitization of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitization market in general and our ability to securitize and/or assign our assets.

48. Our loan portfolio may no longer continue to be classified as priority sector advances by the RBI.

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, micro and small enterprises, micro enterprises within the micro and small enterprises sector, export credit and advances to weaker sections where the government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions like us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised and assigned pools to comply with these targets.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, or if the laws relating to priority sector lending as applicable to the banks undergo a change, our ability to securitise our asset pool will be hampered, which may adversely affect our financial condition, results of operations and/or cash flows.

49. A decline in our capital adequacy ratio could restrict our future business growth.

Pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 vide its circular DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (updated as on December 29, 2022) all systemically important non-deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10%. On a standalone basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 20.38% as of March 31, 2023, with Tier I capital comprising 12.85%, respectively. If 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 continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

50. Our Company may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.

Our Company is regulated principally by and have reporting obligations to the RBI and our subsidiary is regulated by and have reporting obligations to NHB. Our Company is also subject to the corporate, taxation and other laws in effect in India. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency. Moreover, new regulations may be passed that restrict our ability to do business.

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

51. Our contingent liabilities could adversely affect our financial condition.

As per the consolidated financial statements of our Company for the Fiscal 2023, we had certain contingent liabilities not provided for, amounting to ₹ 851.58 crore. The contingent liability amounts disclosed in our Financial Statements represent estimates and assumptions of our management based on advice received. If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition. For more details regarding the contingent liabilities please see the "*Financial Information*" on page 192 of this Tranche II Prospectus.

52. Certain supporting documents in connection with the forms filed with the ROC (such as form 18 in relation to situation or change of situation of registered office), biographies of certain of our Directors included in this Tranche II Prospectus are unavailable.

Certain documents supporting the information included in the biographies pertaining to the previous work experience, for certain of Directors, disclosed in "*Our Management*" on page 151 of this Tranche II Prospectus, are unavailable. Further we have lost corporate records including forms filed with the ROC (such as form 18 in relation to situation or change of situation of registered office), copies of which could not be retrieved till date. Further due to loss of records and documents in this Tranche II Prospectus has been presented on the basis of records available with us and to the best of information provided by the management.

53. Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business. Any default in compliance with the material covenants could adversely affect our financial condition, and/or our ability to obtain financing in the future.

There are restrictive covenants in the agreements we have entered into with our lenders. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations.

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

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

If we plan to expand our geographical footprint, our business may be exposed to various additional challenges, including: obtaining necessary governmental approvals; identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions, results of operations and/or cash flows.

55. We face difficulties and incur additional expenses in operating from rural and semi urban areas, where infrastructural facilities are limited.

A portion of our operations are conducted in rural and semi urban areas. We face certain difficulties in conducting such operations, such as accessing power facilities, transporting people and goods and maintaining profitability at branches in remote areas. We may also face increased costs in implementing security measures and expanding our advertising presence. We cannot assure that such costs will not increase in the future as we expand our network in rural and semi urban areas.

56. Our success largely depends on our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

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

57. Our insurance coverage may not adequately protect us against losses.

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or coinsurance requirement, could adversely affect our business, financial condition and results of operations.

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

Our Company has devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please see "*Our Business*" on page 118 of this Tranche II Prospectus. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

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

59. Our Company is exposed to many operational risks which could materially impact our business and results of operations.

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

60. Significant fraud, system failure or calamities could adversely impact our business.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Although we have been careful in recruiting all our employees, we have in the past been held liable for the fraudulent acts committed by our employees adversely impacting our business. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

61. Inaccurate appraisal of credit may adversely impact our business

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

62. Our Company has entered into number of related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.

Our Company enters into transactions with the related parties in the ordinary course of business pursuant to the applicable provisions of the Companies Act, 2013. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. For further details, please see "*Financial Information*" on page 192 of this Tranche II Prospectus. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company's favour.

63. Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.

As on the date of this Tranche II Prospectus, some of our Directors are also directors on the board of our related parties. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations and financial condition.

64. We rely on direct selling agents ("DSAs") to sell our products across the country. These DSAs may not perform their obligations satisfactorily or in compliance with law or may be part of unlawful/unethical behaviour which may adversely affect the business and reputation of our Company

We enter into direct selling arrangements with DSAs for the purpose of marketing and selling our products across India. Although adequate due diligence is conducted before entering into any DSA arrangement with any person, we cannot guarantee that there shall be no disruptions in the provision of their services to our Company or that these DSAs will adhere to their contractual obligations. If there is a disruption in the services of these DSAs, or if the DSAs discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute between our Company and the DSAs, we cannot assure you that the terms of the agreements/arrangements entered into with the DSAs will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with other DSAs, may materially and adversely affect our business, financial condition and results of operations. Further, our DSAs or the personnel they employ may be engaged in unethical or unlawful behaviour or they may misrepresent or mis-sell our products and services. Due to this, we may also suffer from reputational and legal risks and these actions may materially and adversely affect our business, financial condition and results of operations.

65. Our Company and its Subsidiaries have availed or may avail of certain loans that are recallable by lenders, at any time.

Our Company and its subsidiaries have availed or may avail of loans that are repayable on demand at any time by the relevant lenders. Any such unexpected demand for immediate repayment may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

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

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

67. A failure or inadequacy in our Company's information technology and telecommunication systems or its inability to adapt to rapid technological changes may adversely affect its business, results of operation and financial condition.

Our Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including its ability to process a large number of transactions on a daily basis. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's financial, accounting or other data processing systems and management information systems or its corporate website may fail to operate adequately or become disabled as a result of events that may be beyond its control, including a disruption of electrical or communications services. Further, the information available to and received by our Company's management through its existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in its operations. If any of these systems are disabled or if there are other shortcomings or failures in our Company's internal processes or systems, it may disrupt our Company's business or impact its operational efficiencies and render it liable to regulatory intervention or damage to its reputation. The occurrence of any such events may adversely affect our Company's business, results of operations and financial condition.

Our Company is dependent on various external vendors for the implementation of certain elements of its operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. Our Company is, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our Company's external vendors or service providers could materially and adversely affect its business, results of operations and cash flows.

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

External Risk Factors

68. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

69. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

70. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

71. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon over the course of past few years affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

72. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

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

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

There is no assurance that the liberalization policies of the Government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the Government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

74. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

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

75. Financial instability in other countries could disrupt our business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause 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, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

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

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

Risks relating to the Issue and NCDs.

77. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia*, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% security cover for the Secured NCDs. The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security and the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

78. The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

79. There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

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

80. There may be a delay in making refund to Applicants.

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

81. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, our various financing activities including lending, for repayment of interest and principal of existing borrowing of the company, subject to applicable statutory and/or regulatory requirements. For further details, see "*Issue Related Information*" on page 294 of this Tranche II Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

83. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Tranche II Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchanges in a timely manner, or at all.

84. There are other lenders and debenture trustees who have pari passu charge over the Security provided.

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the Security provided for the Issue. While the Company is required to maintain the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated at Mumbai on October 18, 1995 as a private limited company with the name Probity Research & Services Private Limited under the provisions of the Companies Act, 1956. The status of our Company was changed to a public limited company and our name was changed to 'Probity Research & Services Limited' pursuant to a fresh certificate of incorporation dated on April 28, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was subsequently changed to 'India Infoline.Com Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Company was further changed to 'India Infoline Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Company was changed to 'IIFL Holdings Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Company was changed to 'IIFL Finance Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019.

NBFC Registration

Our Company holds a certificate of registration dated March 6, 2020 bearing registration no. N-13.02386 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act.

Company Registration No.: 093797
CIN: L67100MH1995PLC093797
LEI: 335800CZ46UJRS34JR78

Permanent Account Number:
AABCI0745G

Registered Office

IIFL Finance Limited
IIFL House, Sun Infotech Park
Road No. 16V, Plot No. B-23
Thane Industrial Area,
Wagle Estate, Thane – 400604
Maharashtra, India
Tel.: +91 22 4103 5000
Fax: +91 22 2580 6654
Website: www.iifl.com
Email: csteam@iifl.com

Corporate Office

802, 8th Floor
Hub Town Solaris
N.S. Phadke Marg
Vijay Nagar, Andheri East
Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Website: www.iifl.com
Email: csteam@iifl.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 144 of this Tranche II Prospectus.

Registrar of Companies, Maharashtra, Mumbai.

100, Everest House
Marine Lines
Mumbai 400 002
Maharashtra, India

Chief Financial Officer

Kapish Jain
802, 8th Floor
Hub Town Solaris
N.S. Phadke Marg
Vijay Nagar, Andheri East
Mumbai 400069,
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: kapish.jain@iifl.com

Company Secretary and Compliance Officer

Sneha Patwardhan
802, 8th Floor
Hub Town Solaris
N.S. Phadke Marg
Vijay Nagar, Andheri East
Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@iifl.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers or interest on application money etc as the case may be.

All grievances relating to this Tranche II Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Syndicate where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue or Compliance Officer with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

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

Lead Managers

Edelweiss Financial Services Limited
801 - 804, Wing A, Building No 3, Inspire BKC, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai – 400051,
Tel: +91 22 4086 3535 Maharashtra, India
Email: iifl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi
Compliance Officer: Ms. Bhavana Kapadia
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

IIFL Securities Limited*
10th Floor, IIFL Centre
Kamala Centre, Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4728
Email: iifl.ncd2022@iiflcap.com
Investor Grievance Email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Nishita Mody
Compliance Officer: Pawan Jain
SEBI Registration no.: INM000010940
CIN: L99999MH1996PLC132983

IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

Equirus Capital Private Limited
12th Floor, C Wing
Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai 400 013, Maharashtra, India
Tel: +91 22 4332 0736
Fax: +91 22 4332 0750
Email: iifl.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Malay Shah
Compliance Officer: Parth Pankhaniya
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

Trust Investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: projectinca@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Hani Jalan
Compliance Officer: Brijmohan Bohra
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

Consortium Members to the Issue

Nuvama Wealth and Investment Limited
2nd Floor, Office No. 201-203
Zodiac Plaza, Xavier College Road
Off C G Road
Ahmedabad 380 009, Gujarat, India
Telephone No.: +91 22 4009 4400
Email: amit.dalvi@nuvama.com, prakash.boricha@nuvama.com
Investor Grievance Email: helpdesk@edelweiss.in
Website: www.nuvamawealth.com
Contact Person: Amit Dalvi / Prakash Boricha
CIN: U65100GJ2008PLC077462
SEBI Registration No.: INZ000005231

IIFL Securities Limited
Office No 1, Gr Flr, Hubtown Solaris
NS Phadke Marg, near East West Flyover
Andheri, Vijay Nagar
Mumbai 400 069
Maharashtra, India
Tel.: 91 22 3929 4000/4103 5000
Fax: + 91 22 2580 6654
Email: fixedincome@iifl.com
Website: www.iiflsecurities.com
Contact Person: Suvajit Ray
SEBI Registration No.: INZ000164132
CIN: L99999MH1996PLC132983

Equirus Securities Private Limited
Marathon Futurex, 21st Floor, A Wing
N.M. Joshi Marg, Lower Parel

Mumbai – 400 013
Telephone No.: +91 22 4332 0600
Facsimile No.: +91 22 4332 0601
Investor Grievance Email: admin_equities@equirus.com
Website: www.equirus.com
Contact Person: Shital Tamrakar
CIN: U65993MH2007PTC176044
SEBI Registration No.: INZ000251536

Trust Financial Consultancy Services Private Limited
1101, Naman Centre, G Block
C-31, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel.: + 91 22 4084 5000
Fax: + 91 22 4084 5066
Email: pranav.inamdar@trustgroup.in; projectinca@trustgroup.in
Investor Grievance Email ID: grievances@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Pranav Inamdar
SEBI Registration Number: INZ000238639

Trust Securities Services Private Limited
1202, Naman Centre, G Block
C-31, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel.: + 91 22 2656 7536
Fax: + 91 22 2656 6598
Email: parth.maniar@trustgroup.in; projectinca@trustgroup.in
Investor Grievance Email ID: grievances@trustgroup.in
Website: www.trustsecurities.in
Contact Person: Mr. Parth Maniar
SEBI Registration Number: INZ000158031

Public Issue Account Bank, Sponsor Bank and Refund Bank

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 2914/ 28/ 29
Fax: +91 22 2579 9801
Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com , pravin.teli2@hdfcbank.com
Website: hdfcbank.com
Contact Person: Eric Bacha/ Sachin Gawade / Pravin Teli / Siddharth Jadhav / Tushar Gavankar
SEBI Registration Number: INBI00000063

Debenture Trustee

Vardhman Trusteeship Private Limited
The Capital, 412 A, A Wing
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India
Tel: +91 22 4264 8335 / 8657900674
Email: nilesh@vardhmantrustee.com
Website: www.vardhmantrustee.com
Contact Person: Nilesh Palav
SEBI Registration No: IND000000611
CIN: U65993WB2010PTC152401

Registrar

Link Intime India Private Limited
C 101, 247 Park
L.B.S Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
Fax: +91 22 4918 6195
Email: iifl.ncd2022@linkintime.co.in
Investor Grievance mail: iifl.ncd2022@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer : B. N. Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Joint Statutory Auditors

M/s. V. Sankar Aiyar & Co
2-C, Court Chambers
35, New Marine Lines
Mumbai 400 020, Maharashtra, India
Tel.: +91 22 2200 4465
Email: mumbai@vsa.co.in
Website: www.vsa.co.in
Membership No: 046050
Firm Registration No: 109208W
Contact Person: G. Sankar

M/s. Chhajed & Doshi
101, Hubtown Solaris,
Near East-west Flyover,
N.S. Phadke Marg, Andheri,
Mumbai 400 069, Maharashtra, India
Tel.: +91 22 6103 7878
Email: info@cndindia.com
Website: www.cndindia.com
Membership No: 049357
Firm Registration No: 101794W
Contact Person: M P Chhajed

M/s. Chhajed & Doshi has been appointed as the joint statutory auditors of our Company by the Board of Directors at their meeting held on July 27, 2021 and further approved by the shareholders in the Extra Ordinary General Meeting of the Company held on September 30, 2021.

Credit Rating Agencies

CRISIL
Ratings

CRISIL Ratings Limited
CRlSIL House, Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076
Maharashtra, India
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Ajit Velonie
SEBI Registration No: IN/CRA/00l/1999
CIN: U67100MH2019PLC326247

ICRA

ICRA Limited
Electric Mansion, 3rd Floor,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 61143406
Fax: +91 22 24331390
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L Shivakumar
SEBI Registration No: IN/CRA/008/2015
CIN: L74999DL1991PLC042749

Industry Report

CRISIL Limited

CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076
Maharashtra, India
Tel: +91 22 3342 3000 (B)
Email: info@crisil.com
Contact Person: Vankatramh B
Website: www.crisil.com
SEBI Registration No: IN/CRA/00l/1999
CIN: L67120MH1987PLC042363

Legal Counsel to the Issue

Khaitan & Co
One World Centre
10th & 13th Floor, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013, Maharashtra, India
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050
Website: www.khaitanco.com

Bankers to our Company

HDFC Bank Limited
Zenith House, 2nd Floor,
Opp. Mahalaxmi Race Course,
Mahalaxmi, Mumbai 400 034
Maharashtra, India
Contact Person: Akshay Agarwal
Tel: +91 22 3976 0529
Fax: +91 22 3976 0529
Email: support@hdfcbank.com
Website: www.hdfcbank.com

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process 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 the ASBA Forms from the Members of the Syndicate is available on the website of SEBI:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

For more information on such branches collecting Bid cum Application Forms from the Members of the Syndicate at Specified Locations, see the website of SEBI at:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications 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 ASBA Forms and Application Forms where investors have opted for payment via the UPI Mechanism, from the Members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do ?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 working days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 8 working days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 percent per annum for the delayed period.

In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 percent per annum from the scheduled listing date till the date of actual payment.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹5,000 crore by CRISIL Ratings Limited ("**CRISIL**") vide their rating letter dated June 28, 2022, revalidated vide letter dated July 29, 2022, further revalidated vide letter dated September 13, 2022, further revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 26, 2022 and further revalidated vide letter dated May 24, 2023, and ICRA AA (stable) (pronounced as ICRA Double A (stable)) for an amount of ₹ 5,000 crore by ICRA Limited ("**ICRA**") vide their rating letter dated August 2, 2022, revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 23, 2022 and further revalidated vide letter dated May 24, 2023. The rating given by CRISIL and ICRA are valid as on the date of this Tranche II Prospectus and shall remain valid until the ratings are revised or withdrawn. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to Annexures A and B of this Tranche II Prospectus for the rationale and press release of the above ratings.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled "*Objects of Tranche II Issue*" on page 76 of this Tranche II Prospectus.

Issue Programme

ISSUE PROGRAMME*	
TRANCHE II ISSUE OPENS ON	Friday, June 9, 2023
TRANCHE II CLOSES ON	Thursday, June 22, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCD for this Tranche II Issue or such date as may be determined by the Board of Directors/ or the Finance Committee to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board or the Finance Committee of the Board of Directors of our Company (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of Tranche II Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper and a regional daily at the place where the registered office of the Company is situated on or before such earlier or extended date of Tranche II Issue closure. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Tranche II Issue Closing Date For further details please refer to the chapter titled "Issue Related Information" on page 294 of this Tranche II Prospectus.*

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

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

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Tranche II Issue will be on date priority basis except on the day of oversubscription and thereafter, where the Allotment will be proportionate.

Inter-se Allocation of Responsibilities among the Lead Managers:

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

Sr. No.	Activities	Responsibility	Coordinator
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting and designing of the offering document. • (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Shelf Prospectus, Shelf Prospectus, this Tranche II Prospectus (together "Offer Documents") • Coordination with the Stock Exchanges for in-principle approval	Edelweiss/Equirus/ Trust	Edelweiss
2.	Structuring of various issuance options with relative components and formalities etc.	Edelweiss/Equirus/ Trust	Edelweiss
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Edelweiss/Equirus/ Trust	Edelweiss
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank cum Refund Bank.	Edelweiss/Equirus/ Trust	Edelweiss
5.	• Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents. • Drafting and approval of statutory advertisement	Edelweiss/Equirus/ Trust	Trust
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	Edelweiss/Equirus/ Trust	Trust
7.	Preparation of road show presentation, FAQs.	Edelweiss/Equirus/ Trust	Trust
8.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc.	All Lead Managers	IIFL Securities

Sr. No.	Activities	Responsibility	Coordinator
	• Finalise collection centres • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalisation of list and allocation of institutional investors for one on one meetings		
9.	Domestic institutions/banks/mutual funds marketing strategy: Finalize the list and division of investors for one on one meetings, institutional allocation	All Lead Managers	IIFL Securities
10.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget • Finalize centers for holding conferences for brokers, etc.	All Lead Managers	IIFL Securities
11.	Coordination with the Stock Exchanges for use of the bidding software	Edelweiss/Equirus/ Trust	Equirus
12.	Coordination for security creation by way of execution of Debenture Trust Deed	Edelweiss/Equirus/ Trust	Equirus
13.	Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.;	Edelweiss/Equirus/ Trust	Equirus
14.	Post-issue activities including – • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Edelweiss/Equirus/ Trust	Edelweiss
15.	• Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	Edelweiss/Equirus/ Trust	Edelweiss

*Note: IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (“**Merchant Bankers Regulations**”). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

CAPITAL STRUCTURE

Details of share capital

The following table lays down the details of our authorised, issued, subscribed and paid-up share capital as on March 31, 2023:

(in ₹)

Share Capital	Aggregate value (except for securities premium)
Authorised Share Capital	
23,552,50,000 equity shares of ₹ 2 each	4,710,500,000.00
500,000,000 Preference Shares of ₹10 each	5,000,000,000.00
Total Authorised Share Capital	9,710,500,000.00
Issued, Subscribed and Paid-Up Share Capital	
380,430,389 equity shares of ₹ 2 each	760,860,778.00
TOTAL	760,860,778.00
Securities Premium Account	18,620,541,352.11

Notes:

1. *The Authorised capital of the Company was changed pursuant to the Composite Scheme of Arrangement as approved by the Shareholders at their meeting held on December 12, 2018 and by Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated March 7, 2019. The Composite Scheme of Arrangement with respect to merger of India Infoline Finance Limited with the Company was effected on March 30, 2020. The revised Authorised Share Capital stood at ₹ 9,710,500,000 comprising of 2,355,250,000 Equity Shares of ₹ 2 each and 500,000,000 preference shares of ₹ 10 each.*
2. *There will be no change in the capital structure due to the issue and allotment of the NCDs.*
3. *None of the equity shares held by the Promoters of our Company are either pledged or encumbered.*

1. Details of change in the authorised share capital of our Company, as on March 31, 2023, for the last three years is set out below:

Nil

2. Equity Share capital history of our Company for the last three years as on March 31, 2023 is set out below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
August 14, 2020	27,135	2	61.48	Cash	Allotment upon exercise of ESOPs	378,368,057	756,736,114	1,613,989.80
September 21, 2020	18,680	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,386,737	756,773,474	1494,773.60
September 21, 2020	8,830	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,395,567	756,791,134	525,208.40
December 2, 2020	10,310	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,405,877	756,811,754	825,006.20
December 2, 2020	2,600	2	82.73	Cash	Allotment upon exercise of the ESOPs	378,408,477	756,816,954	209,898.00
December 2, 2020	14,364	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,422,841	756,845,682	854,370.72
December 02, 2020	25,000	2	61.40	Cash	Allotment upon exercise of the ESOPs	378,447,841	756,895,682	1,485,000.00
December 22, 2020	9,815	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,457,656	756,915,312	785,396.30

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
December 22, 2020	7,803	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,465,459	756,930,918	464,122.44
December 22, 2020	4,050	2	106.67	Cash	Allotment upon exercise of the ESOPs	378,469,509	756,939,018	423,913.50
February 08, 2021	15,781	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,485,290	756,970,580	938,653.88
February 08, 2021	20,645	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,505,935	757,011,870	1,652,012.90
February 08, 2021	20,175	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,852,6110	757,052,220	2,111,717.25
February 08, 2021	88	2	177.04	Cash	Allotment upon exercise of the ESOPs	378,526,198	757,052,396	15,403.52
March 16, 2021	78094	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,604,292	757,208,584	4,645,031.12
March 16, 2021	39047	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,643,339	757,286,678	3,124,540.94
March 16, 2021	158,087	2	106.67	Cash	Allotment upon exercise of the ESOPs	378,801,426	757,602,852	16,546,966.30
March 16, 2021	39240	2	177.04	Cash	Allotment upon exercise of the ESOPs	378,840,666	757,681,332	6,868,569.60
March 16, 2021	10	2	182.22	Cash	Allotment upon exercise of the ESOPs	378,840,676	757,681,352	1802.20
May 20, 2021	4,860	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,845,536	757,691,072	289,072.80
May 20, 2021	21,780	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,867,316	757,734,632	1,742,835.60
May 20, 2021	86,935	2	106.67	Cash	Allotment upon exercise of the ESOPs	378,954,251	757,908,502	9,099,486.45
May 20, 2021	19,954	2	177.04	Cash	Allotment upon exercise of the ESOPs	378,974,205	757,948,410	3,492,748.16
May 20, 2021	385	2	182.22	Cash	Allotment upon exercise of the ESOPs	378,974,590	757,949,180	69,384.70
July 15, 2021	21,454	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,89,96,044	75,79,92,088	12,76,083.92
July 15, 2021	21,655	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,90,17,699	75,80,35,398	17,32,833.10

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
July 15, 2021	2,400	2	82.73	Cash	Allotment upon exercise of the ESOPs	37,90,20,099	75,80,40,198	1,93,752.00
July 15, 2021	53,000	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,90,73,099	75,81,46,198	55,47,510.00
July 15, 2021	4,361	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,90,77,460	75,81,54,920	7,63,349.44
July 15, 2021	314	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,90,77,774	75,81,55,548	56,589.08
September 15, 2021	63,780	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,91,41,554	75,82,83,108	37,93,634.40
September 15, 2021	24,810	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,91,66,364	75,83,32,728	19,85,296.20
September 15, 2021	200	2	82.73	Cash	Allotment upon exercise of the ESOPs	37,91,66,564	75,83,33,128	16,146.00
September 15, 2021	66,190	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,92,32,754	75,84,65,508	69,28,107.30
September 15, 2021	19,603	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,92,52,357	75,85,04,714	34,31,309.12
September 15, 2021	142	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,92,52,499	75,85,04,998	25,591.24
November 11, 2021	2,015	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,92,54,514	75,85,09,028	1,61,240.30
November 11, 2021	40,700	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,92,95,214	75,85,90,428	42,60,069.00
November 11, 2021	10,464	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,93,05,678	75,86,11,356	18,31,618.56
November 11, 2021	50	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,93,05,728	75,86,11,456	9,011.00
January 6, 2022	6,005	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,93,11,733	75,86,23,466	3,57,177.40
January 6, 2022	14,120	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,93,25,853	75,86,51,706	11,29,882.40
January 6, 2022	76,848	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,94,02,701	75,88,05,402	80,43,680.16
January 6, 2022	83,397	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,94,86,098	75,89,72,196	1,45,97,810.88

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
January 6, 2022	709	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,94,86,807	75,89,73,614	1,27,775.98
March 10, 2022	9,072	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,94,95,879	75,89,91,758	5,39,602.56
March 10, 2022	8,080	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,95,03,959	75,90,07,918	6,46,561.60
March 10, 2022	59,760	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,95,63,719	75,91,27,438	62,55,079.20
March 10, 2022	34,384	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,95,98,103	75,91,96,206	60,18,575.36
March 10, 2022	608	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,95,98,711	75,91,97,422	1,09,573.76
May 27, 2022	52,675	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,96,51,386	75,93,02,772	31,33,109.00
May 27, 2022	7,380	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,96,58,766	75,93,17,532	5,90,547.60
May 27, 2022	35,450	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,96,94,216	75,93,88,432	37,10,551.50
May 27, 2022	44,116	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,97,38,332	75,94,76,664	77,22,064.64
May 27, 2022	1,318	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,97,39,650	75,94,79,300	2,37,529.96
July 28, 2022	6,407	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,97,46,057	75,94,92,114	512,688.14
July 28, 2022	500	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,97,46,557	75,94,93,114	52,335.00
July 28, 2022	15,846	2	177.04	Cash	Allotment upon exercise of the ESOPs	379,762,403	759,524,806	2,773,683.84
July 28, 2022	1,196	2	182.22	Cash	Allotment upon exercise of the ESOPs	379,763,599	759,527,198	215,543.12
October 08, 2022	9,152	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,97,72,751	75,95,45,502	7,32,343.04
October 08, 2022	51,670	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,98,24,421	75,96,48,842	54,08,298.90
October 08, 2022	41,169	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,98,65,590	75,97,31,180	72,06,221.76

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
October 08, 2022	567	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,98,66,157	75,97,32,314	1,02,184.74
October 08, 2022	5,554	2	252.00	Cash	Allotment upon exercise of the ESOPs	37,98,71,711	75,97,43,422	13,88,500.00
November 24, 2022	4,064	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,98,75,775	75,97,51,550	2,41,726.72
November 24, 2022	5,420	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,98,81,195	75,97,62,390	4,33,708.40
November 24, 2022	28,350	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,99,09,545	75,98,19,090	29,67,394.50
November 24, 2022	15,000	2	126.64	Cash	Allotment upon exercise of the ESOPs	37,99,24,545	75,98,49,090	18,69,600.00
November 24, 2022	19,300	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,99,43,845	75,98,87,690	33,78,272.00
November 24, 2022	689	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,99,44,534	75,98,89,068	1,24,171.58
November 24, 2022	1,757	2	252.00	Cash	Allotment upon exercise of the ESOPs	37,99,46,291	75,98,92,582	4,39,250.00
January 18, 2023	9,990	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,99,56,281	75,99,12,562	5,94,205.20
January 18, 2023	65,013	2	82.02	Cash	Allotment upon exercise of the ESOPs	38,00,21,294	76,00,42,588	52,02,340.26
January 18, 2023	53,490	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,00,74,784	76,01,49,568	55,98,798.30
January 18, 2023	167,792	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,02,42,576	76,04,85,152	2,93,70,311.68
January 18, 2023	1,196	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,02,43,772	76,04,87,544	2,15,543.12
January18, 2023	4,567	2	252.00	Cash	Allotment upon exercise of the ESOPs	38,02,48,339	76,04,96,678	11,41,750.00
January 18, 2023	100	2	271.40	Cash	Allotment upon exercise of the ESOPs	38,02,48,439	76,04,96,878	26,940.00
March 17, 2023	21,500	2	82.02	Cash	Allotment upon exercise of the ESOPs	38,02,69,939	76,05,39,878	17,20,430
March 17, 2023	80,855	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,03,50,794	76,07,01,588	84,63,092.85

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Equity Share Premium (in ₹)
March 17, 2023	76,492	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,04,27,286	76,08,54,572	1,33,89,159.68
March 17, 2023	2,028	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,04,29,314	76,08,58,628	3,65,486.16
March 17, 2023	1,075	2	252	Cash	Allotment upon exercise of the ESOPs	38,04,30,389	76,08,60,778	2,68,750.00

3. List of top ten holders of Equity Shares of our Company as on March 31, 2023 are as follows:

Sr. No.	Name of the Equity Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	FIH Mauritius Investments Ltd	8,46,41,445	8,46,41,445	22.25
2.	Nirmal Bhanwarlal Jain	4,77,19,154	4,77,19,154	12.54
3.	Smallcap World Fund, Inc	2,82,78,861	2,82,78,861	7.43
4.	Parajia Bharat Himatlal	1,97,20,000	1,97,20,000	5.18
5.	Bank Muscat India Fund	1,25,98,222	1,25,98,222	3.31
6.	Madhu Jain	1,20,75,000	1,20,75,000	3.17
7.	Venkataraman Rajamani	1,09,84,432	1,09,84,432	2.89
8.	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	1,00,00,000	2.63
9.	WF Asian Reconnaissance Fund Limited	93,02,170	93,02,170	2.45
10.	Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Truste)	90,00,000	90,00,000	2.37

4. List of top ten holders of non-convertible securities of our Company (on cumulative basis) as on March 31, 2023, are as follows:

(₹ in crore)

Sr. No.	Name of Holder	Amount	Holding %
1	Life Insurance Corporation of India	1,050.00	24.22%
2	CDC Group Plc	325.00	7.50%
3	HVPNL Employees Pension Fund Trust	155.00	3.57%
4	Visakhapatnam Steel Project Employees Provident Fund Trust	110.00	2.54%
5	RBL Bank Limited	100.00	2.31%
6	Bank of India	100.00	2.31%
7	HVPNL Employees Provident Fund Trust	80.00	1.85%
8	Sporta Technologies Private Limited	74.60	1.72%
9	Mirae Asset Hybrid - Equity Fund	65.00	1.50%
10	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	65.00	1.50%

5. Shareholding pattern of our Company

The following table sets forth the shareholding pattern of our Company as on March 31, 2023:

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	8	94547490	0	0	94547490	24.85	94547490	0	94547490	24.85	0	24.85	0	0	0	0	94547490
(B)	Public	67460	285882899	0	0	285882899	75.15	285882899	0	285882899	75.15	0	75.15	0	0	NA	NA	285642868
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	NA	NA	0
	Total	**67468**	**380430389**	**0**	**0**	**380430389**	**100.00**	**380430389**	**0**	**380430389**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**380190358**

Note: No shares are pledged or encumbered by the promoter.

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

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
	(I)		(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Indian																			
(a)	Individuals / Hindu Undivided Family			6	89978586	0	0	89978586	23.65	89978586	0	89978586	23.65	0	23.65	0	0	0	0	89978586

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities – No of Voting Rights – Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares – No. (a)	As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered – No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form
	Nirmal Bhanwarlal Jain	Promoters	ABRPJ9235G	1	47719154	0	0	47719154	12.54	47719154	0	47719154	12.54	0	12.54	0	0	0	0	47719154
	Madhu N Jain	Promoters	ABEPJ6034E	1	12075000	0	0	12075000	3.17	12075000	0	12075000	3.17	0	3.17	0	0	0	0	12075000
	Venkataraman Rajamani	Promoters	ADHPR6633G	1	10984432	0	0	10984432	2.89	10984432	0	10984432	2.89	0	2.89	0	0	0	0	10984432
	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)*	Promoters	AACTN7896B	1	10000000	0	0	10000000	2.63	10000000	0	10000000	2.63	0	2.63	0	0	0	0	10000000
	Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	Promoters	AADTK0762E	1	9000000	0	0	9000000	2.37	9000000	0	9000000	2.37	0	2.37	0	0	0	0	9000000
	Aditi Athavankar	Promoters	AACPA0090J	1	200000	0	0	200000	0.05	200000	0	200000	0.05	0	0.05	0	0	0	0	200000
(b)	Central Government / State Government(s)			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Financial Institutions / Banks			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Any Other (Specify)			2	4568904	0	0	4568904	1.20	4568904	0	4568904	1.20	0	1.20	0	0	0	0	4568904
	Persons Acting In Concert			2	4568904	0	0	4568904	1.20	4568904	0	4568904	1.20	0	1.20	0	0	0	0	4568904
	Ardent Impex Pvt Ltd	Promoter Group	AAECA7631G	1	3268904	0	0	3268904	0.86	3268904	0	3268904	0.86	0	0.86	0	0	0	0	3268904
	Orpheus Trading Pvt Ltd	Promoter Group	AAACO7172N	1	1300000	0	0	1300000	0.34	1300000	0	1300000	0.34	0	0.34	0	0	0	0	1300000
	Sub Total (A)(1)			8	94547490	0	0	94547490	24.85	94547490	0	94547490	24.85	0	24.85	0	0	0	0	94547490
2	Foreign																			

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(b)	Government			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Institutions			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Foreign Portfolio Investor			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(e)	Any Other (Specify)			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (A)(2)			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)			**8**	**94547490**	**0**	**0**	**94547490**	**24.85**	**94547490**	**0**	**94547490**	**24.85**	**0**	**24.85**	**0**	**0**	**0**	**0**	**94547490**

**Note: Note- As on March 31, 2023, trustee(s) of Nirmal Madhu Family Private Trust were changed to Mansukhlal Jain and Pritesh Mehta (from the earlier trustee(s) as on December 31, 2022 which was Harshita Jain and Mansukhlal Jain). Except the change of trustees as aforesaid, there is no other change in the shares of the company held by Nirmal Madhu Family Private Trust or the aggregate promoter and promoter group of the Company*

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	(XV)		
1	Institutions (Domestic)																					
(a)	Mutual Fund		10	2185747	0	0	2185747	0.57	2185747	0	2185747	0.57	0	0.57	0	0	NA	NA	2185747	0	0	0
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(c)	Alternate Investment Funds		11	5310638	0	0	5310638	1.40	5310638	0	5310638	1.40	0	1.40	0	0	NA	NA	5310638	0	0	0
(d)	Banks		2	307	0	0	307	0.00	307	0	307	0.00	0	0.00	0	0	NA	NA	307	0	0	0
(e)	Insurance Companies		3	7890697	0	0	7890697	2.07	7890697	0	7890697	2.07	0	2.07	0	0	NA	NA	7890697	0	0	0
	Life Insurance Corporation Of India	AAACL0582H	1	5543731	0	0	5543731	1.46	5543731	0	5543731	1.46	0	1.46	0	0	NA	NA	5543731			
(f)	Provident Funds/ Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(G)	Asset Reconstruction Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(h)	Sovereign Wealth Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(i)	NBFCs registered with RBI		2	1200	0	0	1200	0.00	1200	0	1200	0.00	0	0.00	0	0	NA	NA	1200	0	0	0
(j)	Other Financial Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(k)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
	Sub Total (B)(1)		28	15388589	0	0	15388589	4.05	15388589	0	15388589	4.05	0	4.05	0	0	NA	NA	15388589	0	0	0
2	Institutions (Foreign)																					
(a)	Foreign Direct Investment		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(b)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held(b)	Number of equity shares held in dematerialised form	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(c)	Sovereign Wealth Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(d)	Foreign Portfolio Investors Category I		134	87922376	0	0	87922376	23.11	87922376	0	87922376	23.11	0	23.11	0	0	NA	NA	87922376	0	0	0
	Smallcap World Fund, Inc	AABCS3581L	1	28278861	0	0	28278861	7.43	28278861	0	28278861	7.43	0	7.43	0	0	NA	NA	28278861			
	Wf Asian Reconnaissance Fund Limited	AABCW5771E	1	9302170	0	0	9302170	2.45	9302170	0	9302170	2.45	0	2.45	0	0	NA	NA	9302170			
	Nomura India Investment Fund Mother Fund	AAAAN3240L	1	4474548	0	0	4474548	1.18	4474548	0	4474548	1.18	0	1.18	0	0	NA	NA	4474548			
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	AAATY0918K	1	4045304	0	0	4045304	1.06	4045304	0	4045304	1.06	0	1.06	0	0	NA	NA	4045304			
	Vanguard Total International Stock Index Fund	AABTV0442N	1	3821336	0	0	3821336	1.00	3821336	0	3821336	1.00	0	1.00	0	0	NA	NA	3821336			
(e)	Foreign Portfolio Investors Category II		16	18930794	0	0	18930794	4.98	18930794	0	18930794	4.98	0	4.98	0	0	NA	NA	18930794	0	0	0
	Bank Muscat India Fund	AADCB4040P	1	12598222	0	0	12598222	3.31	12598222	0	12598222	3.31	0	3.31	0	0	NA	NA	12598222			
(f)	Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(g)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
	Sub Total (B)(2)		150	106853170	0	0	106853170	28.09	106853170	0	106853170	28.09	0	28.09	0	0	NA	NA	106853170	0	0	0

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: y	Number of Voting Rights held in each class of securities: No of Voting Rights: Total	Number of Voting Rights held in each class of securities: Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	Number of Locked in shares: As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered: No. (a)	Number of Shares pledged or otherwise encumbered: As a % of total Shares held(b)	Number of equity shares held in dematerialised form	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category (i)	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category (ii)	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category (iii)
3	Central Government/ State Government(s)																					
(a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
	Sub Total (B)(3)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
4	Non-Institutions			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(a)	Associate companies / Subsidiaries		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)		4	2898839	0	0	2898839	0.76	2898839	0	2898839	0.76	0	0.76	0	0	NA	NA	2898839	0	0	0
(c)	Key Managerial Personnel		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	'trustee','beneficiary', or 'author of the trust"																					
(f)	Investor Education and Protection Fund (IEPF)		1	51836	0	0	51836	0.01	51836	0	51836	0.01	0	0.01	0	0	NA	NA	51836	0	0	0
(g)	i. Resident Individual holding nominal share capital up to ₹ 2 lakhs.		63045	25366302	0	0	25366302	6.67	25366302	0	25366302	6.67	0	6.67	0	0	NA	NA	25351271	0	0	0
(h)	ii. Resident individual holding nominal share capital in excess of ₹ 2 lakhs.		39	12977556	0	0	12977556	3.41	12977556	0	12977556	3.41	0	3.41	0	0	NA	NA	12977556	0	0	0
(i)	Non Resident Indians (NRIs)		1658	27470275	0	0	27470275	7.22	27470275	0	27470275	7.22	0	7.22	0	0	NA	NA	27245275	0	0	0
	Parajia Bharat Himatlal	AHMPP5003B	1	19720000	0	0	19720000	5.18	19720000	0	19720000	5.18	0	5.18	0	0	NA	NA	19720000	0	0	0
	Satpal Khattar	ARCPK9611J	1	4823486	0	0	4823486	1.27	4823486	0	4823486	1.27	0	1.27	0	0	NA	NA	4823486			
(j)	Foreign Nationals		1	111000	0	0	111000	0.03	111000	0	111000	0.03	0	0.03	0	0	NA	NA	111000	0	0	0
(k)	Foreign Companies		1	84641445	0	0	84641445	22.25	84641445	0	84641445	22.25	0	22.25	0	0	NA	NA	84641445	0	0	0
	Fih Mauritius Investments Ltd	AACCF5236C	1	84641445	0	0	84641445	22.25	84641445	0	84641445	22.25	0	22.25	0	0	NA	NA	84641445			
(l)	Bodies Corporate		1059	7741602	0	0	7741602	2.04	7741602	0	7741602	2.04	0	2.04	0	0	NA	NA	7741602	0	0	0
(m)	Any Other (Specify)		1474	2382285	0	0	2382285	0.63	2382285	0	2382285	0.63	0	0.63	0	0	NA	NA	2382285	0	0	0
	Trusts		4	75579	0	0	75579	0.02	75579	0	75579	0.02	0	0.02	0	0	NA	NA	75579	0	0	0
	Body Corp-Ltd Liability Partnership		131	1016765	0	0	1016765	0.27	1016765	0	1016765	0.27	0	0.27	0	0	NA	NA	1016765	0	0	0
	Hindu Undivided Family		1312	1184998	0	0	1184998	0.31	1184998	0	1184998	0.31	0	0.31	0	0	NA	NA	1184998	0	0	0
	Clearing Member		24	23465	0	0	23465	0.01	23465	0	23465	0.01	0	0.01	0	0	NA	NA	23465	0	0	0

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	Foreign Portfolio Investors Category III		3	81478	0	0	81478	0.02	81478	0	81478	0.02	0	0.02	0	0	NA	NA	81478	0	0	0
	Sub Total (B)(4)		67282	163641140	0	0	163641140	43.01	163641140	0	163641140	43.01	0	43.01	0	0	NA	NA	163401109	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)		**67460**	**285882899**	**0**	**0**	**285882899**	**75.15**	**285882899**	**0**	**285882899**	**75.15**	**0**	**75.15**	**0**	**0**	**NA**	**NA**	**285642868**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

Table V - Statement showing details of Significant Beneficial Owner (SBO)

Sr. No.	Details of SBO (I)			Details of Registered Owner (II)			Details of holding/ Exercise of right of the SBO in the reporting Company, whether direct or indirect*: (III)					Date of Creation/Acquisition of significial beneficial interest# (IV)
							Whether by virtue of:					
	Name	PAN/Passport No. in case of a Foreign National	Nationality	Name	PAN/Passport No. in case of a Foreign National	Nationality	Shares %	Voting Rights %	Dividend Rights %	Exercise of Control	Exercise of Significant Influence	
1	Nirmal Jain and Madhu Jain collectively	ABRPJ9235G	Indian	Orpheus Trading Private Limited	AAACO7172N	Indian	0.34	-	-	No	No	March 14, 2005
2	Nirmal Jain and Madhu Jain collectively	ABRPJ9235G	Indian	Ardent Impex Private Limited	AAECA7631G	Indian	0.86	-	-	No	No	May 19, 2006
3	Mansukhlal Jain and Pritesh Ashwin Mehta, Trustees of Nirmal Madhu Family Private Trust	AACPJ7089G	Indian	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	AACTN7896B	Indian	2.63	-	-	No	No	January 18, 2018

*In case the nature of holding/exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories.

#This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar

Annexure B

Table VI – Statement showing foreign ownership limits

	Board approved limits	Limits utilized
As on shareholding date	100%	54.61%
As on the end of previous 1st quarter	100%	54.39%
As on the end of previous 2nd quarter	100%	52.29%
As on the end of previous 3rd quarter	100%	53.37%
As on the end of previous 4th quarter	100%	55.07%

6. **Debt - Equity ratio**

Debt to Equity Ratio of our Company as on March 31, 2023:

(₹ in crore)

Particulars	Consolidated		Standalone	
	Pre issue as at March 31, 2023	Post issue*	Pre issue as at March 31, 2023	Post issue*
Debt				
Debt Securities & Subordinated Liabilities	11,127.72	12,627.72	6,853.60	8,353.60
Borrowings (Other than Debt Securities)	28,476.27	28,476.27	10,526.89	10,526.89
Total Debt (A)	**39,603.98**	**41,103.98**	**17,380.49**	**18,880.49**
Equity				
Equity and Share Capital	76.09	76.09	76.09	76.09
Other Equity	8,915.97	8,915.97	5,038.82	5,038.82
Non Controlling Interest	1,210.08	1,210.08	-	-
Total Equity (B)	**10,202.14**	**10,202.14**	**5,114.91**	**5,114.91**
Debt / Equity (A/ B)	**3.88**	**4.03**	**3.40**	**3.69**

Total debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 1,500 crore from the proposed Tranche II Issue. The actual debt-equity ratio post the Tranche II Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

7. **Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI)**

There has been no change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

8. ***Statement of the aggregate number of securities of our Company and our Subsidiary purchased or sold by our Promoters, Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus.***

Except as provided below, no securities of our Company and our Subsidiary have been purchased or sold by our Promoters, Promoter Group, our directors, and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus:

Sr. No.	Name of the Promoter	Date of transaction	Nature of NCD	Face Value (In ₹)	Number of NCDs Purchased	Number of NCDs Sold
1.	Nirmal Madhu Family Private Trust	March 29, 2023	IIFL FIN LTD NCD 60 MONTHS CUMM OPT SER 7	1000	0	20,000

9. For details on the total outstanding debt of our Company, please refer to *"Financial Indebtedness"* on page 194 of this Tranche II Prospectus.

10. **Details of Promoter's shareholding in our Company's Subsidiary**

Nil

11. **Details of Promoter's shareholding in our Joint Venture and Associate Companies**

Nil

12. **Details of any acquisition or amalgamation in the last one year prior to the date of this Tranche II Prospectus.**

Nil

13. **Details of any reorganization or reconstruction in the last one year prior to the date of this Tranche II Prospectus.**

Nil

14. Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

For details regarding any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option, see the Chapter "*Financial Indebtedness*" on page 194 of this Tranche II Prospectus.

15. None of the Equity Shares held by our Promoters are pledged or encumbered otherwise.

16. As on March 31, 2023, 99.94% Equity Shares of our Company are in dematerialised form and 0.06% Equity Shares are currently in physical format.

17. Details of Employee Stock option Scheme

Company has in force the following ESOS Schemes with an object of rewarding employee:

1. IIFL Finance Employees Stock Option Plan 2007 ("**ESOS Scheme 2007**")

   Pursuant to the approval given by the shareholders at their extraordinary general meeting held on October 20, 2007, our Company has implemented "Employee Stock Option Scheme, 2007" ("**ESOS Scheme 2007**"). The Company received In Principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on November 14, 2008 and November 25, 2008 respectively. The maximum number of options that can be granted under the Schemes shall be 7,500,000. There are no outstanding employee stock options as on March 31, 2023.

2. IIFL Finance Employee Stock Option Plan 2008 ("**ESOS Scheme 2008**")

   Pursuant to the approval given by the shareholders at their extraordinary general meeting held on December 15, 2008, our Company has implemented "Employee Stock Option Scheme, 2008" ("**ESOS Scheme 2008**"). The Company received In Principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on December 17, 2009 and December 18, 2009 respectively. The maximum number of options that can be granted under the Schemes shall be 50,000,000.

   The stock options cancelled or lapsed without being exercised will be available for allocation to other Employees, subject to compliance with the provisions of the Applicable Laws.

   The Nomination & Remuneration Committee shall in accordance with ESOS Scheme 2008 and Applicable Laws approve the grant of stock options from time to time to the Employees under various series and approve terms of grant of stock options under each series, including vesting schedule for each series of grants.

   The Nomination & Remuneration Committee shall, in accordance with ESOS Scheme 2008 and Applicable Laws, approve the procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split /consolidation, rights issues, bonus issues, merger, de-merger, sale of division and others, to ensure that the stock option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action.

   Stock options granted under ESOS Scheme 2008 would vest as per the vesting schedule as determined under each series of grant approved by the Nomination & Remuneration Committee, subject to a minimum period of one year from the date of grant of such stock options. Vesting of stock options would be subject to continued employment of the respective Employee with the Company. Any acceleration in vesting schedule of the stock option will be subject to approval of Nomination & Remuneration Committee.

   Please refer below for the details of stock options as on March 31, 2023:

S. No.	Particulars	(No. of Stock Options)
1	Stock options granted	5,57,70,000
2	Stock options vested	5,18,38,796
3	Stock options exercised	4,03,12,195

S. No.	Particulars	(No. of Stock Options)
4	Total number of shares arising out of exercise of Stock options	4,03,12,195
5	Stock options lapsed	1,45,20,858
6	Exercise price (in ₹)	₹ 82.02, ₹ 218.71, ₹ 252, ₹ 271.4, ₹ 341.65, ₹ 350

3. **IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme** ("**ESOS Scheme 2020**")

Pursuant to the merger of India Infoline Finance Limited with the Company under the Composite Scheme of Arrangement, the stock option holders of India Infoline Finance Limited were required to be granted 135 stock options by the Company for every 100 stock options held in India Infoline Finance Limited, on terms and conditions similar to the ESOP Scheme of India Infoline Finance Limited. Accordingly, the Board adopted new ESOP scheme named as "*IIFL Finance Limited Employee Stock Option 2020 - Merger Scheme*" and 8,281,111 stock option were granted under the scheme to option holders of India Infoline Finance Limited. The Company received in-principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on June 1, 2020 and June 3, 2020 respectively.

The Nomination & Remuneration Committee shall in accordance with ESOS Scheme 2020 and Applicable Laws approve the grant of stock options from time to time to the Employees under various series and approve terms of grant of stock options under each series, including vesting schedule for each series of grants.

The Nomination & Remuneration Committee shall, in accordance with ESOS Scheme 2020 and Applicable Laws, approve the procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split /consolidation, rights issues, bonus issues, merger, de-merger, sale of division and others, to ensure that the stock option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action.

Stock options granted under ESOS Scheme 2020 would vest as per the vesting schedule as determined under each series of grant approved by the Nomination & Remuneration Committee, subject to a minimum period of one year from the date of grant of such stock options. Vesting of stock options would be subject to continued employment of the respective Employee with the Company. Any acceleration in vesting schedule of the stock option will be subject to approval of Nomination & Remuneration Committee.

Please refer below for the details of stock options as on March 31, 2023:

S. No.	Particulars	(No. of Stock Options)
1	Stock options granted	82,81,111
2	Stock options vested	43,96,587
3	Stock options exercised	17,25,385
4	Total number of shares arising out of exercise of Stock options	17,25,385
5	Stock options lapsed	38,50,282
6	Exercise price (in ₹)	₹ 106.67, ₹ 177.04, ₹ 142.22, ₹ 182.22

OBJECTS OF TRANCHE II ISSUE

Issue Proceeds

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount of ₹ 300 crore ("**Base Issue Size**") with a green shoe option of up to ₹ 1,200 crore amounting to ₹ 1,500 crore ("**Tranche II Issue Limit")** ("**Tranche II Issue**") which is within the Shelf Limit of ₹ 5,000 crore and is being offered by way of this Tranche II Prospectus, which should be read together with the Shelf Prospectus filed with the ROC, Stock Exchanges and SEBI.

The details of the proceeds of this Tranche II Issue are summarized below:

Particulars	Estimated amount (₹ in crore)
Gross proceeds of the Tranche II Issue	1,500.00
Less: Issue related expenses*	26.11
Net proceeds	1,473.99

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

The following table details the objects of this Tranche II Issue and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, refinancing the existing indebtedness of IIFL Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings)[#]	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%

[#]Our Company shall not utilize the proceeds of this Tranche II Issue towards payment of prepayment penalty, if any.
[*]The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of this Tranche II Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the applicable regulatory requirements and investment policies approved by the Board or any committee thereof from time to time.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in this Tranche II Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2024, the utilisation of the proceeds of this Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche II Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of this Tranche II Issue only upon the execution of the documents pertaining to this Tranche II Issue and receipt of final listing and trading approval from the Stock Exchanges.

Tranche II Issue expenses

A portion of this Tranche II Issue proceeds will be used to meet Tranche II Issue expenses. The following are the estimated Tranche II Issue expenses:

Particulars	Amount (₹ in crore)	As percentage of Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue, Debenture Trustees, others	0.57	0.06%	2.20%
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee, others	24.33	2.43%	93.16%
Advertising and Marketing, Printing and Stationery Costs	1.11	0.11%	4.26%
Other Miscellaneous Expenses	0.10	0.01%	0.38%
Grand Total	**26.11**	**2.61%**	**100.00%**

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

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹15 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Other Confirmation

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of this Tranche II Issue for providing loans to or for acquisition of shares of any company which is a part of the Promoter Group or group companies.

No part of the proceeds from this Tranche II Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

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

All monies received out of this Tranche II Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of this Tranche II Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of this Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize this Tranche II Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche II Prospectus in the section titled "*Issue Related Information*" beginning on page 294 of this Tranche II Prospectus.

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

There is no contribution being made or intended to be made by the Directors as part of this Tranche II Issue or separately in furtherance of the Objects of the Issue.

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

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

The Objects of Tranche II Issue do not entail loan to any entity which is a group company.

Variation in terms of contract or objects in the Drat Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Tranche II Prospectus or objects for which this Tranche II Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Utilisation of the proceeds of this Tranche II Issue

(a) All monies received out of this Tranche II Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of this Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.

(c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) We shall utilize this Tranche II Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche II Prospectus, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue Size.

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

(g) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working days from the Tranche II Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Benefit / interest accruing to Promoter/Directors out of the object of this Tranche II Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche II Issue.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
IIFL Finance Limited
IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate,
Thane 400 604, Maharashtra, India

Dear Sirs,

Sub: Proposed public issue by IIFL Finance Limited (the "Company" or the "Issuer") of secured, redeemable non-convertible debentures of face value of ₹ 1,000 each (the "NCDs") for an amount aggregating up to ₹ 5,000 crore (the "Shelf Limit") (the "Issue"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue

The following note discusses the special tax provisions applicable to the Clients investing in the NCDs of the Company under the Income-tax Act, 1961 (the "**IT Act**").

We have performed the following procedures:

i. Read the statement of tax benefits as given in Annexure I, and

ii. Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the IT Act as amended with respect to Debenture Holders. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed Annexure I are not exhaustive. The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the 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 specific tax implications arising out of their participation. The contents of the enclosed Annexure I are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We hereby consent to the inclusion of the extracts of this certificate in the Tranche II Prospectus and/or any other document in relation to the Issue.

This certificate has been issued at the request of IIFL Finance Limited for use in connection with the Issue and may accordingly be furnished as required to SEBI, the National Stock Exchange of India Limited, BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN: 109208W)

Asha Patel
Partner
M. No.166048
Place: Mumbai
Date: June 1, 2023
UDIN: 23166048BGUTFC1200

For Chhajed & Doshi
Chartered Accountants
(FRN: 101794W)

M. P. Chhajed
Partner
M. No. 049357
Place: Mumbai
Date: June 1, 2023
UDIN: 23049357BGSKXXS2382

Annexure I

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

The note is based on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2023 (FA 2023)[1].

This note intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture (other than Market-Linked Debentures) is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively – Refer Para I (10)) with indexation.

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

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

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

   As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Also , Market-linked debenture will always be treated as Short-Term Capital asset, irrespective of the period of holding. Short-term capital gains are chargeable to tax as per the applicable general tax rates (refer Para I (10) below).

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

3. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

4. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit / payment as per the provisions of section 193 of the I.T. Act at 10 percent.

5. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

6. In case of every Individual or HUF , being a resident in India, the following shall be the rate of tax applicable under Sec 115BAC (the default tax regime):

Slab	Tax Rate
Total income up to Rs 3,00,000	Nil
More than Rs 300,000 but up to Rs 600,000	5 per cent of excess over Rs 3,00,000
More than Rs 600,000 but up to Rs 900,000	10 per cent of excess over Rs 600,000 + Rs 15,000/-
More than Rs 900,000 but up to Rs 1,200,000	15 per cent of excess over Rs 900,000 + Rs 45,000/-
More than Rs 1,200,000 but up to Rs 1,500,000	20 per cent of excess over Rs 1200,000 + Rs 90,000/-
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 + Rs 1,50,000/-

7. Alternatively, if an Individual, being a resident in India, exercise the option to pay tax under the Old Regime & who is of the age sixty years or more but less than eighty years at any time during the previous year. The following will be the rate of taxes applicable to him under the Old Regime of Taxation.

Slab	Tax Rate
Total income up to Rs 3,00,000	Nil
More than Rs 300,000 but up to Rs 500,000	5 per cent of excess over Rs 300,000
More than Rs 500,000 but up to Rs 10,00,000	20 per cent of excess over Rs 500,000 + Rs 15,000/-
More than Rs 1,000,000	30 per cent of excess over Rs 1,000,000 + Rs 1,15,000/-

Plus Surcharge if any, (Refer Para I (9) & Para II (4)), and Health & Education Cess @4% on the aggregate of Income Tax and Surcharge.

8. Alternatively, if an Individual, being a resident in India, exercise the option to pay tax under the Old Regime and who is of the age eighty years or more at any time during the previous year

Slab	Tax Rate
Total income up to Rs 5,00,000	Nil
More than Rs 500,000 but up to Rs 10,00,000	20 per cent of excess over Rs 500,000
More than Rs 1,000,000	30 per cent of excess over Rs 1,000,000 + Rs 1,00,000/-

Plus Surcharge if any, (Refer Para I (9) & Para II (4)), and Health & Education Cess @4% on the aggregate of Income Tax and Surcharge.

9. The income tax deducted shall be increased by surcharge as under:

   a. In case of Resident Indian (under New Regime u/s 115BAC), Surcharge is applicable at the rate of 10% on such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000).

   b. In the case of Resident Indian who has opted to go for Old Regime of Taxation, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000)

   c. However, the enhanced surcharge does not apply to capital gain on sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax In such cases where the net income exceeds Rs.2,00,00,000 the surcharge shall be payable at the rate of 15% on such capital gains from sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax.

d. In the case of every domestic Indian company where total turnover or gross receipts does not exceed Rs. 400 crore in FY 2018-19, tax shall be payable at the rate of 25%. In case of other domestic Indian companies, tax shall be payable at the rate of 30%. Surcharge shall be payable at the rate of 12% if the total income exceeds Rs.10 crore; 7% if the total income exceeds Rs.1 crore but does not exceed Rs.10 crore and no surcharge if the total income does not exceed Rs.1 crore. In addition to this, cess at the rate of 4% shall be payable on the income-tax plus surcharge.

10. According to the Taxation Laws (Amendment) Act, 2019, domestic Indian companies have an option to pay tax at concessional rates as specified in sections 115BAA and 115BAB.

Any domestic company has an option to pay income-tax at the rate of 22% subject to condition that they will not avail any prescribed exemption/incentive/losses. Surcharge shall be payable at the rate of 10% and Cess shall be payable at the rate of 4% on the income-tax plus surcharge. The effective tax rate for these companies shall be 25.17% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

Any new domestic company incorporated on or after 1st October 2019 making fresh investment in manufacturing, has an option to pay income-tax at the rate of 15%. This benefit is available to companies which do not avail any prescribed exemption/incentive/losses and commences their production on or before 31st March, 2023. Surcharge shall be payable at the rate of 10% and Cess shall be payable at the rate of 4% on the income- tax plus surcharge. The effective tax rate for these companies shall be 17.16% inclusive of surcharge and cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

A company which does not opt for the concessional tax regime and avails the tax exemption/incentive shall continue to pay tax at the pre-amended rate. However, these companies can opt for the concessional tax regime after expiry of their tax holiday/exemption period. After the exercise of the option, they shall be liable to pay tax at the rate of 22% (subject to fulfillment of prescribed conditions) and option once exercised cannot be subsequently withdrawn. Further, in order to provide relief to companies which continue to avail exemptions/incentives, the rate of Minimum Alternate Tax has been reduced from existing 18.5% to 15%.

II. Tax benefits available to the Non - Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I. T. Act, subject to the provisions contained therein which are given in brief as under:

a. As per section 115C(e) of the I. T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

b. In case of non-residents, under the IT Act, the interest income will be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India

c. As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

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

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

Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

a. As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I. T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains claimed earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.

b. As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and / or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

c. As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

d. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

    i. Long term capital gains on transfer of listed debentures (Other than Market-Linked Debentures) would be subject to tax at the rate of 10% computed without indexation.

    ii. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

    iii. Short-Term Capital gains on the transfer of Market Linked debentures, irrespective of period of holding of debentures, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

    iv. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a Non - resident Indian.

3. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act.

4. The income tax deducted shall be increased by surcharge as under:

    a. In case of Non-Resident Indian (under New Regime u/s 115BAC), Surcharge is applicable at the rate of 10% on such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000).

    b. In the case of Non-Resident Indian who has opted to go for Old Regime of Taxation, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000. and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000)

c. However, the enhanced surcharge does not apply to capital gain on sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax In such cases where the net income exceeds Rs.2,00,00,000 the surcharge shall be payable at the rate of 15% on such capital gains from sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax.

d. In the case of Foreign companies, surcharge is applicable at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000. Surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.

e. Cess is to be applied at 4% on aggregate of base tax and surcharge.

f. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) read with Multi-Lateral Instrument (MLI) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. Along with TRC, an electronically filed Form 10F in the Income Tax E-Portal would need to be provided by the assessee.

g. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

III. Tax benefit available to the Foreign Institutional Investors / foreign portfolio investors (FII's/ FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act., 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. In case where section 194LD or 194LC (refer Part IX) is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act. Vide Finance Act, 2021, a new provision has been introduced under section 196LD, wherein if DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

4. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

5. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. Exemption under Section 54F & 54E of the I.T. Act

1. As per provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holders who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax claimed earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

2. As per provisions of section 54E of the I.T. Act, any long term capital gain on the transfer of a long-term capital asset, arising to debenture holders(other than Market Linked Debentures) is exempt from tax, if the assessee invested the whole or any part of capital gains in the long-term specified asset at any time within a period of six months. If the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the investment in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees: If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as long term capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019 , of such fund as may be notified by the Central Government in this behalf.

VI. General Anti-Avoidance Rule (‘GAAR)

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

VII. General Provisions

A. Set- off of capital losses

As per Section 74 of the I.T. Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years’ as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year’s long-term capital gains.

B. Computation of Capital and tax thereon

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset [‘full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

C. Section 50AA of the IT Act

The Finance Bill, 2023 proposes to insert section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of the proposed section 50AA of the IT Act, be deemed to be an MLD

VIII. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor , failing which tax shall be deducted at the higher of the following rates:

   i. at the rate specified in the relevant provision of the I. T. Act; or
   ii. at the rate or rates in force; or
   iii. at the rate of twenty per cent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details *inter alia* TRC and Tax Identification Number (TIN).A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (2) above in such a case.

4. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and para (2) above will apply apart from penal consequences.

5. Finance Act, 2021 has introduced a new section for higher withholding tax rate for non-filers of return of income. As per section 206AB of the IT Act, inserted by the FA 2021, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:

   - twice the rate specified in the relevant provision of the Act; or
   - twice the rate or rates in force; or
   - the rate of 5%

   For the purpose of this section, specified person means any person who has not filed an income-tax return for preceding AYs relevant to the previous years immediately prior to the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired and the aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years.

   However, the provisions of this section will not apply on a non-resident who does not have permanent establishment in India.

IX. Withholding Tax deduction provisions

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee.

For rate of tax applicable to an assessee as mentioned above.

Withholding tax rate on interest on NCD issued to Indian residents

Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent.

- No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if:
    - the amount of interest paid to such person in a financial year does not exceed INR 5,000; and
    - such interest is paid by an account payee cheque

Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)

- Interest on NCD issued to FII may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act, provided the interest coupon on such NCDs does not exceed the rates as notified by the Central Government.

  Conditions to avail lower withholding tax rate of 5 percent are as under:

  a. Interest should be payable on or after 01 June 2013 but before 01 July 2023 in respect of investments made in (i) rupee denominated bond of an Indian Company; or (ii) a government security.

  b. Interest coupon on such NCDs should not exceed the rates as notified by the Central Government.

- Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July 2023.

  The FB, 2023 proposes to extend the applicability of section 194LC of the IT Act with the following modification:

  1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominate bond **on or after 1 July 2023**.

  2. The **rate of tax** in case of the aforesaid borrowings shall be **9 per cent**.

  3. With respect to the **borrowings made prior to 1 July 2023**, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply *sans* the modification discussed *supra*.

  4. No extension of date for payment of interest in case of section 194LD of the IT Act has been proposed by the FB, 2023. Where such remains the case, interest therein shall then be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.

- Withholding rate will be increased by surcharge as applicable (Refer Para I (9) & Para II (4)) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.

Withholding tax rate on interest on NCD issued to non-residents other than FIIs

- Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.

- Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which inter-alia includes the loan / bond being issued prior to/ on or after 1st July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc.

- Withholding rate will be increased by surcharge as applicable (Refer Para I (9) & Para II (4)) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.

Withholding tax on Purchase of Goods

As per section 194Q of the IT Act, inserted by FA, 2021, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.

Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.

TDS shall not be applicable where:

a. Tax is deductible under any of the provisions of the IT Act; or

b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies

Section will not be applicable if transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation, including recognized stock exchanges or recognized clearing corporation located in International Financial Service Centre;

Tax Collection at source (TCS) of Sale of Goods

As per section 206C(1H) of the IT Act, FA, 2020, any sum receivable by a 'seller' from buyer for sale of 'goods' of the value exceeding INR 50 Lakhs shall be liable to collect TCS at the rate of 0.1 percent.

Seller means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.

Section will not be applicable if transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation, including recognized stock exchanges or recognized clearing corporation located in International Financial Service Centre;

No such TCS is to be collected, if the seller is liable to collect TCS under other provision of section 206C or the buyer is liable to deduct TDS under any provision of the Act and has deducted such amount.

TDS on Benefit or Perquisites

As per section 194R of the IT Act, FA 2022 applicable from 1st July 2022, Any person responsible for providing to a resident, any benefit or perquisite whether convertible into money or not arising from business or profession, shall, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent of the value or aggregate of value of such benefit or perquisite.

TDS is applicable only if the value of the benefit or perquisite provided during the financial year exceeds Rs. 20,000/-

X. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

a. without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

b. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to a few exceptions as stated in section 56(2)(x) of the I. T. Act.

NOTES:

- Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person as per para I (10) and para II(4) above.

- Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.

- Surcharge is levied on domestic companies as per para I(10) or I(11) above.

- Surcharge is levied on every company other than domestic company as per para II(4) above.

- Health and Education Cess is to be applied at the rate of 4% on aggregate of base tax and surcharge.

- The above statement covers only certain relevant benefits under the Income Tax Act, 1961 and does not cover benefits under any other law.

- This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The Information under this section has been derived from the industry report titled" NBFC Report 2022 - April 2023 update" prepared by CRISIL Research in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Managers, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Tranche II Prospectus.

OVERVIEW OF GLOBAL ECONOMY

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure. Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter.

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Inflation Is Declining with Rapid Rate Rises but Remains Elevated amid Financial Sector Stress - Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualized rate. A fall in fuel and energy commodity prices, particularly for the United States, euro area, and Latin America, has contributed to this decline. To dampen demand and reduce underlying (core) inflation, the lion's share of central banks around the world have been raising interest rates since 2021, both at a faster pace and in a more synchronous manner than in the previous global monetary tightening episode just before the global financial crisis. This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries. Inflation excluding volatile food and energy prices has been declining at a three-month rate—although at a slower pace than headline inflation—in most (though not all) major economies since mid-2022.

Indebtedness Staying High - As a result of the pandemic and economic upheaval over the past three years, private and public debt have reached levels not seen in decades in most economies and remain high, despite their fall in 2021–22 on the back of the economic rebound from COVID-19 and the rise in inflation. Monetary policy tightening—particularly by major advanced economies—has led to sharp increases in borrowing costs, raising concerns about the sustainability of some economies' debts. Among the group of emerging market and developing economies, the average level and distribution of sovereign spreads increased markedly in the summer of 2022, before coming down in early 2023. The effects of the latest financial market turmoil on emerging market and developing economy sovereign spreads have been limited so far, but there is a tangible risk of a surprise increase in coming months should global financial conditions tighten further. The share of economies at high risk of debt distress remains high in historical context, leaving many of them susceptible to unfavorable fiscal shocks in the absence of policy actions.

A Challenging Outlook

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 WEO Update, before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point lower, and this growth gap is expected to close only gradually in the coming two years. The baseline prognosis is also weak by historical standards. During the two pre-pandemic decades (2000–09 and 2010–19), world growth averaged 3.9 and 3.7 percent a year, respectively. For advanced economies, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. Although the forecast for 2023 is modestly higher (by 0.1 percentage point) than in the January 2023 WEO Update, it is well below the 2.6 percent forecast of January 2022. About 90 percent of advanced economies are projected to see a decline in growth in 2023. With the sharp slowdown, advanced economies are expected to see higher unemployment: a rise of 0.5 percentage point on average from 2022 to 2024. For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024. The forecast for 2023 is modestly lower (by 0.1 percentage point) than in the January 2023 WEO Update and significantly below the 4.7 percent forecast of January 2022. In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023–24, but projected per capita income growth averages only 2.8 percent during 2023–24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

(Source: IMF World Economic Outlook – April 2023)

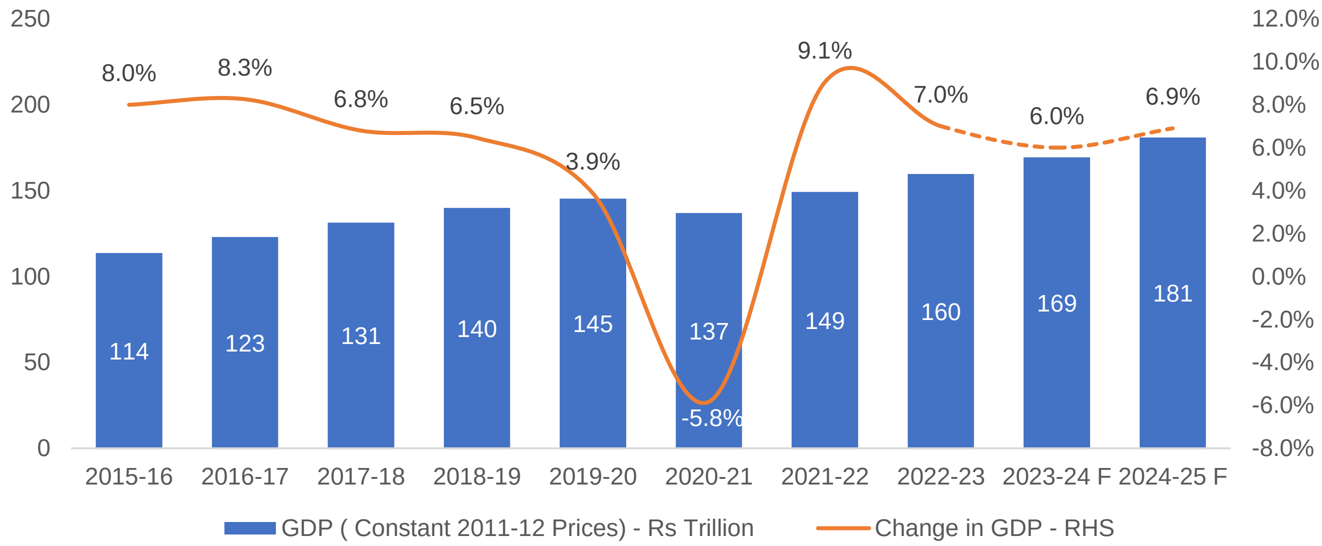
OVERVIEW OF INDIAN ECONOMY

Before the pandemic, India was one of the fastest-growing economies in the world with a CAGR of 6.6% between fiscals 2015 and 2020. GDP is estimated to have shot up from Rs 105 trillion in fiscal 2015 to Rs 145 trillion in fiscal 2020 based on 2011-12 prices.

The outbreak of the Covid pandemic and the subsequent imposition of the lockdown March 25, 2020, onwards sent the

Indian economy reeling, leading to an estimated 5.8% decline to Rs 137 trillion in fiscal 2021. While the economy was under pressure in the first half of the fiscal, due to the pandemic-induced, lockdown-led demand shocks and weak global demand, low oil and commodity prices provided some respite. The second half saw an uptick in mobility and in economic activity, as sentiment improved, coupled with people learning to live in the post-pandemic world. The opening up of vaccinations in the fourth quarter, albeit for a smaller section of the population, further boosted the sentiment, containing the contraction to 5.8% in fiscal 2021. The Indian government unleased a slew of measures during the pandemic-impacted fiscal under the Atma Nirbhar Bharat Abhiyan to boost the economy with the Production-Linked Incentive (PLI) scheme the standout tying in with the Make in India programme.

Movement of Indian GDP across years



Source: MOSPI, CRISIL MI&A Research

GDP grew 9.1% in fiscal 2022 to ~ Rs. 149 trillion on a low base, surpassing the pre-Covid-19 level of fiscal 2020. Growth in fiscal 2022 would have been higher but for the brutal second wave in the first quarter, which impacted consumer sentiment and hurt demand in contact-intensive services sectors. 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 reported the highest number of daily cases. The second round of lockdowns were less restrictive for economic activity than last year. Manufacturing, construction, agriculture, and other essential activities had been permitted to continue in most states while travel too was permitted unlike the first wave where all travel services were shut. The third wave in the fourth quarter of fiscal 2022 had minimal impact on the economy attributable to high rates of vaccination and people having learned to live with the pandemic.

CRISIL MI&A Research expects the Indian economy to record a 7% on-year growth in real GDP in fiscal 2023 reaching about Rs ~160 trillion. While the economic recovery continues to gather pace, it faces multiple risks. Global growth is projected to slow, as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. Together with high commodity prices, especially oil, this translates into a negative in terms of a trade shock for India. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

Over the medium term, the Indian economy is projected recording a 6-7% on year growth boosted by healthy capital expenditure by the government, domestic consumption led growth, China + 1 strategy boosting manufacturing in India coupled with the PLI scheme. Slowing global economies would drag Indian exports restricting India’s GDP growth.

Macroeconomic outlook

Macro variable	FY22	FY23P	FY24P	Rationale for outlook
Real GDP (%, y-o-y)	9.1	7.0^	6.0	Slowing global growth will weaken India's exports in fiscal 2024. Domestic demand could also come under pressure as the RBI's rate hikes transmit to end consumers
Consumer price index (CPI)-based inflation (%, y-o-y)	5.5	6.8	5.0	Lower commodity prices, expectation of softer food prices, cooling domestic demand, and base effect will help moderate inflation
Current account balance/ GDP (%)	-1.6	-3.0	-2.4	A moderate increase in budgeted gross market borrowing, along with expected lower inflation and the RBI's rate cuts towards the end of the fiscal will help moderate yields
Rs/$ (March end)	75.8	82.0	83.0	While a lower current account deficit will support the rupee, challenging external financing conditions will continue to exert pressure next fiscal

Note: P – projected; ^ Second advance estimates

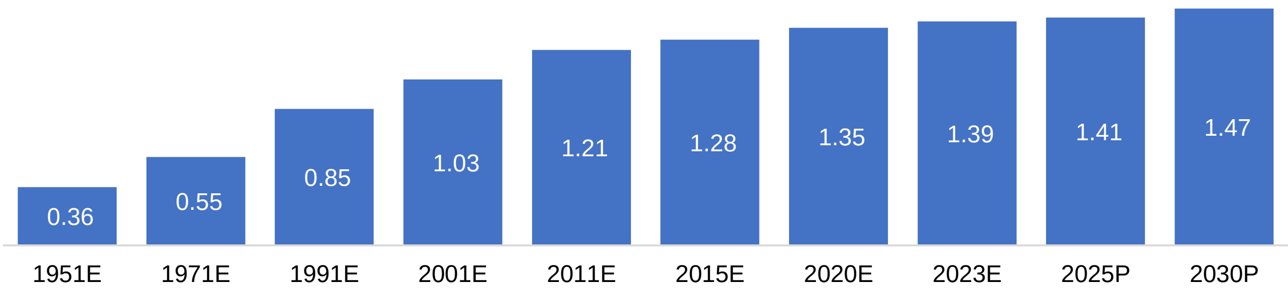
Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the second-largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective.

India's population growth trajectory (billion)

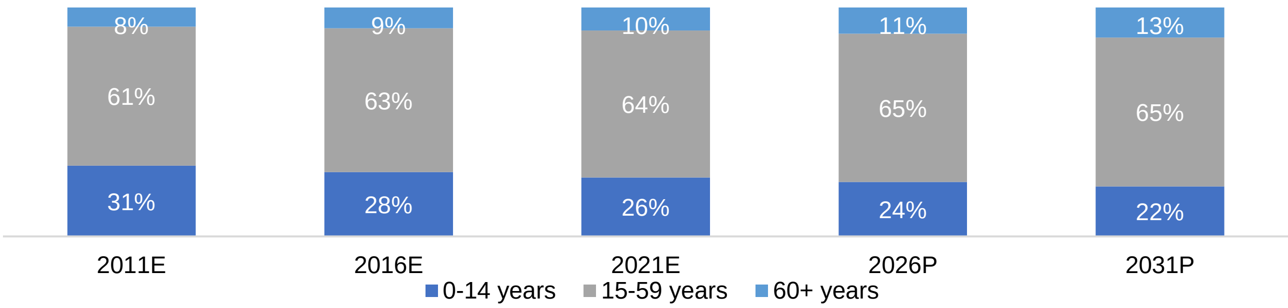


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



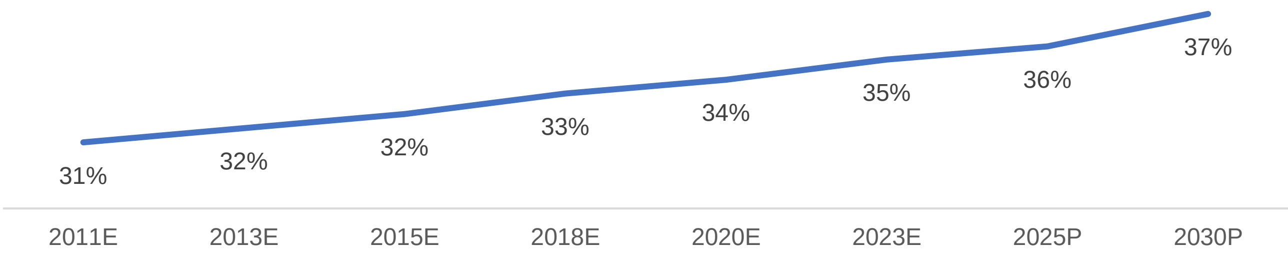
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 35% by 2021 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

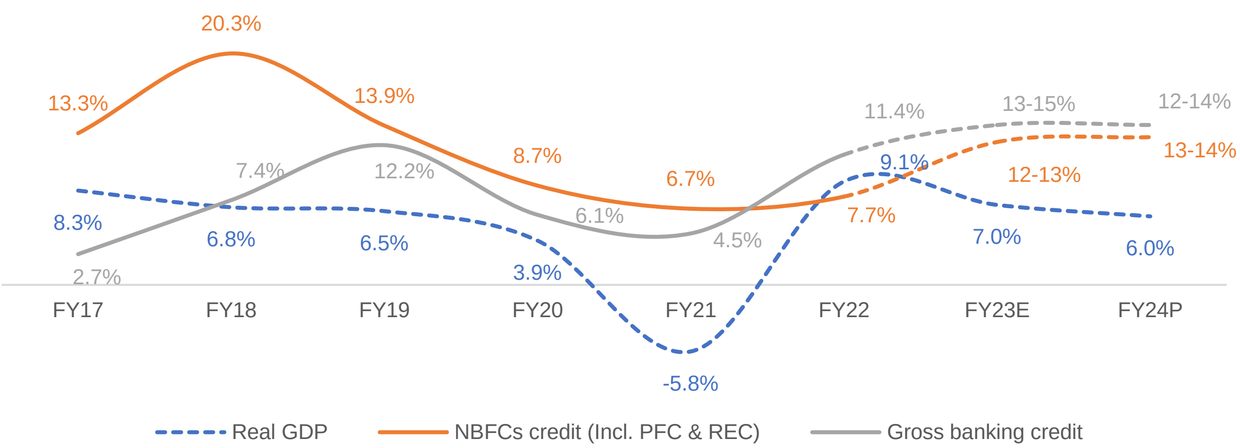
Overall NBFC – Industry overview

NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

NBFCs rebound to double-digit credit growth amid economic revival

Led by retail segments, NBFCs to grow 13-14% in fiscal 2024



Note: P: Projected, E: Estimated
Source: RBI, National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

The Reserve Bank of India (RBI) kept policy rates unchanged in April 2023 compared with a 25 basis points (bps) hike in the previous policy. However, it maintained its 'withdrawal of accommodation' stance. The central bank will evaluate the consequences of the cumulative 250 bps repo rate hike since May 2022, the fastest in the past decade. The current repo rate of 6.50% is the highest since February 2019.

CRISIL MI&A Research believes that RBI will remain on pause as long as inflation does not rise materially above its forecast. Typically, the real economy faces the impact of monetary policy changes with a lag of 3-4 quarters. Hence, the rate hikes so far are expected to slow growth and moderate inflation this fiscal. Central banks globally, too, seem close to the end of the rate hike cycle, but financial disruption risks remain high. External risks are high as well, on account of the rise in interest rates being sharper in advanced economies. India's macros remain well positioned for now but will need to be monitored for any major global spill overs to manoeuvre policy.

Between fiscals 2016 and 2018, NBFCs registered compound annual growth rate (CAGR) of 17%, mainly due to their aggressive footprint expansion and the entry of numerous domestic players. However, non-banks faced headwinds after the IL&FS crisis in September 2018, followed by a liquidity crunch. Funding challenges and the impact of the pandemic added to the pressure, curbing growth.

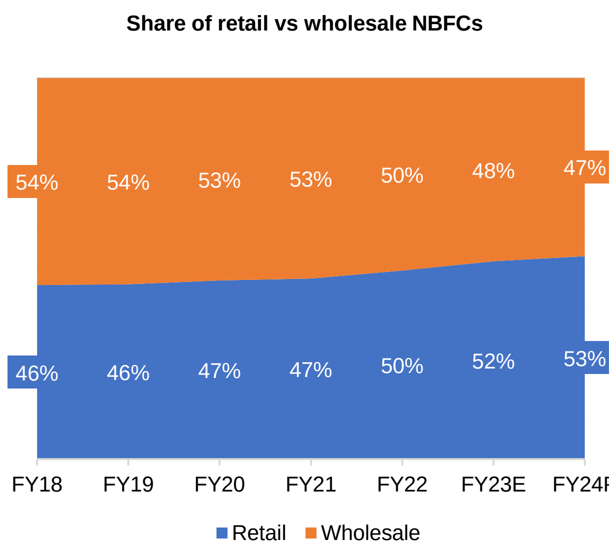
Banks benefitted from this situation and used their surplus liquidity to gain market share in terms of credit in a few key segments. Fiscal 2021 was largely affected by the pandemic, a sudden standstill in economic activities, and a slowdown in credit demand. In fiscal 2022, the economy began to reopen amid easing of lockdowns after the second wave abated, leading to business activities normalising, which in turn drove credit growth across most segments.

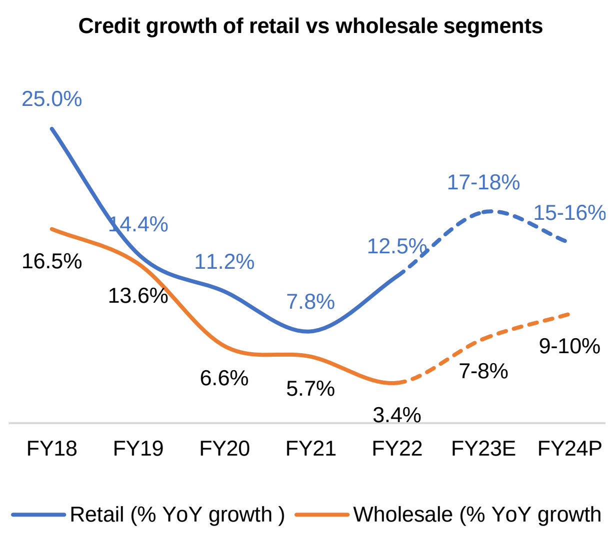
In this milieu, NBFCs are back on track with estimated credit growth of 12-13% in fiscal 2023, with outstanding credit reaching ~Rs 38 trillion [including housing finance companies (HFCs), Power Finance Corporation (PFC), and Rural Electrification Corporation (REC)]. The growth trend should continue, with credit growth expected at 13-14% in fiscal 2024, driven by key retail segments, such as housing, automotives (auto), and microfinance.

Furthermore, micro, small and medium enterprises (MSME) lending has witnessed increased traction over the past two fiscals, with a focus on unsecured business loans. Heavy competition from banks and impact on the asset quality of gold loans have slowed down credit flow for gold finance NBFCs to estimated single-digit growth in fiscal 2023. That said, overall asset quality has improved on account of normalising economic activities and improved collection efficiency across segments.

Retail segments continue to drive NBFCs' credit growth

Retail to continue to gain market share in fiscal 2024



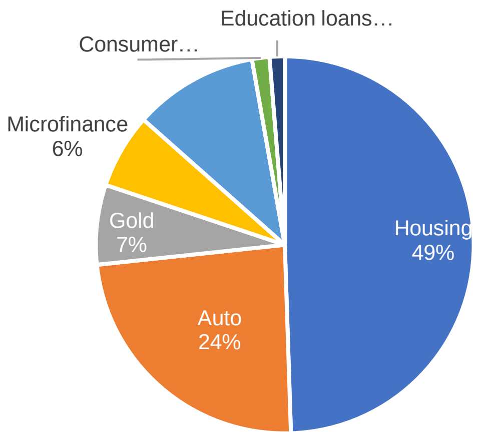


Note: P: Projected, E: Estimated
1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education
2) Wholesale includes MSME, real estate, and large corporate, infrastructure, and construction equipment
Source: Industry, CRISIL MI&A Research

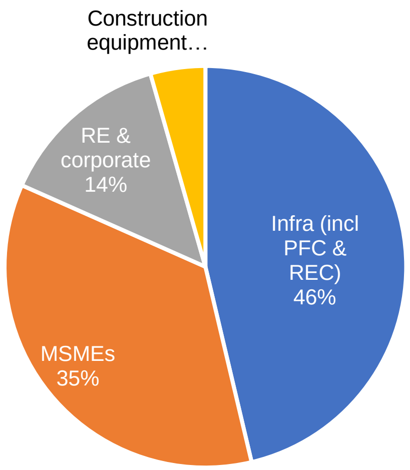
Following the NBFC crisis, growth was driven primarily by the retail segment, while the wholesale segment grew in low single digits from fiscal 2020 to fiscal 2022. However, this trend is estimated to have changed in fiscal 2023, with the wholesale segment recovering slowly to 7-8%, driven by MSMEs, while retail continued to outperform at 17-18%. Continued focus on retail and announcement of multiple players to reduce the wholesale exposure will lead to market share gains for the retail and wholesale segments at 53% and 47%, respectively, by the end of fiscal 2024.

Break-up of retail vs wholesale in fiscal 2023

NBFC retail breakup (FY23E)



NBFC wholesale breakup (FY23E)



E: Estimated
Source: Industry, CRISIL MI&A Research

Retail segments continue to lead overall NBFC credit growth

Change in credit at NBFCs (% yoy)

	CAGR FY18-22	FY23E YoY	FY24P YoY
Housing	8%	12-14%	12-14%
Auto (all segments)	8%	15-17%	12-14%
Personal loan	33%	44-46%	21-23%
Gold	19%	5-7%	10-12%
Micro Finance	28%	30-35%	25-30%
Consumer durables	25%	20-22%	22-24%
Education	19%	80-83%	35-38%
MSME	16%	15-16%	14-15%
Corporate & Real estate	-2%	(6-8)%	(4-6)%
Infrastructure	8%	5-7%	8-10%

<5% | 5-10% | >10%

P: Projected, E: Estimated

Note: Red: <5%; Amber: 5-10%; Green: >10%

Source: Company reports, CRISIL MI&A Research

Housing saw HFCs register a healthy CAGR of 16% over fiscals 2015-2020, led by increasing demand from Tier II and III cities, rising disposable income, and government initiatives such as the Pradhan Mantri Awas Yojana, interest rate subvention schemes, and fiscal incentives. While growth slowed in the first half of fiscal 2021 on account of the pandemic, largely stable income levels of salaried customers and historically low home loan rates in fiscal 2022 led to disbursements rebounding in the second half of the fiscal, enabling credit growth of ~12%. In fiscal 2023, the RBI started increasing the repo rate to rein in spiralling inflation as a result of the Russia-Ukraine conflict choking supply chains. However, credit growth is estimated to have remained intact at 12-14%, aided by visible recovery across segments and pent-up housing demand, with affordability remaining favourable despite a fall. Hence, CRISIL MI&A Research expects NBFC housing credit should continue its healthy growth trend at 12-14% in fiscal 2024.

Gold loan finance has seen a registered CAGR of 15% between fiscals 2018 and 2022, led by stable gold prices and surge in gold loan demand among NBFCs during the pandemic. Credit growth is estimated to have moderated to 5-7% in fiscal 2023 before recovering to 10-12% in fiscal 2024. The competitive position of banks resulted in them capturing a major share of the segment, which led to growth moderating for NBFCs. That said, NBFCs are expanding their reach and clientele to regain their market share amid fierce competition from banks and new age fintech companies through focused market strategies, increased advertising costs, and better employee benefits. NBFCs are working on retaining their high-value customers (loans > Rs 2 lakh) that are being targeted by banks, along with expanding to cater to rural low-income groups. Lenders' loan-to-value ratio can be supported by gold prices firming up amid inflation, global slowdown, rupee depreciation, and increased import duty domestically, creating headroom for credit growth.

Microfinance registered CAGR of 40% between fiscals 2015 and 2020 on account of players undergoing an expansionary phase and NBFCs increasingly catering to the credit needs of micro players. Growth picked up from second quarter of fiscal 2023 due to revived pent-up demand amid ebbing of the impact of the pandemic. Moreover, disbursements have started picking up and monthly collections have almost normalised. Improved collection efficiency, increasing ticket size, and implementation of the new regulatory framework should push disbursements to gain momentum, with the outstanding book estimated to have grown 30-35% in fiscal 2023.

MSMEs were heavily affected by the first and second waves of the pandemic in fiscal 2021 and the first quarter of fiscal 2022, respectively. Demand and supply disruptions amid frequent lockdowns and government restrictions had a sharp impact on the sector due to its close link to economic activity. However, economic activity revived in fiscal 2022, resulting in credit growth of ~9%. Further, with continued recovery and increased requirement of additional working capital with resumption in business and inflation has led to an estimated growth of 15-16% during fiscal 2023.

Real estate and corporate sectors saw the wholesale portfolio of NBFCs/HFCs being systematically curated to de-grow, with the sectors collectively shifting their focus towards the retail business, leading to de-growth of 5% in fiscal 2022. CRISIL MI&A research expects the Wholesale credit to further de-grow 6-8% in fiscal 2023 and 4-6% in fiscal 2024, with expected real estate disbursement picking up for a few HFCs/NBFCs in fiscal 2024.

Asset quality to improve gradually

		GNPAs FY22	GNPA FY23E	GNPA FY24P
Retail	Housing	1.6%	1.2-1.3%	1-1.1%
	Auto (all segments)	6.6%	4-5%	3.8-4.8%
	Gold	2.3%	2-2.2%	1.7-1.9%
	Microfinance	5.9%	4-4.5%	3-4%
Wholesale	MSME	5.1%	4-5%	3.5-4%
	Real estate & corporate	NM	NM	NM
	Infrastructure (Incl. PFC REC)	4.9%	3.5-4%	3.5-4%

Note: P: Projected, E: Estimated

1) Green: <2.5%; Amber: 2.5-7.5%; Red: >7.5%

2) Asset quality in real estate and corporate loans is not meaningful due to addition of contractual moratorium, extension in the date for commencement of commercial operations (DCCO), one-time restructuring (OTR) schemes, and players' strategy to reduce the wholesale portfolio

Source: Company reports, CRISIL MI&A Research

Asset quality across the retail and wholesale segments was affected by pandemic-induced stress over the past two fiscals. The intensity of stress varied across segments based on the asset class. Relief measures by the government and the RBI, such as moratorium and OTR schemes, further brought down the asset quality.

Nevertheless, collection efficiency improved in the second half of fiscal 2022 on account of normalisation of economic activity and resumption in credit flow amid a mild impact of the third wave of the pandemic. The growth trend is expected to continue in fiscal 2023.

Housing is expected to fare relatively better, as the salaried class, which is the primary customer profile for housing loans, was not affected majorly during the pandemic. Furthermore, gross non-performing assets (GNPAs) increased marginally in first half of fiscal 2022 on account of stress in economically weaker sections and low-income groups amid the second wave of the pandemic. However, better collection efficiency and economic revival led to overall GNPAs at 1.6% as of March 2022. Asset quality in the retail housing loan segment is estimated to have improved to 1.2-1.3% in fiscal 2023 and is expected at 1-1.1% in fiscal 2024, supported by healthy credit growth and rebound in collections to pre-pandemic levels.

Gold finance is typically considered a safer segment from an asset quality perspective. Players in this segment have recourse to improving their GNPAs by auctioning gold collateral, and the liquid nature of collateral and recent increase in gold prices would result in the ultimate loss-given default being modest. Gold loan NBFCs have LTV ratios of 60-70%, which provides them with sufficient cushion against price fluctuations. However, GNPAs increased to 2.3% in fiscal 2022 as borrowers' cash flows were impacted by lockdowns during the second wave of the pandemic. Also, lenders have built adequate provisioning following pandemic-led asset quality deterioration in fiscal 2022. Overall GNPAs of gold loan NBFCs are estimated to have reduced to 2.0-2.2% in fiscal 2023 and are expected to improve further to 1.7-1.9% in fiscal 2024.

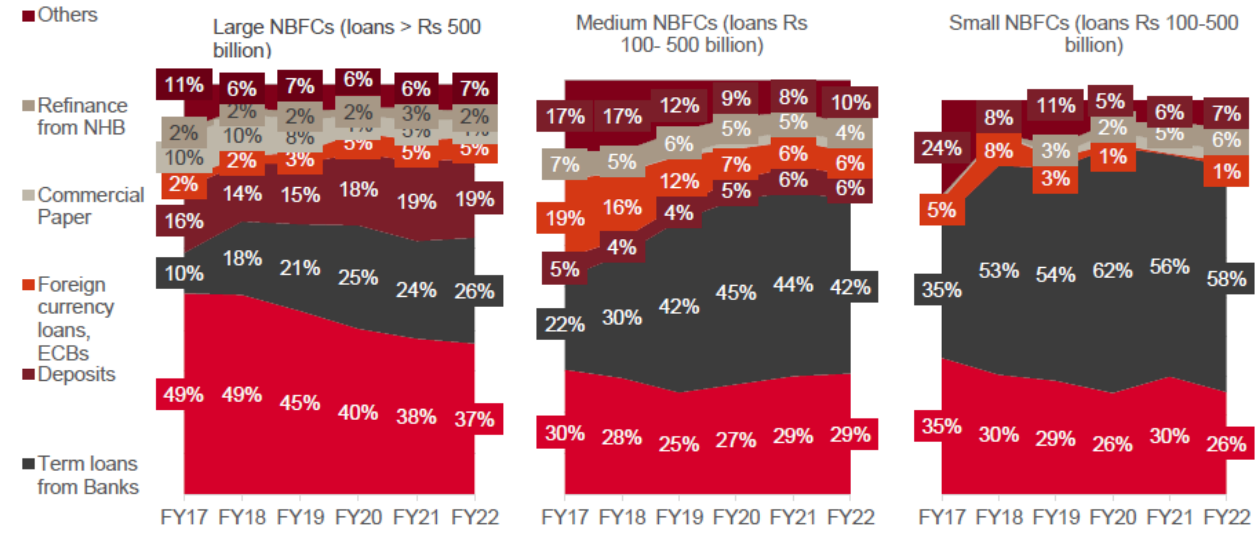
Microfinance GNPAs fell to 4.4% in the third quarter of fiscal 2023 from 5.9% in the fourth quarter of fiscal 2022 and are estimated to have further moderated to 4-4.5% in fiscal 2023 as the industry bounces back to normal collections and disbursements.

MSME GNPAs reached 6-7% in fiscal 2021 due to increased stress on MSME borrowers, who were hit the hardest by Covid-19. The first quarter of fiscal 2022 was no better, with the second wave of the pandemic impacting economic activity, leading to increased stress in the MSME segment. However, the impact on asset quality was cushioned by the second OTR announced by the RBI in May 2021. Uptick in economic activity should help improve the asset quality of NBFCs, with MSMEs GNPA expected at 4-5% in fiscal 2024.

Real estate and corporate faced the highest stress across all segments. CRISIL MI&A Research estimates overall stress in the wholesale book to be high. This includes contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension and book that is estimated to have opted for OTR.

Banks continue to gain share in the NBFC borrowing mix

Bonds and debentures remain the largest fund source for large NBFCs; small NBFCs depend on term loans



Source: Company reports, CRISIL MI&A Research

Large NBFCs (with loan book > Rs 500 billion) primarily depend on bonds and debentures for their funding requirements due to their strong market presence and good performance. However, the share of bonds in the borrowing mix started declining following the NBFC crisis in fiscal 2019 and stood at 38% in fiscal 2021 compared with 50% in fiscal 2017.

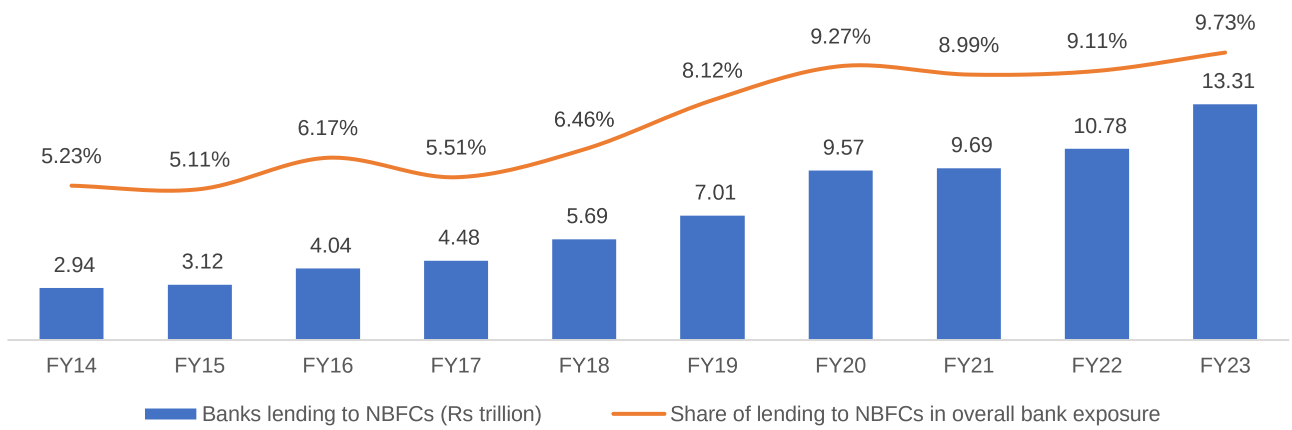
Meanwhile, small and medium-sized NBFCs largely depend on term loans as their principal source of borrowing. In addition, most small NBFCs are non-deposit-taking. After the NBFC crisis, the share of term loans started increasing rapidly for small and medium-sized NBFCs, which were hit harder than large players.

Liquidity issues in the domestic market have led to some large NBFCs tapping overseas funding options through the external commercial borrowing (ECB) route, leading to ECBs holding a 5% share in the borrowing mix compared with 2% in fiscal 2017.

Furthermore, short-term borrowings from commercial papers (CPs) have been reducing across all NBFCs and are getting replaced by borrowings from NHB for HFCs and short-term loans from banks.

Bank funding to NBFCs is expected to continue given the high liquidity held by banks and limited lending opportunities until growth revives. This will result in the share of banks in the borrowing mix increasing across all NBFCs.

Bank lending to NBFCs increased ~23% in fiscal 2023

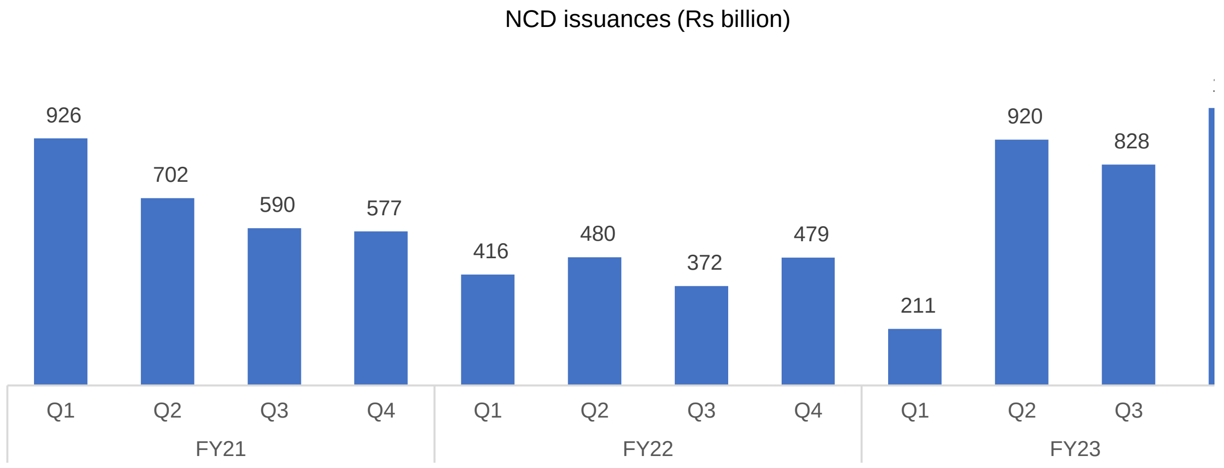


Source: Company reports, CRISIL MI&A Research

The share of bank lending to NBFCs has almost doubled in the last 10 years. During fiscal 2023, with interest rate tightening and repo increasing by 250 bps to 6.50%, the cost of debt market borrowing increased leading to high-risk premium for lower rates NBFCs. This resulted in bank term loans becoming the preferred source of borrowing. This was also supported improved credit growth during the current fiscal across all segments leading to higher demand of bank credit from NBFCs.

Non-convertible debentures to pick up in fiscal 2023

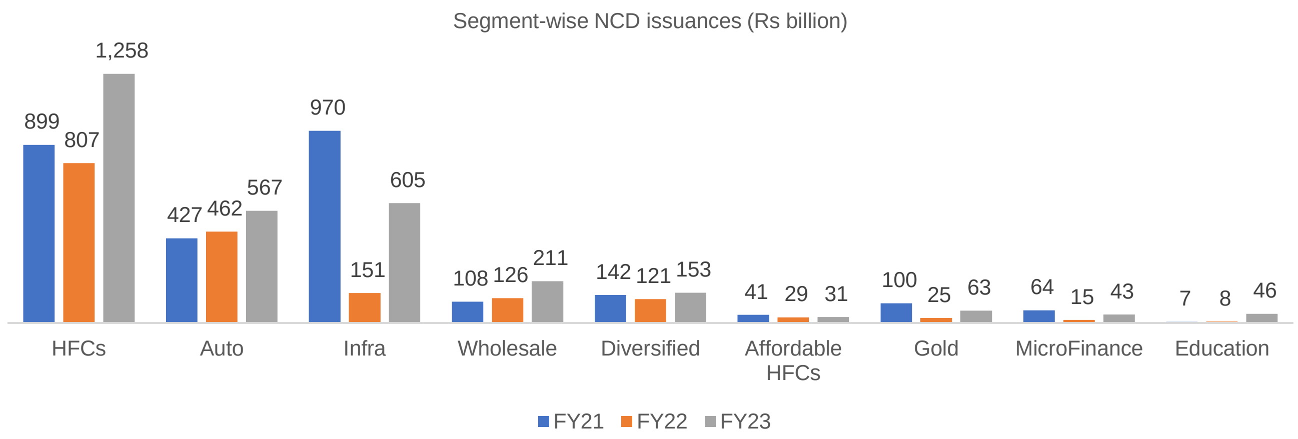
NCD issuances dipped sharply in fiscal 2022



Note: 1. Issuance data for the top 100 NBFCs/HFCs in terms of assets under management (AUM) considered for issuances
2. NCD coupon rates are considered on basis of monthly weighted average of top 100 NBFCs/HFCs
Source: BSE, CRISIL MI&A Research

NCD issuances dipped in fiscal 2022 as a result of investments in in NBFCs declining amid asset quality concerns. The issuances were majorly by larger players with good parental support and a strong credit rating and fell on-year by ~37% to Rs 1.7 trillion in fiscal 2022 from Rs 2.8 trillion in fiscal 2021. That said, issuances picked up in fiscal 2023 to around Rs 3 trillion.

Retail NCD issuances perform better than wholesale ones

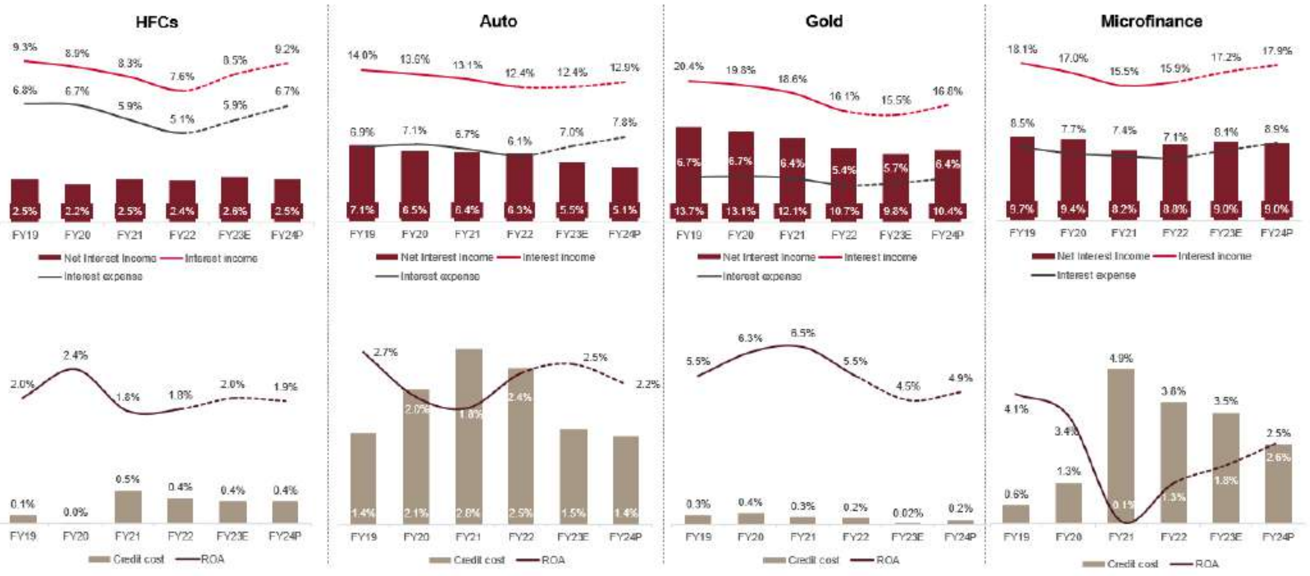


Note: Top 100 companies in terms of AUM considered for issuances

Source: CRISIL MI&A Research

NCD issuances in fiscal 2023 surpassed fiscal 2020 levels across all retail segments, with education loans increasing the highest on a low base of fiscal 2022. Issuances picked up in the wholesale segment as well, with infrastructure finance issuers witnessing a healthy increase.

Increase in interest yields and better credit cost supported RoA in fiscal 2023



Note: The above ratios are calculated on average total assets

Source: Company reports, CRISIL MI&A Research

Estimated decrease in credit cost and improved NIM were the key reasons behind profitability increasing across most segments in fiscal 2023. Furthermore, increased competition from banks across retail segments has limited the ability of NBFCs/HFCs to pass on increase in cost to the end borrower, which is likely to impact RoA for segments such as housing and auto.

Overall yield and cost of funds for the retail segment are estimated to have gone up in fiscal 2023 due to rise in interest rates. However, the passing on of costs has varied across segments in relation to the specific nuances of each segment.

Housing: The yield on advances reduced by 80 bps in fiscal 2022 on account of historically low home loan rates and heightened competition from banks. The RBI maintained an accommodative stance in fiscal 2022, and no increase in the repo assisted in reduction in the cost of borrowing almost equally, resulting in an ROA to 1.8% in fiscal 2022. With the Central bank hiking the repo rate during fiscal 2023, CRISIL MI&A Research estimates the yield on assets to have increased at a faster pace vis-à-vis the increase in weighted average cost of funds translating into improvement in margins and return on assets to 2.6% and 2.0% respectively.

Gold finance: Competitive pressure continues to drag NIMs of gold loan NBFCs, as evidenced by the introduction of lower-yielding teaser rate loans in the past fiscals and higher cost of funds on account of increase in policy rates. The fierce competition has also led to higher spends on advertisement and employee benefits, keeping operating costs high and leading to lower RoA in fiscal 2023. Credit cost is estimated to have remained modest in fiscal 2023, mainly on account of excess provisions carried into fiscal 2023 following asset quality weakening in fiscal 2022 but improving in fiscal 2023.

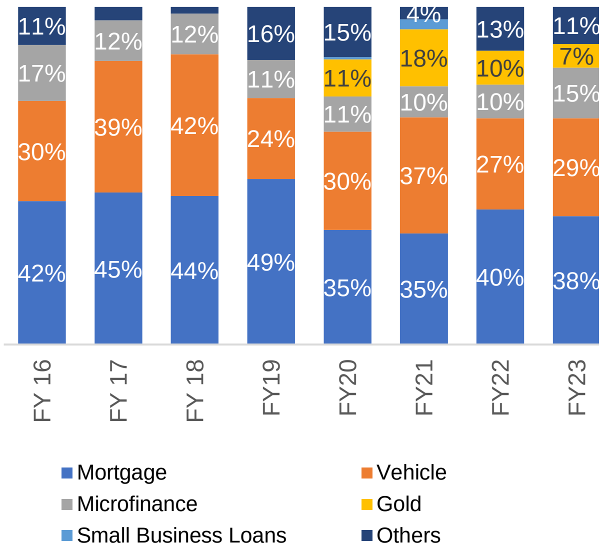
Securitisation volume rises 33% to Rs 1.8 trillion but remains below pre-pandemic levels

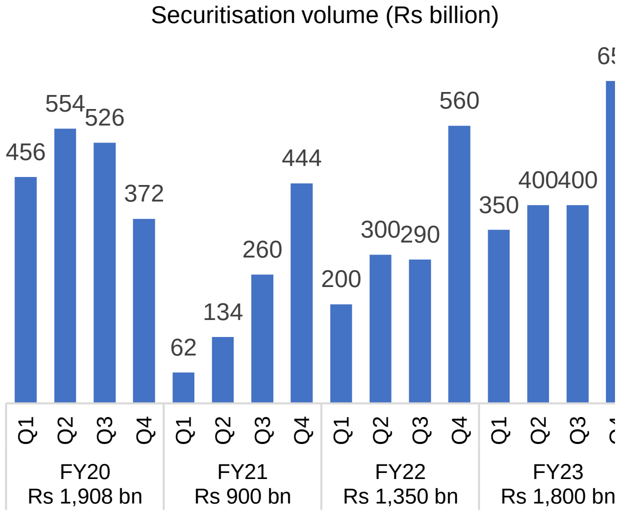
The securitisation market in India grew at a healthy pace in fiscal 2023. Cumulative securitisation volume surpassed Rs 1,150 billion in the first nine months of the fiscal and crossed Rs 650 billion in the final quarter. This is a 16% increase compared with the fourth quarter of the previous fiscal, leading to total increase of 33% on-year in fiscal 2023. A wider participation of the number of originators with ~160 originators and ~110 investors in fiscal 2023. This compares with ~130 originators and ~90 investors in fiscal 2022. Among new originators in the securitised market are small finance banks, they have increased their securitised issuances in recent quarters to access incremental liquidity.

Increases in the non-mortgage sector is led by the commercial vehicle (29%) and microfinance (15%) loans. Mortgage-backed loans have declined to ~38%in fiscal 2023 compared to the fiscal 2022 at ~40% of the entire securitisation volume. Gold and others make up the pending 18 percent of the volume at 7% and 11% respectively.

The upward trend in the securitisation volume for fiscal 2023 vis-à-vis fiscal 2022 zoomed to Rs.1,800 billion. NBFCs experienced an increase in funding requirements to meet the strong growth retail credit demand despite the rising in policy repo rates during fiscal 2023. The amendments notified in the RBI guidelines on December 5, 2022, bars lenders from securitizing loans that mature in less than 365 days. The aforesaid, can impact the securitisation volumes for short tenures loans and remains a key monitorable.

Securitisation deals continue to gain traction, with fiscal 2023 volume at Rs 1.8 trillion





Source: CRISIL Ratings

Housing finance – Review and Outlook

Housing finance growth to continue this fiscal

The housing finance sector in India comprises financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state-level apex co-operative housing finance societies, and non-banking finance companies (NBFCs). The Indian retail housing finance market stood at Rs 26,285 billion as of March 2022. Of this, Rs 8,742 billion was housing loans of NBFCs, including HFCs, up ~12% on-year.

Banks dominate the housing finance segment with 67% share (fiscal 2022)

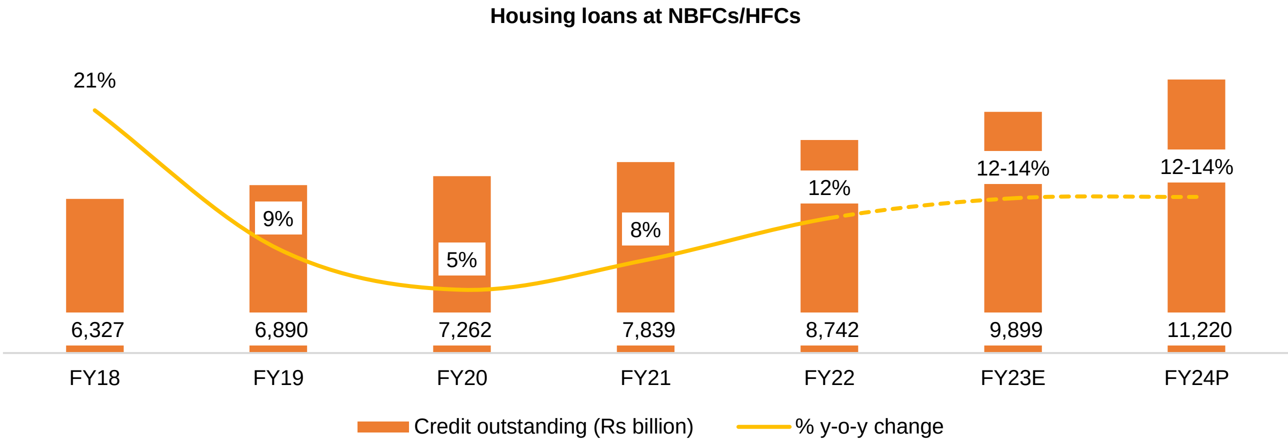
Type	Share in book FY22	Outstanding book (Rs billion) FY22	CAGR (FY18-FY22)	FY22	Growth outlook for FY23E	Growth outlook for FY24P
HFCs / NBFCs	33%	8,742	8%	11.5%	12-14%	12-14%
Banks	67%	17,543	15%	12.3%	15-16%	13-15%
Overall	100%	26,285	13%	12.1%	14-16%	13-15%

Note: 1. P: Projected, E: Estimated
2. Credit deployment data published by the RBI has undergone revision. Hence, comparable numbers for the previous fiscal are revised accordingly
3. The merger of HDFC Ltd and HDFC Bank is under way and was not effective as of March 2023. Hence, the impact of the merger is not considered for the analysis

In the past, demand for home loans rose due to higher demand from Tier II and III cities, rising disposable incomes, and government steps, such as interest rate subvention schemes and fiscal incentives. Further, post slowdown in fiscal 2021 due to the pandemic, growth had picked up again supported by historically low interest rates during fiscal 2022 supported by the income of the salaried class remaining largely intact and currently favourable, though deteriorating affordability.

Overall credit of housing loans in India is estimated to have grown at 14-16% on-year during fiscal 2023 and is expected to grow at 13-15% during fiscal 2024. Banks continue to gain market share over HFCs/NBFCs, because of their higher liquidity compared with the latter and the ability to offer low interest rates. These advantages are expected to continue in coming fiscals, with banks growing faster than HFCs/NBFCs. However, any significant change in macroeconomic factors or flare-up of geopolitical issues is a downside risk.

Housing credit at HFCs to continue uptrend this fiscal



Note:

1. P: Projected, E: Estimated

2. The merger of HDFC Ltd and HDFC Bank is under the approval process and was not effective as of March 2023. Hence, the impact of the merger is not considered for the analysis

Source: Company reports, RBI, CRISIL MI&A Research

Overall housing finance segment stood at an estimated Rs 26,285 billion as of March 2022, double the figure five years ago; this effectively translated into home loans outstanding logging a healthy 16% CAGR over fiscals 2015 to 2020. Growth was supported by increasing demand from Tier II and III cities, rising disposable incomes and government initiatives such as Pradhan Mantri Awas Yojana (PMAY), interest rate subvention schemes and fiscal incentives. However, in fiscal 2021, the pace slowed, led by moderation in credit growth across banks and HFCs, following the Covid-19 pandemic, impacting especially the low-income group (LIG) and middle-income group (MIG).

However, revival was faster than envisaged in the second half of fiscal 2021, with the Reserve Bank of India (RBI), the Centre and state governments providing impetus. This was additionally supported by real estate developers offering discounts and/or freebies, and a few states, such as Maharashtra and Karnataka, cutting stamp duty on properties. Home loan interest rates were also slashed to a historical low. As a result, NBFCs/HFCs clocked a decent 8% growth in fiscal 2021, despite the economic gloom at the beginning of the fiscal.

In the first quarter of fiscal 2022, the second wave of the pandemic forced various state governments to impose localised lockdowns, which impacted credit growth. However, as the RBI held policy repo rate at historical low of 4%, home loans continued to be more affordable, which boosted the credit growth in the subsequent quarters. Moreover, the third wave of infections only had a mild impact. Overall, retail housing credit grew ~12% for NBFCs/HFCs during fiscal 2022.

During fiscal 2023, the RBI started increasing the repo rate to rein in the spiralling inflation, an aftereffect of the Russia-Ukraine conflict that is choking supply chains. However, credit growth is estimated to have remained intact at 12-14% with visible recovery across segments and pent-up demand in housing as affordability, though deteriorating, continues to be favourable.

Top 10 cities of the country account for more than 35% of outstanding retail housing finance loans. CRISIL MI&A Research estimates housing asset demand from these cities to have been in the range of 12-15% in fiscal 2023 and expects it at 7-8% in fiscal 2024. In the past fiscal, the demand is estimated to have been 35-40%, which was on a low base of fiscal 2021 and degrowth in the real estate segment for the past few years. This, along with expected 4-6% growth in capital values and incremental construction under PMAY, will support the estimated NBFC/HFC housing loan growth of 12-14% for fiscal 2024.

Affordable HFCs outpace overall housing finance credit growth; trend to continue during fiscal 2024.

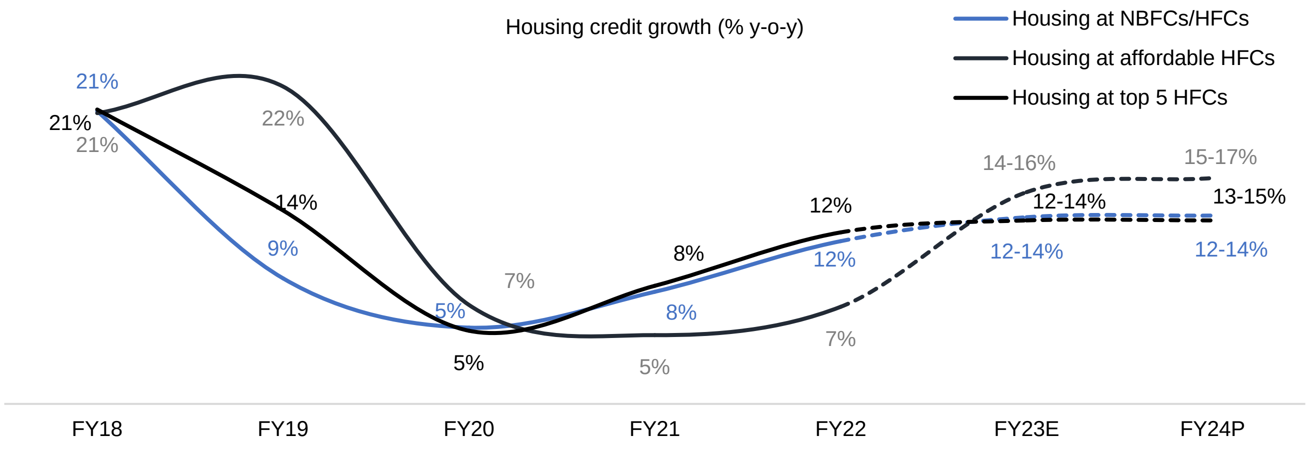
Before fiscal 2018, much of the NBFC/HFC credit growth was led by aggressive expansion of smaller HFCs that were aiming to gain share in affordable and/or Tier II and III markets. As a result, gross non-performing assets (GNPAs) rose. However, after the IL&FS crisis, growth of such companies slowed down.

In the past fiscals, HFC credit growth was primarily driven by major companies such as Housing Development Finance Corporation (HDFC) Ltd, LIC Housing Finance Ltd, Indiabulls Housing Finance Ltd, PNB Housing Finance Ltd, and Can Fin Homes Ltd. In fiscal 2022, these companies saw ~12% growth vis-à-vis the overall NBFC/HFC growth of 11.5%. Factors that aided their growth were strong liquidity, parental support and lower interest rates (on par with leading banks). In April and May, the NBFC/HFC segment saw slower growth on account of the second wave of Covid-19.

Until fiscal 2022, smaller HFCs focusing on the affordable housing segment (affordable HFCs) saw slower growth on account of the pandemic-induced uncertainties and deteriorating asset quality of a few players making them cautious in lending. With continued support from the government and central bank, increase in demand for housing, and deeper penetration in Tier II and III cities, affordable HFCs are back on the healthy double digit growth trend with estimated growth of 14-16% during fiscal 2023, outpacing credit growth in the retail housing segment. Going ahead, CRISIL MI&A Research expects affordable HFCs to grow at 15-17% during fiscal 2024.

Note: CRISIL MI&A Research defines affordable HFCs as those disbursing loans of less than Rs 2 million ticket size on average

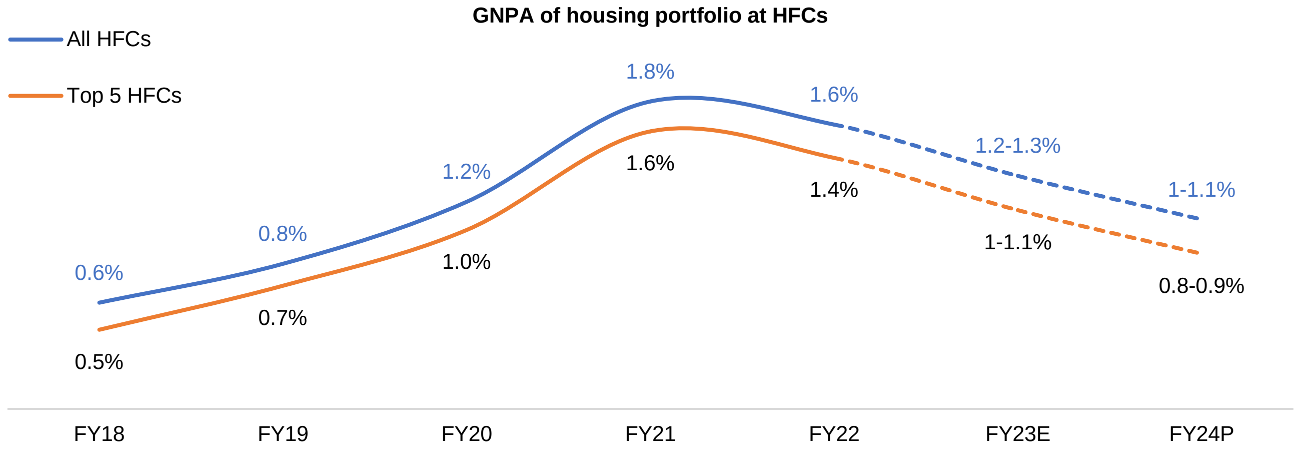
Credit growth to pick up for affordable HFCs



Note: P: Projected, E: Estimated

Source: Company reports, RBI, CRISIL MI&A Research

GNPAs for the housing portfolio back to pre-Covid levels with economic revival and healthy credit growth, GNPAs to improve this fiscal



Note: P: Projected, E: Estimated
Source: Company reports, CRISIL MI&A Research

In March 2021, GNPAs in the housing loan portfolio increased a sharp 50 bps to 1.76% due to significant economic slowdown, which impacted self-employed customers and micro, small, and medium enterprises. In the first half of fiscal 2022, it is estimated to have increased on account of stress witnessed by MIG and LIG borrowers after the second wave of Covid-19. The figure improved to 1.6% as of March 2022 as collection efficiency improved and normalised in the second half. CRISIL MI&A Research expects asset quality in the retail housing loan segment to improve to 1.2-1.3% this fiscal and to 1-1.1% in fiscal 2024 supported by healthy credit growth and collections back to pre-Covid levels.

The restructured loan portfolio is expected to have reduced significantly during fiscal 2023. The restructured book for HFCs is expected to have reduced to 0.8-0.9% of loans and advances as of December 2022 from an estimated 1.6-1.7% as of March 2022. Further, total stressed assets (GNPA + restructuring book) for the individual housing loan segment are estimated at 2-2.1% as of fiscal 2023.

Gold Finance – Review and Outlook

Credit growth of gold loan NBFCs moderated in fiscal 2023 amid competition from banks

As competition intensifies, non-banking financial companies (NBFCs) further lose market share to banks. While CRISIL MI&A Research expects overall credit growth to normalise in fiscal 2024, credit growth of NBFCs could rebound after posting muted growth in fiscal 2023.

Type	Share (FY22)	Book (Rs billion) - FY22	CAGR (FY18-FY22)	Growth for FY22	Growth outlook for FY23E	Growth outlook for FY24P
NBFCs	22%	1,290	15.1%	11.3%	5-7%	10-12%
Banks	78%	3,804	15.3%	13.0%	25-27%	14-16%
Overall	100%	5,094	15.2%	12.6%	20-22%	13-15%

Note: E: Estimated, P: Projected

Source: Company reports, CRISIL MI&A Research

Overall credit growth continues to remain healthy with the strong rebound of economic activities post pandemic. In line with this, overall gold loans segment also witnessed growth of 20-22% driven by declining volatility in gold prices and inherently better asset quality performance coupled with relatively better rate of interest (ROI). While LTV (Loan- to-Value) peaked at the end of March 2021 due to correction in gold prices and the moratorium, it has moderated since then and expected to have remained stable in fiscal 2023. The trend is likely to continue in fiscal 2024 as well. Overall gold loan AUM stood at Rs 5.1 trillion in fiscal 2022 and is expected to have reached Rs 6.1 trillion in fiscal 2023. It is likely to reach Rs 7.0 trillion in fiscal 2024. CRISIL MI&A Research estimates overall credit outstanding to have grown by 20-

22% in fiscal 2023, which is further expected to grow 13-15% in 2024.

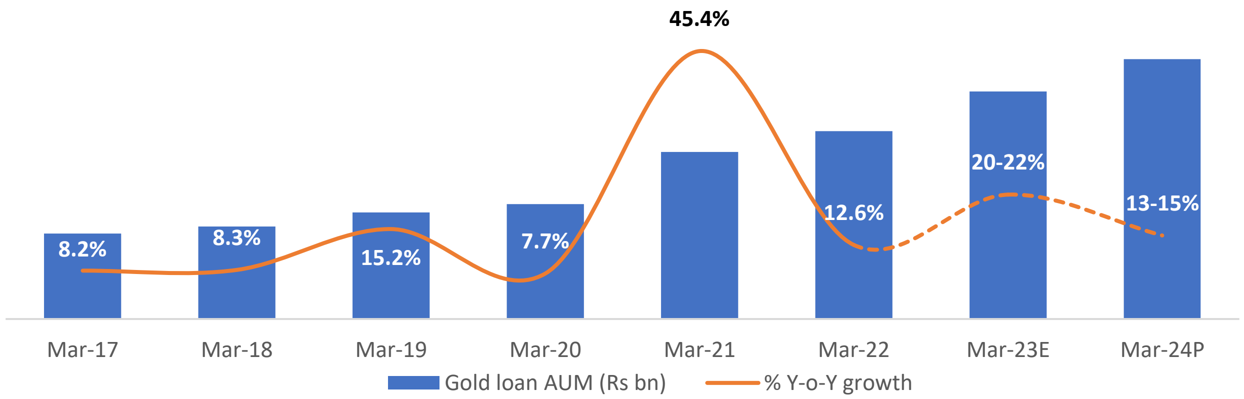
AUM of gold loan NBFCs, which clocked a compound annual rate (CAGR) of 15% between fiscals 2018 and 2022, reported moderation in growth to 11% on-year in fiscal 2022. Credit growth is estimated to have moderated further to 5-7% in fiscal 2023 and is likely to recover to 10-12% in fiscal 2024. The steep moderation in growth has been driven by intense competition from banks with banks capturing a major share of the segment. The credit demand continues to remain strong buoyed by the rising gold prices.

Credit growth is expected to recover on account of the following factors:

Source: CRISIL MI&A Research

Gold prices are likely to firm up further on account of inflation, global economic slowdown, rupee depreciation, and increased import duty domestically. This could further support LTV for lenders and create headroom for credit growth. Credit growth is further supported by the transformation in the gold loans sector as shift from unorganised to organised continues and further from organised to digital and online means. Increasing focus on online gold loans is expected to support overall growth in the coming years.

Industry gold loan AUM estimated to have registered healthy growth of 20-22% in fiscal 2023



Note: E: Estimated, P: Projected

Includes agriculture lending by banks with gold as collateral

Source: Company reports, CRISIL MI&A Research

Gold loan NPAs to have stabilised by fiscal 2023

Despite some intermittent spikes in gross non-performing assets (GNPAs) during fiscal 2023, asset quality will continue to improve in fiscal 2024. However, volatility in gold prices in future could pose challenges to the asset quality in an otherwise relatively safer segment.

Gold loans segment is considered to be typically safer from an asset quality perspective. However, GNPAs increased to 2.25% in fiscal 2022 as borrower cash flows were impacted by the lockdowns during the second pandemic wave. The increased stress on asset quality could be due to migration of teaser loans to higher ROI and broadening of credit filters during fiscal 2023. Traditionally, GNPAs were controlled via recoveries through gold auction. However, in case of a teaser loan moving into the NPA bucket, it would be RoA accretive to hold it in the book to avoid economic loss via penalty and other overdue charges. Hence, in case of increased GNPAs driven by migration of teaser loans to higher rates, further slippages could be limited as majority of such teaser loan book has already been migrated. Also, players have the recourse to improve GNPAs through auction of gold collaterals. Additionally, given the liquid nature of collaterals and recent increase in gold prices, the ultimate loss given default (LGD) would be modest.

Gold loan NBFCs have LTV ratios in the range of 60-70%, which provide sufficient buffer against price fluctuations. Lenders have also made adequate provisioning carried from the pandemic-led asset quality deterioration in fiscal 2022. Additionally, any volatility in gold prices could translate into higher LGD rates, thereby increasing ECL provisioning.

Overall, CRISIL MI&A Research expects GNPAs of gold loan NBFCs to have come down to 2.0-2.2% in fiscal 2023 and further improve to 1.7-1.9% in fiscal 2024. Further improvement in GNPAs in fiscals 2023 and 2024 is expected to be driven by improved collection efficiency and recovery via auctions.

Microfinance - Review and outlook

Loan book growth likely spurted and bad loans reduced

The outstanding loan book of non-banking financial company-microfinance institutions (NBFC-MFIs) is estimated to have grown 30-35% in fiscal 2023, compared with 19% the previous fiscal, riding on economic revival as the pandemic impact eased, and unmet demand in rural regions.

Growth has picked up since the second quarter of last fiscal and monthly collections have almost normalised after the Reserve Bank of India (RBI) raised the household income threshold for collateral-free loans to fuel growth. Gross non-performing assets (GNPA) had risen to 5.9% in fiscal 2022 from 5.5% in fiscal 2021. However, the first quarter of fiscal 2023 saw GNPA decline to 5.4% and it had reduced further to 4.4% by the third quarter. Hence, we expect asset quality to have further improve for the full fiscal.

According to RBI's revised regulatory framework, any collateral-free loan given to a household with an annual income of up to Rs 3 lakh would be considered an MFI loan. The framework also provides the boards of financial institutions flexibility in terms of repayment frequency and income assessment of borrowers. Hence, the risk management system of NBFC-MFIs needs to be robust to maintain asset quality in newer segments/geographies. The revised comprehensive income and indebtedness assessment could, however, limit the ability of NBFC-MFIs to grow in urban areas.

Share of NBFC-MFIs grew from 31% in fiscal 2021 to 34% in fiscal 2022

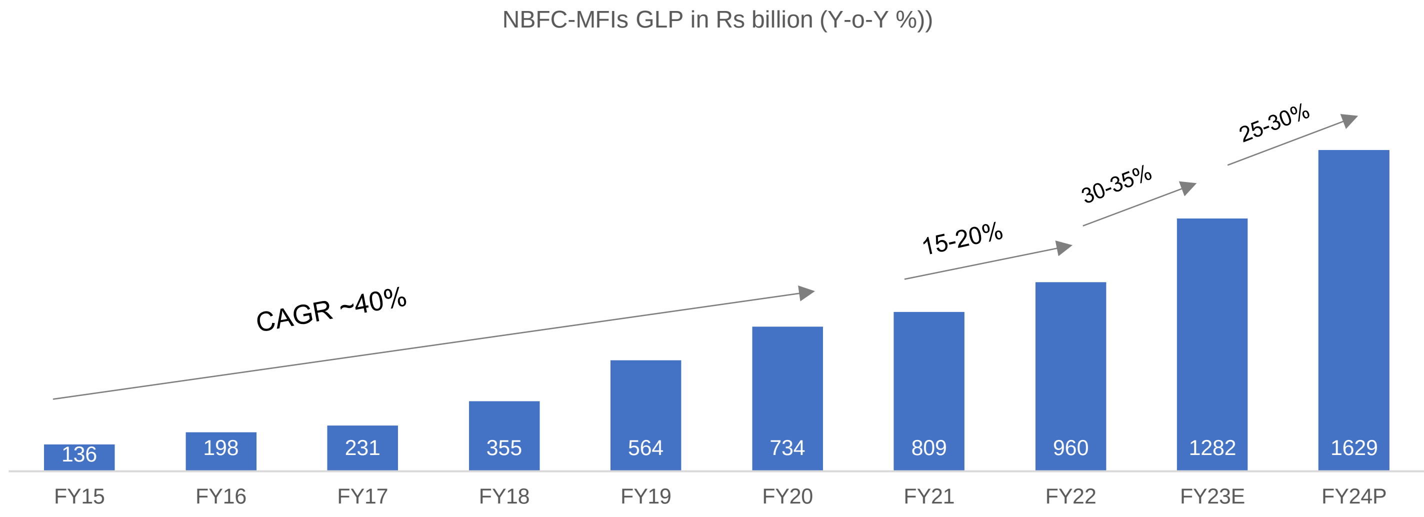
	Share in book FY22	Outstanding book (Rs billion) FY22	CAGR (FY17-21)	FY22	YTD Q3FY23	Estimated growth in FY23
NBFC- MFI	**34%**	**959.86**	**15%**	**19%**	**20%**	**30-35%**

Source: CRISIL MI&A Research, Microfinance Institutions Network (MFIN)

Disbursements pick up as collection efficiency attains normalcy

In fiscal 2022, disbursements increased 47% primarily due to a rebound in the second half. In fiscal 2023, however, disbursements grew 79% in the third quarter. Although the players were bogged down by the new RBI regulations in the first quarter, they clocked healthy growth in the second and third quarters. Disbursements are expected to have risen 50–60% on-year in fiscal 2023. Additionally, the increasing average ticket size will support disbursements.

NBFC-MFIs estimated to have grown 30-35% on-year in fiscal 2023



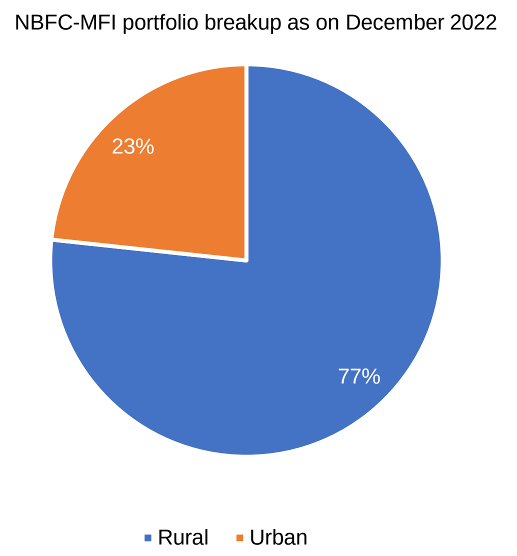
Source: CRISIL MI&A Research, MFIN, company reports

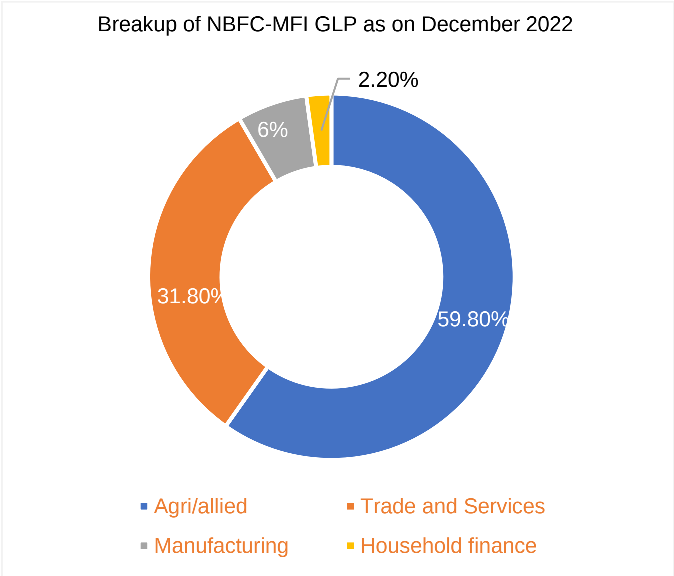
NBFC-MFIs witness robust growth over the past 2-3 years, gain market share

Source: CRISIL MI&A Research, MFIN

Banks have the largest share in the MFI industry as they lend under priority sector lending (PSL) norms. However, NBFC-MFIs have been aggressive over the past 2-3 years, with their loan book growing at a CAGR of 37% between 2017 and 2021 compared with ~29% for banks. Banks have reported higher par 90 levels at 18.9% as of December 2022 compared with that of 4.4% for NBFC-MFIs, indicating slower growth in bank lending.

Rural segment dominates in NBFC-MFI book





Source: CRISIL MI&A Research, MFIN, company reports

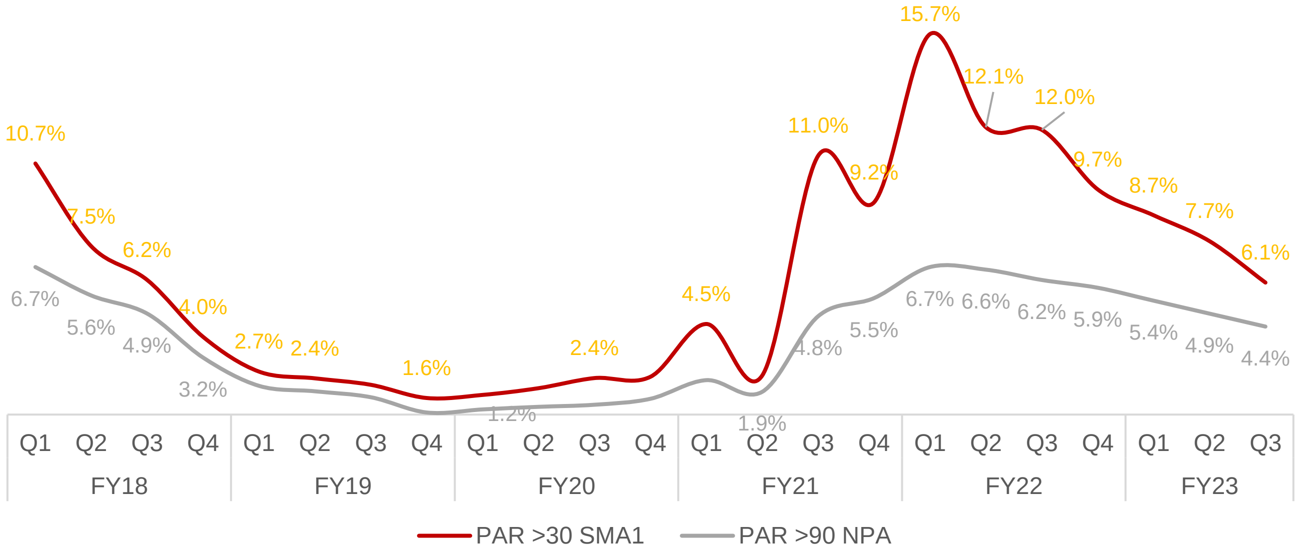
Rural areas account for over three-fourths of the total NBFC-MFI book. The penetration of digital infrastructure in these areas is low and internet connectivity is poor. Lack of access is accentuated by low literacy levels among microfinance borrowers, who are generally daily wage earners and tend to transact in cash.

The main objective of microfinance lending is to support capital formation in agriculture and allied sectors. With disbursements being more focused on the rural parts of the country, NBFC-MFIs promote alternative employment opportunities by supporting farm and manufacturing sectors.

A state-wise split as of the third quarter of fiscal 2023 indicated the top 10 states accounted for ~83.6% of the NBFC-MFI book and the top five states including Bihar, Tamil Nadu, Karnataka, Uttar Pradesh and Madhya Pradesh accounted for 54.5%. Bihar and Uttar Pradesh registered 56% and 65% on-year growth, respectively, as of December 2022 with a majority of their revenue coming from rural areas.

GNPA estimated to have moderated in fiscal 2023, slippages from restructured portfolio to remain monitorable

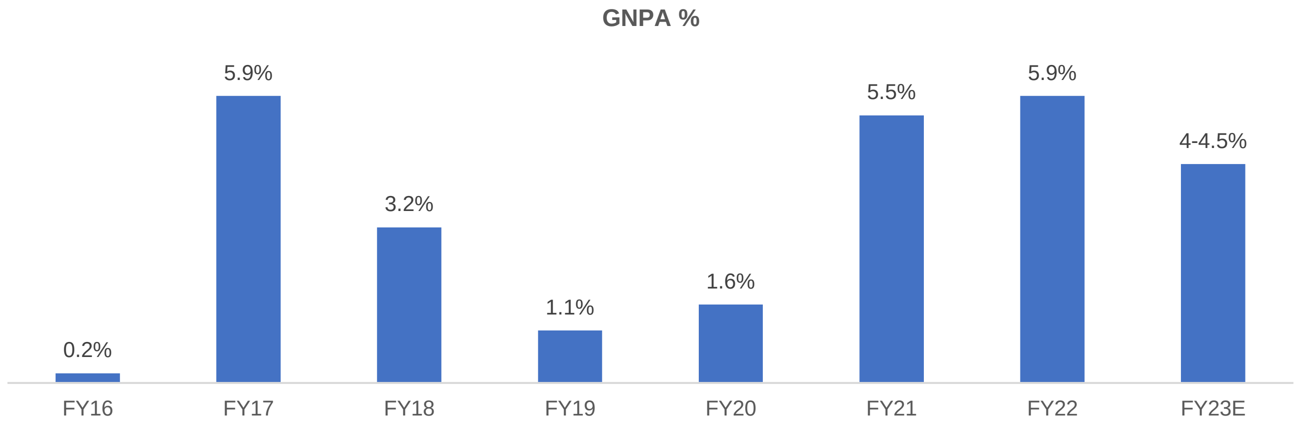
Trend of PAR 30 and PAR 90 for NBFC MFIs



Source: CRISIL MI&A Research, MFIN

Typically, in times of stress, GNPA tends to remain high for a couple of years, as players try to spread the credit cost. Though the asset quality is expected to moderate going forward, slippages from the restructured portfolio remains a monitorable. GNPA of the NBFC-MFI book had risen to 5.9% in fiscal 2022 from 5.5% in fiscal 2021. However, it continued to fall in the first three quarters of fiscal 2023, declining to 5.4% in the first quarter, 4.9% in the second quarter and 4.4% in the third quarter. GNPA is expected to have moderated further to 4-4.5% for the full fiscal, as collections and disbursements have almost normalised.

GNPA expected to have moderated in fiscal 2023



Source: CRISIL MI&A Research

MSME – Review and outlook

Credit issued to micro, small and medium enterprises (MSME) is estimated at Rs 23,295 billion for fiscal 2022, where banks dominated lending to the sector, with a 76% market share, and non-banks accounted for the remainder.

Banks dominate credit share in the MSME sector

Type	Share in book FY22	Outstanding book (Rs billion) FY22	CAGR (FY19-22)	FY22	Growth outlook for FY23E	Growth outlook for FY24P
NBFCs	24%	5,678	15.2%	13.3%	15-16%	14-15%
Banks	76%	17,617	14.2%	18.8%	13-15%	12-14%
Overall	**100%**	**23,295**	**14.5%**	**17.4%**	**13-15%**	**13-15%**

Note:

1. P: Projected, E: Estimated

2. Credit deployment data published by the Reserve Bank of India (RBI) was revised. Hence, comparable numbers for the previous fiscals have been revised accordingly.

3. Companies with turnover <Rs 5 crore and investment <Rs 1 crore are classified as micro, turnover between Rs 5 crore and Rs 25 crore and investment between Rs 1 crore and Rs 10 crore as small; and turnover between Rs 25 crore and Rs 250 crore and investment between Rs 10 crore and Rs 50 crore as medium

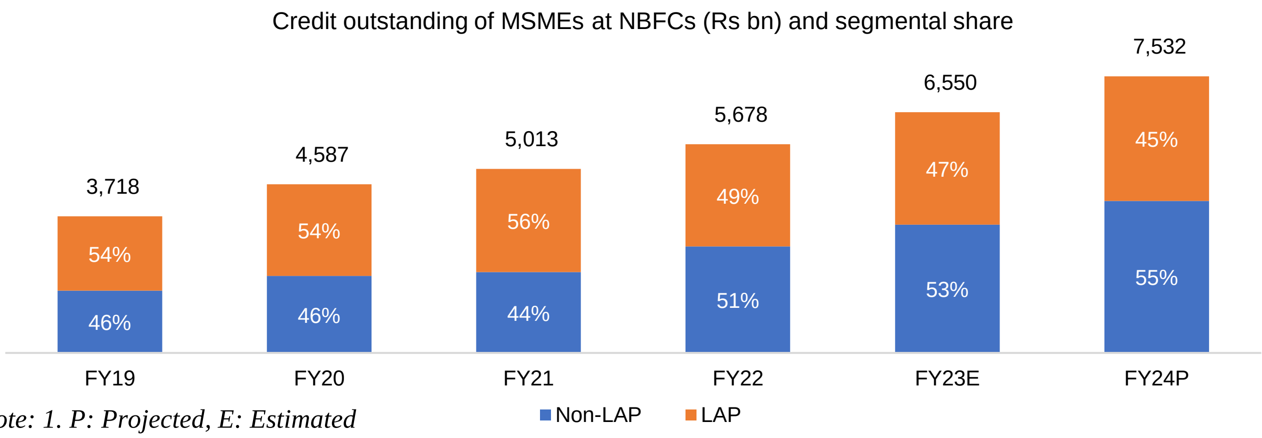
Source: CRISIL MI&A Research

MSMEs bore the brunt of the first and second Covid-19 waves in fiscal 2021 and the first quarter of fiscal 2022, respectively. Given its close linkage with economic activity, the segment saw considerable impact from the frequent lockdowns and restrictions imposed to curb the pandemic, which disrupted demand, supply, and consequently, profitability in most sectors. This necessitated the need for relief measures, which the government promptly announced, in the form of the emergency credit line guarantee scheme (ECLGS) and reviewed on a timely basis to reduce impact on the sector.

Most disbursements under the scheme were made by banks (wherein, private sector banks showed greater proclivity than public sector banks), who thus, saw 18.8% book growth; non-banking finance companies (NBFCs), however, saw lower growth of 13.3% in fiscal 2022. The decline in book value was restricted by moratoriums, and asset classification came to a standstill for MSMEs.

For fiscal 2023, with economic activity having normalising and revenue growth for corporate India expected at 16-18% and SMEs at 11-12%, CRISIL MI&A Research estimates MSME credit growth to be healthy again, at 15-16% for NBFCs and 13-15% for banks. Going forward, 14-15% and 12-14% growth is expected for NBFCs and banks, respectively.

LAP segment constitutes two-thirds of NBFCs' MSME portfolio



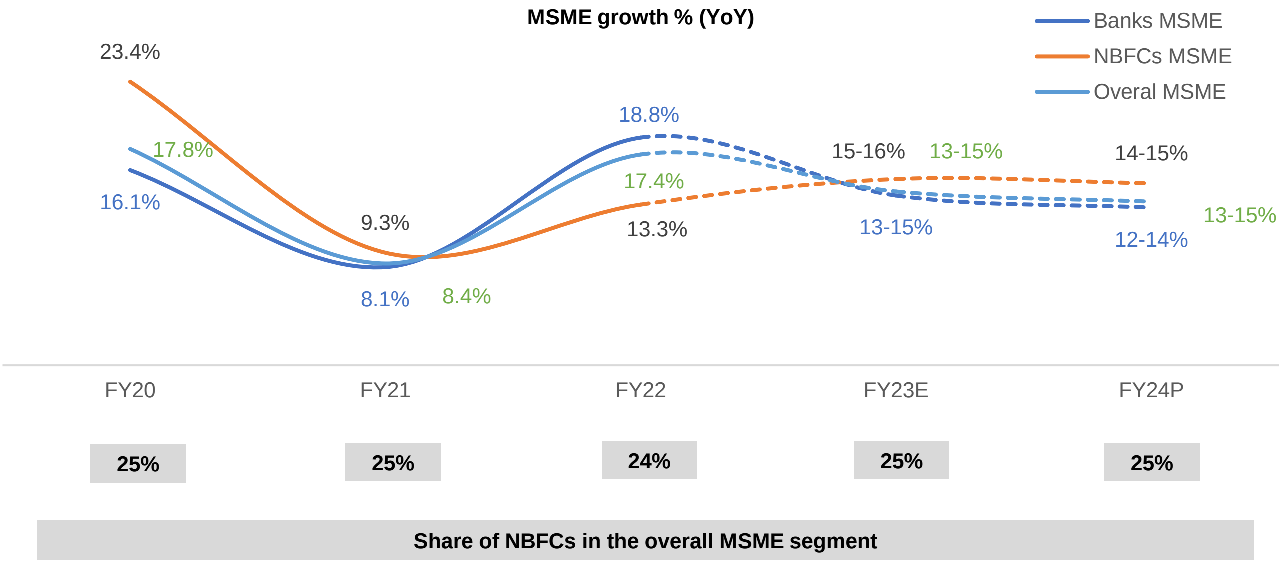
Note: 1. P: Projected, E: Estimated

2. non-LAP segment includes secured and unsecured loans

Source: Company reports, CRISIL MI&A Research

Demand improvement to drive MSME credit growth this fiscal

NBFCs back on track, with healthy credit outlay to MSMEs



Note: 1. P: Projected, E: Estimated

2. Credit deployment data published by the RBI was revised. Hence, comparable numbers for the previous fiscal have been revised accordingly.

Source: Company reports, CRISIL MI&A Research

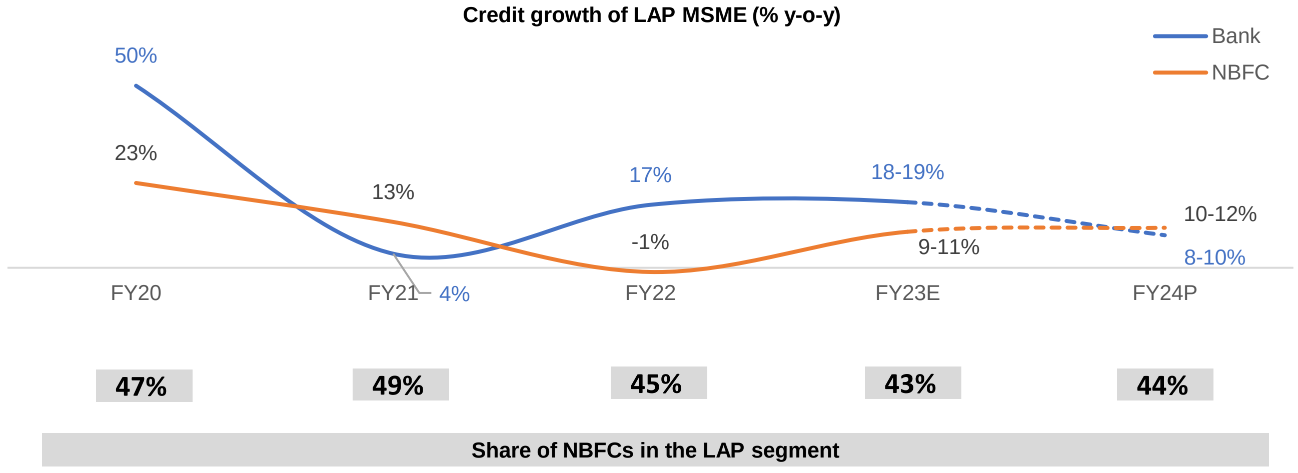
A faster-than-expected revival in economic activity and pent-up demand backed positive economic performance in the fourth quarter of fiscal 2021. Non-banks' outstanding MSME book grew ~9% on-year amid increased LAP demand. That said, in the first quarter of fiscal 2022, the MSME book witnessed degrowth in banks, as well as non-banks, on account of impact from the second wave of the pandemic. The segment started to recover from the second quarter, with improvement in demand from MSMEs, supported by the central government's decision to extend ECLGS to March 31, 2022 (which was extended further to March 31, 2023, in Union Budget 2022-23) and increase the guarantee from to Rs 4.5 trillion from Rs 3 trillion (which was subsequently increased further to Rs 5 trillion).

The outstanding book of NBFCs in the MSME segment grew at 13% in fiscal 2022, supported by growth in disbursements in the non-LAP (unsecured and secured) segment. With economic activity reviving and cash flows improving, NBFCs will increase their funding in the unsecured segment and restrict lending in the LAP segment owing to the asset quality stress of past years. With improved underwriting practices, lending in the unsecured portfolio is expected to improve, while in the secured non-LAP portfolio, will see competition from banks. However, smaller non-banks will be wary of funding, given the existing stress, and will therefore, see moderate growth. Additionally, any significant change in macroeconomic factors or geopolitical issues may pose a downside risk to credit growth.

LAPs: Growth to stabilise this fiscal

NBFCs' LAP portfolios are estimated at Rs 3 trillion in fiscal 2022. In fiscal 2021, the segment witnessed higher growth than non-LAP (secured and unsecured) as non-banks preferred mortgage-based lending over cash-flow-based lending in the short run, given the potential risks in other segments. Further, last fiscal, the LAP book is estimated to have grown at a slower pace than non-LAP, at 9-11%, and is expected to outpace banks, with 10-12% growth this fiscal.

NBFCs' LAP portfolio estimated to have grown at 9-11% during fiscal 2023



Note:

1. P: Projected

2. Credit deployment data published by the RBI was revised with effect from January 2021. Hence, comparable numbers for the previous fiscal have been revised accordingly.

Source: Company reports, CRISIL MI&A Research

LAPs are availed by mortgaging properties (residential or commercial) with the lender. The end use of the loan is not monitored closely; it could be used for business or personal purposes and can be availed by salaried, as well as self-employed individuals. A LAP is a secured loan, as it provides the financier collateral in the form of property. It has a lower interest rate than personal or business loans.

With the economy stabilising in the last two fiscals, NBFCs' LAP credit was muted in fiscal 2022. However, NBFCs are unlikely to be as aggressive as in the past when the segment logged a 12% compound annual growth rate (CAGR) between fiscals 2017 and 2020. Higher growth earlier was because of lower interest rates and increased penetration. However, after fiscal 2019, non-banks have lost their share in the LAP market as their focus was on containing asset quality deterioration. Banks registered strong growth in the segment with aggressive strategies, higher market penetration, lower cost of funds, and adequate liquidity support. CRISIL MI&A Research estimates the MSME LAP segment to have grown 9-11% in fiscal 2023, helped by improving economic conditions and mild impact from the third wave of the pandemic assisting in the normalisation of business activities, followed by 10-12% growth in fiscal 2024.

MSME: Non-LAP segment

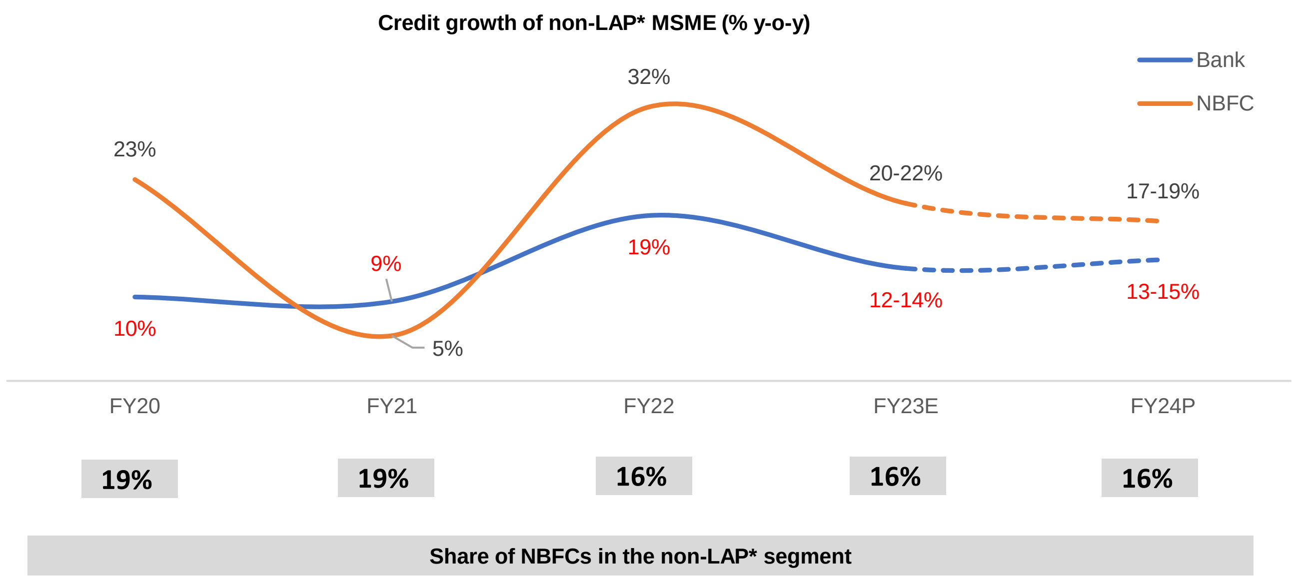
The Non-LAP segment includes secured and unsecured loans. Non-LAP secured MSME loans include working capital products such as cash credit, overdraft facility, and bill discounting, as well as other term loan products such as asset-backed or hypothecated loans. Hypothecated loans are term loans where the collateral offered is a combination of property, inventory, and so on.

Unsecured MSME loans are given to self-employed borrowers without collateral. This form of lending is cash-flow-based, rather than collateral-based. Unsecured loans are underwritten based on financial statements, bank statements, Good and Services Tax returns, number of loans taken in the past, bureau checks, and scorecards, among others. An unsecured small business loan is usually taken to tide over a liquidity crunch, take advantage of short-term opportunities, or expand a small business, mostly when the bank's cash credit limit has been exhausted. Many lenders give these loans on top of existing secured loans with them.

Due to the non-availability of collateral, underwriting plays a key role in maintaining the asset quality of unsecured business loans. Underwriting these loans requires relevant expertise and is powered by new financial technology and the increasing availability of data on customers' credit history. Competition in the secured loans market (especially retail loans) has compelled NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on fresh opportunities in the unsecured business loans space, while maximising profitability.

Banks dominated this segment with an 84% share, aggregating ~Rs 16 trillion, as of fiscal 2023. NBFCs are estimated to have had a non-LAP book of ~Rs 3 trillion as of fiscal 2022.

NBFCs' non-LAP credit growth to stabilise this fiscal



Note:

1. P: Projected

2. Credit deployment data published by the RBI was revised with effect from January 2021. Hence, comparable numbers for the previous fiscal have been revised accordingly.

*3. *non-LAP segment includes secured and unsecured loans*

Source: Company reports, CRISIL MI&A Research

NBFCs were seeing double-digit growth prior to fiscal 2019; growth slowed after the liquidity crisis. In fiscal 2021, credit growth was at low-single digits due to lower disbursements, which are estimated to have halved due to Covid-19. Meanwhile, banks saw 9% growth in credit, aided by ECLGS. Because of the pandemic, non-bank lenders turned more cautious over unsecured MSME lending, and preferred mortgage-based lending (LAP and non-LAP secured) over cash-flow-based (unsecured) lending.

Business activity started to normalise from the second half of fiscal 2022. This, supported by a mild third wave, led economic conditions to improve, and consequently, credit demand to pick up. Banks and NBFCs shifted their focus towards non-LAP lending owing to its higher returns, which led non-banks to grow at 19% in fiscal 2022. CRISIL MI&A Research expects the growth momentum to continue with a marginal moderation and estimates NBFCs' non-LAP segment to have grown at 12-14% in fiscal 2023 on a higher base. Going further, credit growth for non-banks is expected at 13-15% this fiscal. However, any significant change in macroeconomic factors or geopolitical issues may pose a downside risk to credit growth.

Asset quality

Asset quality for MSMEs improved over past two fiscals

NBFCs' asset quality improved from ~6.7% in the first quarter of fiscal 2022 to ~5.1% as of March 2022. With continued improvement in economic activity, better collection efficiency, and faster credit growth, CRISIL MI&A Research estimates the asset quality to have improved further to 4-5% in fiscal 2023 and is expected to improve 3.5-4% this fiscal.

Wholesale finance – Review and outlook

Real estate lending forms a major portion of NBFC lending to the wholesale segment

Over the past few fiscals, NBFC funding towards the real estate sector has undergone considerable evolution in terms of size, complexity, and interconnectedness with the financial sector. Wholesale finance of real estate represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses long-and short-term funding. CRISIL MI&A Research excludes lease-rental discounting (LRD) from the wholesale book and lending to the infrastructure sector and covers only loans offered to large and mid-sized corporates in non-infrastructure segments.

Real estate segment comprises ~58% of the overall NBFC wholesale lending, as of fiscal 2022

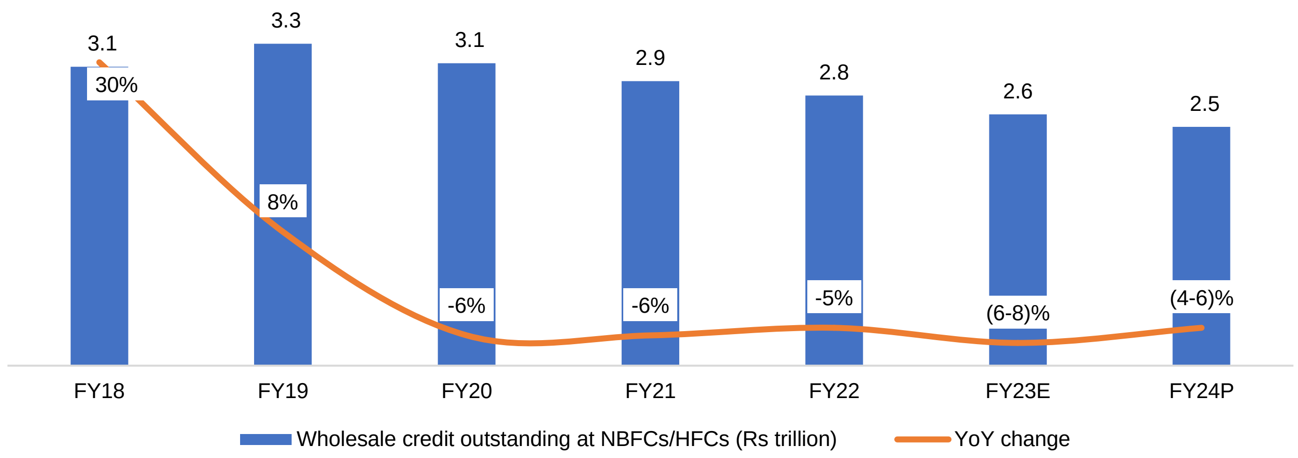
Type	Share in book FY22	Outstanding book (Rs billion) FY22	CAGR (FY18-22)	FY22	Growth outlook for FY23E	Growth outlook for FY24P
NBFCs	8%	2,775	-2%	-5%	(6-8) %	(4-6) %
Banks	92%	32,491	4%	3%	13-14%	12-14%
Overall	100%	35,267	3%	2%	12-13%	11-12%

Note: 1. P – Projected, E- Estimated

2. Credit deployment data published by the RBI has undergone revision. Hence, comparable numbers for the previous fiscal are revised accordingly.

NBFC lending to wholesale segment is expected to degrow during fiscals 2023 and 2024

With NBFCs focusing on retail growth, wholesale portfolio continues to degrow



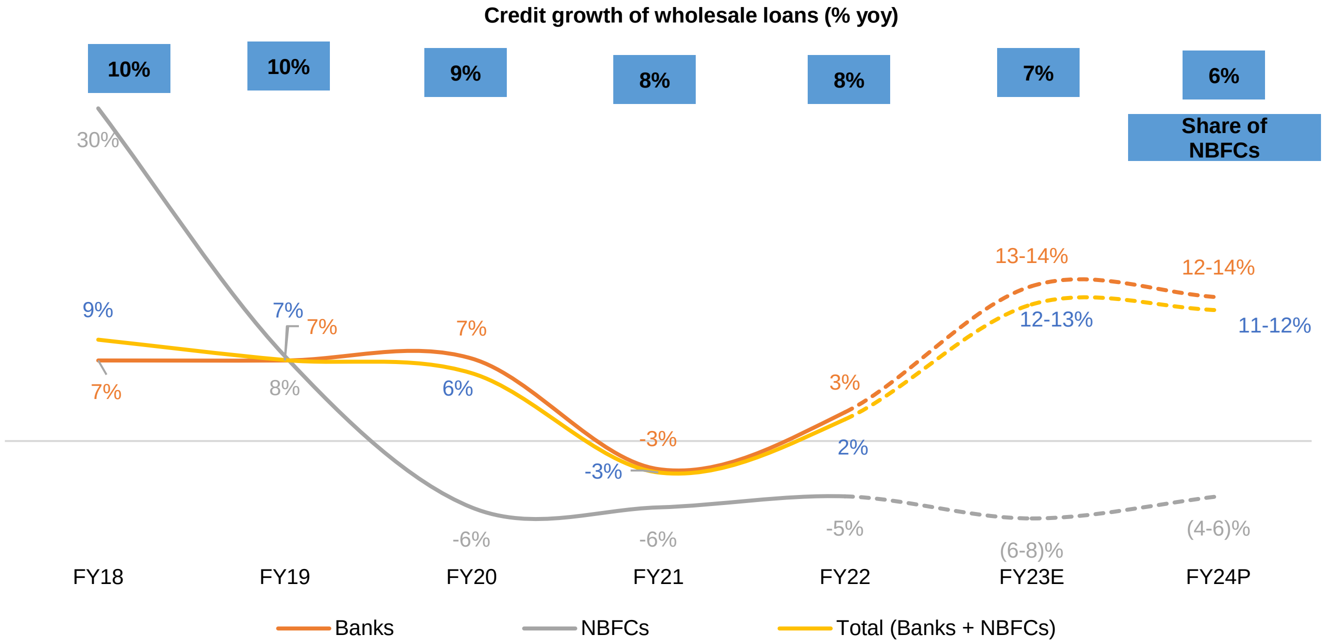
P – Projected, E – Estimated

Source: Company reports, CRISIL MI&A Research

Many NBFCs have been cautious about their lending to the wholesale corporate segment and have undergone a systemic change due to the September 2018 crisis, which caused the collapse of IL&FS. As a result, many NBFCs found it hard to remain afloat and some could not recover. Another blow to this was the Covid-19 lockdown, which led to further shortage in terms of labour and raw materials, cutting down the overall funding of the segment and leading to decline in corporate real estate lending by NBFCs. Their wholesale book declined during the past few fiscals by 5-6% per annum. Wholesale credit is estimated to have further degrown by 6-8% during fiscal 2023 and is expected to hold the degrowth up to 4-6% during fiscal 2024.

NBFCs to witness a sharp decline in the wholesale book, while banks grow at healthy double digits

Banks continue to outpace NBFCs with overall wholesale credit estimated to grow at 13-14% in fiscal 2023



Note: Credit deployment data published by RBI has undergone revision. Hence, comparable banking numbers for the previous fiscal are revised accordingly.
Source: Company reports, CRISIL MI&A Research

The wholesale segment has degrown, as NBFCs have been more involved in curating their retail credit over wholesale credit. Their construction finance segment has been brought down due to market conditions from 2017, such as GST on under-construction properties, labour shortage during the pandemic-driven lockdown, and the rising cost of raw material. As the real estate industry now stands on a more solid ground, we can see some unlock in funding by the NBFCs after fiscal 2023.

The segment degrew 6% in fiscal 2022, but funding saw a positive move post fiscal 2021, with the charge taken by the banks at a marginal growth of 3%. During fiscal 2023, banks are estimated to have grown 13-14%, which was primarily because of growth among the service segments. Lending to NBFCs increased significantly at an estimated 25-26% alongside trade credit growth in range of 13-15% and commercial real estate growth at 9-11% during fiscal 2023.

CRISIL MI&A Research expects banking credit growth at 12-14% for fiscal 2024 and NBFCs are expected to continue offloading their wholesale exposure and degrowing at 6-8% during fiscal 2023 and 4-6% during fiscal 2024. Overall credit growth during fiscal 2024 is estimated at 11-12%, with banks growing 12-14% and NBFCs degrowing by (4-6)%, further widening the gap between the funding curves.

Asset quality

The overall stress in the real estate and corporate segments is highest compared with other segments. CRISIL MI&A Research estimates the overall stress in the wholesale book to be high, including contractual moratorium, book under extension by "date for commencement for commercial operations (DCCO) extension" and book that is estimated to have opted for one-time restructuring.

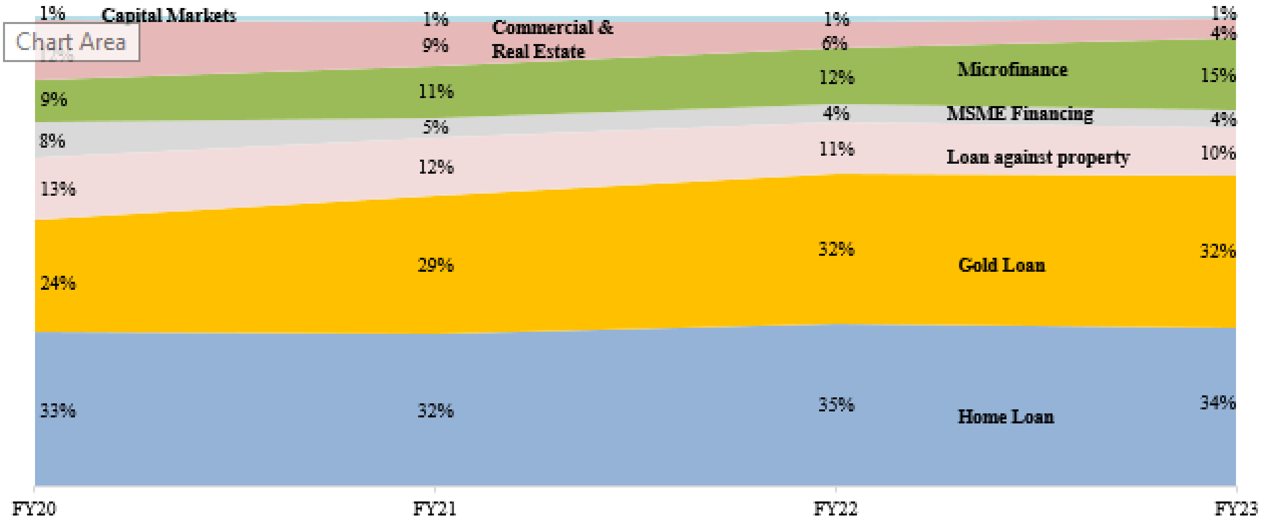
OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Information" on pages 18, 19 and 192, respectively. Unless otherwise indicated, the financial information included herein is based on our Reformatted Financial Statements for Fiscals 2023, Fiscals 2022 and Fiscals 2021. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Our Company is a Systemically Important Non-deposit taking Non-Banking Financial Company ("**NBFC-ND-SI**") registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products. Our offerings include home loans, gold loans, loans against property and medium and small enterprise financing, micro finance, construction and real estate finance and capital market finance, catering to both retail and corporate clients.

The Company has received a registration as a Non-Banking Financial Company bearing registration number N-13.02386 vide certificate dated March 6, 2020.

Over the past several years, we have diversified our products and expanded our presence into segments that are of greater relevance to the evolving business environment and customer demand trends. Our product offering evolution is depicted below:



In the Fiscal 2021 we completed the sale of our commercial vehicles' financing business as a going concern, in order to focus on scaling up existing business segments of Affordable Home Loans, Gold Loans, Business Loans and Microfinance.

Our key strategy is to steadily grow high quality, diversified retail assets focusing on under-banked segments, with effective risk management and cost optimization through well-defined processes and leveraging technology.

Our product offerings are detailed below:

Home Loans: include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes.

Loan against property (LAP): is availed for working capital requirements, business use or acquisition of new commercial property.

Micro, small and medium enterprise financing segment (MSME): is to provide working capital finance to small business owners. We provide small ticket loans, thereby being able to meet the needs of small scale businesses including standalone shops etc.

Gold Loans: includes finance against security of mainly used gold ornaments. We offer loan against gold to small businessmen, vendors, traders, farmers and salaried people for their personal needs as well as for working capital needs.

Microfinance: includes credit support mainly to women, who have either limited or no access to formal banking channels. We provide financial services to the economically weaker sections of society with an aim to bring microfinance services to the doorstep of the rural and semi-urban BoP (Bottom of Pyramid) families in India. Loans are offered under various categories such as income generation, education, sanitation etc. We follow the Grameen Model (also regarded as joint liability group).

Construction and Real Estate finance: includes loans to developers for construction and development of predominantly affordable residential projects and a small proportion of mixed-use projects. In line with our broader retail strategy, the construction finance vertical is an enabler for providing retail loans under the approved project route, wherein the Company has tie-ups with developers for funding the property buyers under the retail home loan category.

Capital Market Finance: includes Loans against Securities, Margin Funding, IPO financing and other structured lending transactions.

As at March 31, 2023, March 31, 2022 and March 31, 2021, our consolidated assets under management were ₹ 64,637.64 crore, ₹ 51,209.79 crore and ₹ 44,688.03 crore, respectively.

Our product wise split of assets under management on a consolidated basis is as under:

(₹ in crore)

Products	**AUM (Consolidated basis)**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Housing Loans	21,800.37	17,727.04	14,439.24
Loan against property	6,671.20	5,675.33	5,439.16
Construction and Real Estate Finance	2,694.06	2,899.17	4,234.91
Gold Loan	20,733.26	16,228.02	13,149.13
Capital Markets Financing	441.57	641.86	662.95
Digital Finance	2,511.55	1,887.73	2,025.07
Microfinance	9,785.63	6,154.64	4,737.57
Total AUM	**64,637.64**	**51,209.79**	**2,688.03**

The following table sets forth certain key performance metrics on a consolidated basis, as of and for the periods indicated:

(₹ in crore)

Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
AUM	64,637.64	51,209.79	44,688.03
Total Comprehensive Income (TCI) (post non-controlling interest)	1,534.01	1,197.11	735.80
Pre-provision operating profit (PPOP)*	2,831.39	2,285.00	2,001.81
PPOP/ Average AUM**	5.04%	4.95%	4.88%
Operating Expenses/ Average AUM	3.99%	3.45%	2.90%
Average Interest Spread	7.80%	6.54%	5.85%
Cost/income ratio (%)	43.00%	39.47%	35.39%
ROA (%)	3.25%	2.75%	2.03%
ROE (%)	19.92%	20.60%	15.32%
GNPA (%)	1.84%	3.15%	2.14%
NNPA (%)	1.08%	1.83%	0.97%
PCR (% including stage 1,stage 2 and SICR /Standard asset provision)	167.25%	118.67%	185.76%
No. of employees***	33,910	28,369	19,825
No. of branches***	4,267	3,296	2,563

** PPOP excludes gain/loss on Fair value changes*
*** Average AUM excludes IPO financing*
**** Figures are not in crore.*

Our revenue from operations on a consolidated basis grew at a CAGR of 19.46% and on a standalone basis grew at a CAGR of 15.27% over the last three Fiscals.

During the three years ended Fiscal 2023, our Company's total income, on a consolidated basis, amounted to ₹ 8,447.11 crore as compared to ₹ 7,023.61 crore for the Fiscal 2022 and as compared to ₹ 5,968.05 crore for the Fiscal 2021. Our profit before tax on a consolidated basis for the Fiscal 2023 stood at ₹ 2,112.52 crore as compared to ₹ 1,535.98 crore in Fiscal 2022.

During the Fiscal 2023, our Company's total income, on a standalone basis, amounted to ₹ 4,088.69 crore as compared to ₹ 4,106.60 crore for the Fiscal 2022 and ₹ 3,414.56 crore for the Fiscal 2021. Our profit before tax on a standalone basis for the Fiscal 2023 stood at ₹ 1,042.72 crore as compared to ₹ 967.37 crore in Fiscal 2022.

Key Operational and Financial Parameters

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in crore, unless stated otherwise)

Parameters	Fiscal 2023	Fiscal 2022	Fiscal 2021
Balance Sheet			
Net Fixed assets	206.91	158.28	112.01
Current assets	26,328.69	23,053.31	20,796.08
Non-current assets	26,465.73	22,698.85	19,753.96
Total assets	**53,001.33**	**45,910.44**	**40,662.05**
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings)	**25,947.01**	**26,809.43**	**20,517.23**
Financial (borrowings, trade payables, and other financial liabilities)	25,928.46	26,795.69	20,505.14
Provisions	18.55	13.73	12.09
Current Liabilities (including maturities of long-term borrowings)	**16,852.18**	**12,631.28**	**14,751.38**
Financial (borrowings, trade payables, and other financial liabilities)	16,740.14	12,530.69	14,662.94
Provisions	66.22	50.38	37.48
Current tax liabilities (net)	45.82	50.21	50.96
Equity (including other equity)	10,202.14	6,469.73	5,393.44
Total equity and liabilities	**53,001.33**	**45,910.44**	**40,662.05**
Profit and Loss			
Total revenue	**8,447.11**	**7,023.61**	**5,968.05**
From operations	8,258.85	6,854.73	5,818.13
Other income	188.26	168.88	149.91
Total Expenses	6,334.59	5,487.63	4,963.26
Profit / (Loss) before tax	2,112.52	1,535.98	1,004.78
Profit / (Loss) after tax	1,607.55	1,188.25	760.81
Other comprehensive income	32.19	9.21	(24.32)
Total comprehensive income	1,639.74	1,197.46	736.49
EPS			
(a) Basic	39.49	31.33	20.09
(b) Diluted	39.18	31.14	20.04
Cash Flow			
Net cash (used in)/ generated from operating activities	(4,940.56)	1,783.73	(3,586.85)
Net cash (used in)/ generated from investing activities	(2,730.45)	(995.79)	235.84
Net cash (used in)/ generated from financing activities	5,090.04	2,780.80	4,428.30
Add : Opening cash and cash equivalents as at the beginning of the year	*6,211.64*	*2,642.90*	*1,565.60*
Cash and cash equivalents as at the end of the year	**3,630.67**	**6,211.64**	**2,642.90**
Additional information			
Net worth excluding minority	8,790.50	6,273.86	5,259.84
Cash and Cash Equivalents	3,630.67	6,211.64	2,642.90
Assets under Management	64,637.64	51,209.79	44,688.03
Off Balance Sheets Assets	24,535.77	17,143.21	11,076.05
Total Debts to Total assets	0.75	0.78	0.79
Debt Service Coverage Ratio	N.A	N.A	N.A
Interest Income	7,369.27	6,134.53	5,421.20

(₹ in crore, unless stated otherwise)

Parameters	Fiscal 2023	Fiscal 2022	Fiscal 2021
Interest Expense	3,221.83	2,991.00	2,625.83
Interest service coverage ratio	N.A	N.A	N.A
Provisioning & Write-Offs	866.13	904.81	1,146.98
Gross NPA (%)	1.84%	3.15%	2.14%
Net NPA (%)	1.08%	1.83%	0.97%
Tier I Capital Adequacy Ratio (%)*	12.85%	16.02%	17.51%
Tier II Capital Adequacy Ratio (%)*	7.53%	7.83%	7.89%
CRAR*	**20.38%**	**23.85%**	**25.40%**

**On standalone basis*

Notes:

1. *Networth means share capital plus reserves less non-controlling interest and miscellaneous expenditure to the extent not written off.*

The following table sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ in crore, unless stated otherwise)

Parameters	Fiscal 2023	Fiscal 2022	Fiscal 2021
Balance Sheet			
Net Fixed assets	178.14	142.38	103.02
Current assets	14,271.81	13,672.00	14,796.63
Non-current assets	9,632.40	9,322.12	7,306.21
Total assets	**24,082.34**	**23,136.50**	**22,205.86**
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings)	**10,917.44**	**12,852.91**	**9,920.50**
Financial (borrowings, trade payables, and other financial liabilities)	10,908.74	12,845.81	9,914.26
Provisions	8.70	7.10	6.24
Current Liabilities (including maturities of long-term borrowings)	**8,049.99**	**5,856.69**	**8,464.61**
Financial (borrowings, trade payables, and other financial liabilities)	7,977.80	5,803.96	8,420.75
Provisions	42.56	34.28	25.32
Current tax liabilities (net)	29.63	18.44	18.54
Equity (including other equity)	**5,114.90**	**4,426.90**	**3,820.73**
Total equity and liabilities	**24,082.34**	**23,136.50**	**22,205.86**
Profit and Loss			
Total revenue	**4,088.69**	**4,106.60**	**3,414.56**
From operations	4,058.18	4,079.66	3,375.63
Other income	30.51	26.94	38.94
Total Expenses	3,045.97	3,139.23	3,040.11
Exceptional Item	-	-	53.05
Profit / (Loss) before tax	1,042.72	967.37	427.50
Profit / (Loss) after tax	805.49	745.48	342.57
Other comprehensive income	20.82	(9.85)	(21.11)
Total comprehensive income	**826.31**	**735.63**	**321.47**
EPS			
(a) Basic	21.20	19.66	9.05
(b) Diluted	21.04	19.54	9.03
Cash Flow			
Net cash (used in)/ generated from operating activities	(2,080.52)	3,556.26	(773.15)
Net cash (used in)/ generated from investing activities	(1,384.03)	(927.14)	437.00
Net cash (used in)/ generated from financing activities	870.00	(324.05)	1,781.74
Add : Opening cash and cash equivalents as at the beginning of the year	4,356.94	2,051.87	606.27
Cash and cash equivalents as at the end of the year	**1,762.39**	**4,356.94**	**2,051.87**
Additional information			
Net worth	5,033.68	4,337.40	3,728.63

(₹ in crore, unless stated otherwise)

Parameters	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash and Cash Equivalents	1,762.39	4,356.94	2,051.87
Assets under Management	25,573.46	21,108.57	19,198.77
Off Balance Sheets Assets	11,525.57	8,483.51	4,558.52
Total Debts to Total assets	0.72	0.70	0.73
Debt Service Coverage Ratios	N.A	N.A	N.A
Interest Income	3,468.42	3,502.45	3,070.39
Interest Expense	1,455.96	1,615.61	1,554.98
Interest service coverage ratio	N.A	N.A	N.A
Provisioning & Write-Offs	285.52	516.91	745.06
Gross NPA (%)	1.29%	2.90%	2.40%
Net NPA (%)	0.64%	1.63%	0.98%
Tier I Capital Adequacy Ratio (%)	12.85%	16.02%	17.51%
Tier II Capital Adequacy Ratio (%)	7.53%	7.83%	7.89%
CRAR	**20.38%**	**23.85%**	**25.40%**

Notes:

1. *Networth means share capital plus reserves less miscellaneous expenditure to the extent not written off.*

We have maintained our asset quality over the years, which is reflected in our levels of NPAs (gross and net). The NPAs as a percentage of our consolidated Loan Book is as set out below:

Financial Year	Gross NPA	Net NPA
March 31, 2023	1.84%	1.08%
March 31, 2022	3.15%	1.83%
March 31, 2021	2.14%	0.97%

Segment wise GNPA on a consolidated basis:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Home Loan	1.92%	2.60%	1.50%
Loan against Property	3.21%	4.79%	3.42%
Gold Loans	0.80%	0.90%	0.58%
Digital Loans (Excl HCF)	3.63%	9.65%	11.81%
Microfinance	2.12%	3.87%	1.84%
Construction & Real Estate	0.39%	4.25%	1.10%
Capital Market Finance	0.00%	0.00%	0.00%

The following table sets forth details of our non-performing assets and provisions as at March 31, 2023, 2022 and 2021 on a consolidated basis:

(₹ in crore, unless stated otherwise)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Loan Book	40,101.87	34,066.58	33,611.98
GNPA	738.14	1,074.29	719.20
GNPA as % of Loan Book	1.84%	3.15%	2.14%
Provision against NPA	304.50	452.15	392.03
NNPA	433.64	622.15	327.17
NNPA as % of Loan Book	1.08%	1.83%	0.97%
Provision towards Standard assets	930.05	822.71	943.96
PCR % - Specific provision	41.25%	42.09%	54.51%
PCR % - Overall provision	167.25%	118.67%	185.76%

The following table sets forth details of our non-performing assets and provisions as at March 31, 2023, 2022 and 2021 on a standalone basis:

(₹ in crore, unless stated otherwise)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Loan Book	14,047.88	12,625.07	14,640.25
GNPA	181.33	366.45	351.95

(₹ in crore, unless stated otherwise)

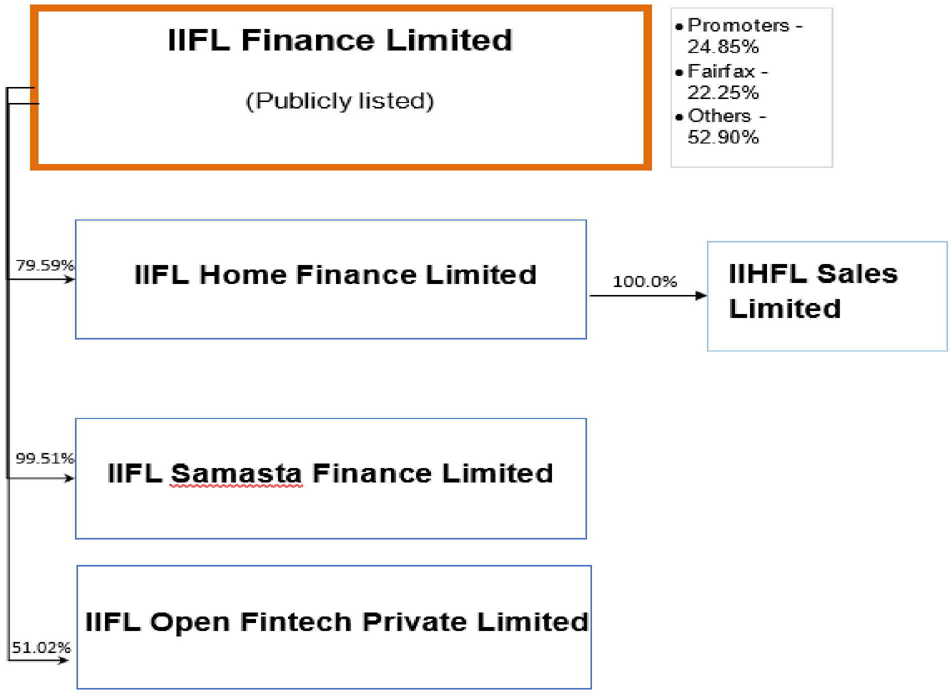
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
GNPA as % of Loan Book	1.29%	2.90%	2.40%
Provision against NPA	91.64	160.15	208.71
NNPA	89.69	206.30	143.25
NNPA as % of Loan Book	0.64%	1.63%	0.98%
Provision towards Standard assets	392.62	404.42	567.90
PCR % - Specific provision	50.54%	43.70%	59.30%
PCR % - Overall provision	267.06%	154.06%	220.66%

We are subject to capital adequacy ratio ("**CAR**") requirements prescribed by RBI. We are currently required to maintain a minimum of 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we ordinarily maintain capital adequacy higher than statutorily prescribed CAR. As of March 31, 2023, our capital adequacy ratio computed on the basis of applicable RBI requirement was 20.38% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI.

Set forth below is our capital adequacy ratio for the last three Fiscals on a standalone basis:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Capital Adequacy Ratio	20.38%	23.85%	25.40%
Tier I Capital	12.85%	16.02%	17.51%
Tier II Capital	7.53%	7.83%	7.89%

Corporate Structure*



** Based on Equity shareholding as on March 31, 2023*

Our Strengths

We believe that the following are our key strengths:

Diversified product portfolio catering to a wide customer base

Our Company aims at promoting inclusive growth and with a wide variety of loan products including home loans, loans against property, gold loans, construction and real estate finance, capital market financing, MSME financing and micro finance, caters to all types of customers in the country – salaried, self-employed, informal sector, HNIs and corporates. We have a widespread network of branches spanning the length and breadth of the country which facilitates servicing a broad customer base while reducing dependency on a single or small number of regions. Our branch network also helps us adopt best practices developed in a region across all our branches. We provide multiple products from our branches thereby providing better accessibility to clients, reducing operating costs and improving total sales.

Strong asset quality with consistent low level of NPAs

The quality of our loan portfolio is reflected in the consistent low level of NPAs. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio. We have in place product specific lending policies, credit approval committees and regular monitoring of exposures. We routinely monitor credit risk, risk concentration and compliance with board approved policies. Credit monitoring for retail products is undertaken at portfolio level wherein risk assessment is undertaken on various parameters like demographics, sector, geography, etc. As part of the credit assessment, we analyze past financial information, applicant's business performance/earnings history to assess their ability to repay loans. In addition to document verification and credit bureau reports, we conduct site verifications, interviews, as well as market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. For institutional borrowers, additional assessment is undertaken on parameters of viability of business, credit history, and reputation and experience of the relevant promoters/founders/management of the organization. Additionally, as on March 31, 2023, 73.53% of our consolidated Loan Book is secured with adequate collaterals which helps mitigate risks further.

As on March 31, 2023, on a consolidated basis, our Net NPA constituted 1.08% of our loan book, as compared to 1.83% of our loan book as on March 31, 2022 and 0.97% of our loan book as on March 31, 2021. As on March 31, 2023, on a consolidated basis, our Gross NPA constituted 1.84% of our Loan Book, as compared to 3.15% of our Loan Book as on March 31, 2022 and 2.14% of our Loan Book as on March 31, 2021. Total provisions coverage ratio (including Stage 1 and Stage 2 provisions (as defined hereinafter) for Fiscal 2023 on a consolidated basis is 167.25%. Our specific provision coverage ratio is 41.25% of gross NPAs as on March 31, 2023.

Diversified funding sources and strong credit profile

Our funding requirements are currently predominantly sourced through term loans from banks, issue of secured and subordinated redeemable non-convertible debentures on public and private placement basis, refinance from all India financial institutions, securitization and direct assignment of our retail portfolio of loans with sufficient availability of working capital facilities from banks. We have access to funds from multiple classes of credit providers, including public sector banks, private commercial banks, other financial institutions, pension and provident funds, mutual funds, foreign institutional investors and domestic retail investors. Through our stable, long term relationships with our lenders, we have been able to borrow from a range of sources at competitive rates and have maintained adequate liquidity to meet our borrowing obligations and fund our growth, keeping a margin of safety.

In relation to our long-term debt instruments, we currently have long term ratings of AA (stable) from CRISIL, ICRA and CARE, and AA+ (negative) from Brickworks.

In relation to our short-term debt instruments, we currently have short term rating of A1+ from CRISIL and ICRA.

In relation to the corporate family and long-term foreign and local currency senior secured ratings to USD1 billion Medium Term Note (MTN) program, we have received a rating of B1 with Stable Outlook from Moody's.

Further, in relation to the long term issuer default rating and senior secured notes issued under USD 1 billion medium term note program we have received a rating of B+ (Stable) from Fitch Ratings.

Set forth below is our average cost of borrowing for the last three fiscal years on a consolidated basis:

Year	Fiscal 2023	Fiscal 2022	Fiscal 2021
Average cost of borrowing	8.75%	8.52%	9.00%

Well-defined processes with a strong focus on technology

We believe our well-defined business processes ensure efficient achievement of organisational tasks and in turn effective service to our customers. Our robust credit approval and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies, and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries.

Further, we have a strong focus on digitization across all organisational functions and believe technology is a business enabler for our Company. Our technology driven processes aid in product innovation, reduced turnaround times, cost optimization and superior customer experience thereby creating balanced scalable growth models. We are incrementally leveraging technology to streamline processes across the loan lifecycle including sourcing and on-boarding, underwriting, administration, monitoring and collection in order to further improve turnaround times, enhance the quality of service provided to customers as well as achieve a higher degree of productivity within the organization. We believe technology driven processes will facilitate us to respond to market opportunities and challenges swiftly, help monitor process and performance, and improve our risk management capabilities.

We believe that our end-to-end digitized processes, robust loan management system and strong analytics abilities offer us a significant competitive advantage. Our systems have the capability of end to end customer data capture, computation of income, margin monitoring, collateral data capture, and repayment management. Our loan approval is controlled by the loan application system. Our systems are customised for our services and help us reduce turnaround time and enhance our processes and operational excellence. Our systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Continuous enhancement of our technology capabilities allows us better informed decision making and faster execution along with strong internal control mechanisms.

We have completely digitized our business loans journey, right from customer on-boarding to underwriting, disbursements and collections. We are collaborating with the fintech ecosystem to further enhance our platform and customer experience. With these strong partnerships, we intend to co-create solutions for enhanced experience in SME lending. We have launched 'My Money' app for paperless instant unsecured business loans. We have also launched instant loan disbursal via WhatsApp. We have enabled digital top-up to retain quality customers in home loan and secured MSME loan, wherein the entire journey is paperless – communication for accepting sanction letter and e-agreement is sent to eligible customers sent *via* SMS. The disbursement is automatic with no manual intervention.

Strong physical and digital footprint

A strong physical as well as digital footprint is very important in our business, as it increases reach and access to customers. Physical presence is required in the gold and micro finance business whereas a digital identity provides wider access in the home, personal and MSME loan categories. We have steadily expanded our branches over time and have 4,267 branches as of March 31, 2023. Our widespread branch network enhances the brand equity and enriches customer experience. Our branch network is well spread across Tier I/II and Tier III cities across the country, effectively providing credit to the underserved segments of customers in these areas. Our microfinance branches are well entrenched in rural and semi-urban areas as well, effectively serving the relevant customer segment. In line with our strategy to achieve greater digitization in the organisation and considering the ever increasing penetration of internet and mobile services in the country, we also have in place advanced technology led systems for loan applications through our website and portable tablet based applications. This caters to the growing section of population which prefers or is incrementally relying on digital channels to access services. Our cross-country branch presence coupled with well-developed digital infrastructure gives us a widespread presence across channels and enables us to access and service a diverse customer base and their multiple credit requirements.

Well established brand along with a strong and experienced management team

'IIFL' is a well-established brand among retail, institutional and corporate clientele in India. We believe we have benefited extensively from the Promoters' experience in the financial services industry to develop deep understanding of the market and related opportunities, gauge customer expectations and design suitable products for our target customer base.

We derive synergies from our group companies and are able to leverage it for competitive advantage. IIFL Securities has a vast broker network and relationships with mutual funds, insurance companies etc which can be leveraged for cross sell of our loan products, cross sell insurance to our customers, and for raising funds. 360 One WAM Limited (formerly known as IIFL Wealth Management Limited) is one of the leading wealth management firms in the country and their large HNI customer base can be tapped for our bond placements, investments in real estate projects etc. Our company's wide branch network in turn offers reach and brand recognition, we are able to provide capital market funding to IIFL Securities clients and our vast customer base is a strong opportunity for cross sell of investment products and advisory services. All our group company transactions are strictly done on arms-length basis.

We are led by qualified and experienced Board of Directors and key managerial personnel. The Board comprises eight directors with significant experience in the banking and finance sector. The members of our executive management team also have significant experience in the products and services offered by us. We believe that our senior management and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses; and that their extensive relevant experience and financial acumen will continue to provide us with a distinct competitive advantage. Our management organization structure is designed to support each product line with a dedicated team of executives with substantial experience in their particular business segment.

Our Strategies

Our key strategy is to steadily grow high quality, diversified retail assets focusing on under-banked segments, with effective risk management and cost optimization through well-defined processes and leveraging technology. Key elements of our strategy are:

Address growing financial needs in under-served markets

With a significant portion of population still being outside the reach of the formal credit system, our Company believes in contributing to bridging the credit gap in the country. We aim to efficiently and effectively provide credit to the underserved segment of customers and our diversified offerings have been built on a sound understanding of customer needs. With our widespread branch network, retail focus and a product suite catering to all classes of customers, we aim to contribute to financial inclusion in the country.

Build capacity and grow customer base through retail focus and geographic expansion

We are focused on high growth, dispersed risk- retail lending. We have innovatively designed our product and distribution strategies to fulfil our clients' credit requirements. Our product portfolio caters to all segments of customers – salaried, self-employed, informal sector, HNIs and corporates. We seek to further increase our presence in retail segments including home loans, gold loans, MSME and micro financing with an aim to capitalize on the opportunity arising from underserved customer segments as well as provide scale and diversify the risk across industries and collaterals.

We intend to utilize our extensive branch network to access a larger customer base and plan to expand our network as relevant with the aim of achieving deeper penetration in existing products and regions as well as tap new, lucrative markets. While assessing a potential branch site, we analyse the local market and proximity to target customers with the objective of providing ease of access to customers as well as enhancing brand visibility for the Company. Our diversification and expansion strategy aims to adapt to a constantly changing digital milieu, and thereby seize growth opportunities whilst remaining cognizant to associated risks to our value chain.

Achieve superior performance with further strengthening our operating processes and risk management system

We are focused on building a process driven organization with a culture of compliance, audit and risk management. Operations excellence and risk management forms an integral part of our business. Our processes have been standardized with the objective of providing high levels of service quality and we have implemented high levels of digitization in our operational processes which contribute to faster turnaround times with lesser incidence and occurrence of errors.

Our risk management procedures are integrated seamlessly across our business operations and ensure constant measurement and monitoring of various risks we are subject to. The risk management model involves initial management control at business entity level, risk control and compliance oversight functions and overall independent audit and assurance functions. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

Continue to invest in digitization and technology which will reduce cost and improve efficiency

As retail lending needs a high degree of operational excellence and automation to reduce turnaround time, we have our own proprietary system for loan processing and booking. Our loan application system has been built in-house by leveraging the expertise of the business and technology teams. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our technological capabilities to support our growth and improve the quality of our services.

Ensure effective asset-liability management, diversify borrowing sources and strengthen our credit profile

The Company has in place Risk Management Committee and Asset Liability Management Committee ("**ALCO**"), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. Since our Company is a non-deposit taking NBFC and has a varied product mix of lending portfolio resulting into maturities of loans in different time buckets, efforts are made to match the maturity of liabilities with those of the assets and minimize the asset liability mismatch. We monitor liquidity risk through our ALCO Committee with the help of fortnightly and monthly liquidity and Asset Liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.

We secure funding from a variety of sources to meet our capital requirements. We believe that we have been able to access cost-effective debt financing and reduced our average cost of borrowings over the years due to several factors, including our financial performance and improving credit ratings. We will continue to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity and concentration risks. We believe we will continue to improve our credit ratings and thereby access a greater pool of diversified funding sources.

Details of transactions undertaken by our Company in the last three financial years

(₹ in crore)

Sr. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	No. of Accounts /Pool	0	299,960	572,218
2.	Total book value of loan assets	0	16,820.00	31,650.00
3.	Sale Consideration Received	0	16,820.00	31,650.00

Details of Assignment transactions undertaken by our Company in the last three financial years

(₹ in crore)

Sr. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	No. of Accounts /Pool	11,10,696	11,87,478	10,83,460
2.	Total book value of loan assets	10,063.15	8,706.63	6,080.79
3.	Sale Consideration Received	10,063.15	8,706.63	6,080.79

Capital Optimized Value Innovation Driven strategy

We are slowly transforming to a new business strategy- from a lending institution to a lending platform, which is capital optimized value innovation driven strategy. Banks have a strong capital base and risk appetite whereas we have access to customers and advanced niche underwriting skills. Working together will turn into a win-win approach wherein banks profitably expand their retail and priority loan assets and we are able to leverage our capital resources more effectively. We have entered into Co-lending agreements with banks for Gold loan, Home loan and secured MSME loan. We have already commenced disbursements under these tie-ups and are gaining good traction.

Several fintech players have also partnered with us to get access to lending platform for their innovative strategies to source and underwrite. Our Company has formed a joint venture with SME-focused neo-banking platform Open Financial Technologies to establish a neobank that would cater to micro and small businesses' banking and credit needs.

We are uniquely placed due to our vast branch network to source, service & collect, strong online presence and proprietary technology and large base of existing customers coupled with a culture of innovation.

Our Products and Services

We operate in the following lines of business: (i) home loan; (ii) loan against property; (iii) MSME financing (iv) gold loan; (v) micro finance; (vi) construction and real estate finance and (vii) capital market finance

Details of each product, originations, operations, underwriting policies and risk management are given below

Home Loans

Home loans include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes and for acquiring plots of land (which are intended to be used for construction of houses). Pricing of retail home loans is driven by the risk profile of the borrower, the product and market demand for the product. Loan applications are sourced through direct sourcing and other alternate channels. These loans are mortgage backed secured loans. Home loans are secured by equitable mortgage or a registered mortgage of the residential property, land, under construction residential/commercial properties and fully constructed properties, as applicable. As on March 31, 2023, our home loans accounted for 33.73% of the consolidated AUM with an average ticket size of ₹ 15.64 lakhs, portfolio yield of 10.9% and tenor ranging upto 20 years. Collection efficiency for the year ended March 31, 2023 stands at 99.60%.

Business origination

For our home loan business, we rely on multiple sourcing channels including our direct sales teams (DSTs), direct selling agents (DSAs), our website, walk-ins at our branches as well as cross-sell options. We have a stringent selection criterion for the recruitment of DSTs and a dedicated policy defining the norms to be complied with for empanelling a DSA.

Our target customers include salaried and self-employed individuals with low to middle range income levels. Self-employed individuals include both professionals and small business owners and salaried individuals hail from a broad spectrum of companies/firms across industries. We cater to the broad segment with a range of loans with suitable ticket-sizes.

Our loan on-boarding is majorly being done via portable mobile/tablet based applications which is provided to our sales teams/ DSTs. Our application is also embedded with basic credit appraisal checks for assessing proposals (up to pre-defined limits) using analytical scorecards (as per our internal policy) and applications are processed through the same. For proposals within acceptable scorecard criteria, an instant, in-principal approval is granted thereby reducing the turnaround time. For cases where additional details are necessary to be assessed, the DSA/ DSTs collect all requisite documents as per policy norms and submit to credit appraisal teams for assessment.

Credit policy and controls

For all our products, the credit policy is approved by the Board of Directors. The policy ensures multiple checks are conducted through the process. The appraisal model requires an independent credit appraisal process, which ensures superior quality of loans owing to multiple check points and standard processes.

We conduct digital underwriting for salaried and small ticket self-employed borrowers, which involves utilizing logical and rule- managers, in-built in the tablet application, to provide instant decision on eligibility of the prospective borrower. Loan proposals are evaluated on the various prescribed parameters defined in our credit policy such as past repayment history, income source, KYC and property acceptance norms.

Upon sourcing of a customer and obtaining their loan application, the loan officer submits all the requisite documents to the credit team for assessment. Our credit team consists of highly qualified professionals, experienced in various appraisal and due diligence processes. The credit underwriting is done as specified in the credit control policies and procedures manual, which includes the following:

- checking the eligibility based on defined credit parameters. If these parameters are met, then the case is logged in for further processing;
- performing various checks on the documents provided by the borrower to assess genuineness. These checks are done through an independent Fraud Control Unit;
- conducting in-person meetings and/or video PD with borrowers by our loan officers at their business premises or residence;
- conducting credit and financial background check on each borrower; and
- conducting legal and technical evaluation of the offered security. We have empanelled professionally qualified legal vendors and valuation agencies to carry out security evaluation for us. These vendors are supervised by our professionally qualified, independent legal and technical teams.

Risk management

The company has a dedicated risk management team which works to achieve the below mentioned objectives:

- to identify the various types of risks involved in the business;
- to define the methodology to measure/ quantify the risks;
- to control and mitigate the variety of risks involved in business;
- to specify the risk tolerance of the Company;

- to ensure regulatory and statutory compliance on risk management and prudential norms;
- to improve the asset quality of the Company by using risk management tools; and
- to maximize the return on equity with an acceptable level of risk, for the purpose of protecting, preserving and increasing the net worth of the Company.

Loan against propoerty

Loan against property (LAP) is availed for working capital requirements, business use, acquisition of new commercial property. These loans are mortgage backed secured loans. Pricing of the product is driven by risk profile of borrower and the type of property being funded along with current prevailing property market rates.

As of March 31, 2023, our loan against property segment accounted for 10.32% of our AUM on a consolidated basis with an average ticket size of ₹ 11.23 lakhs, portfolio yield of 17.9% and tenor ranging upto 12 years. Collection efficiency for the year ended March 31, 2023 stands at 99.3%.

Business origination

We source these loans through multiple channels like direct sales teams (DST), direct sales agents (DSA), website, walk-ins at our branches, and cross sell. Incrementally, most of our low-ticket loan originations are being done using our proprietary portable tablet-based application. Upon lead identification, our sales executives equipped with tablets visit and obtain requisite information including identity and address proof, business financials, bank statements and income tax returns. The application is entrenched with basic credit appraisal checks using analytical tools which analyses the basic data obtained from customer. Upon preliminary assessment of basic parameters, an instant in-principle approval for the loan application is granted. For cases where additional details are necessary to be assessed, the DSA/DSTs collect all requisite documents as per policy norms and submit to credit appraisal teams for assessment. Our on-field presence provides greater convenience to our customers and increases access to customers for the Company without incurring additional operational costs.

Credit policy and controls

For all our products, the credit policy is approved by the Board of Directors, senior management members, risk and audit committees.

We undertake digital underwriting for small ticket loan borrowers where logical policy checks and underwriting rule engines are in- built in the tablet-based loan application as well as in the Loan Processing System. In most cases the digital underwriting process is sufficient to assess eligibility of a prospective borrower and provide instant credit decision. For appraisal of applications of big-ticket customers, multiple document checks, financial and credit history and risk control checks are carried out and assessment is conducted/considered by various credit committees and at the board level, depending on the value of the transaction. Senior members of the credit teams are empowered at the local level to take credit decisions. Credit team members are authorized to underwrite and approve the cases depending on the value of the transaction and assigned approval authority.

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as past repayment history, income source, KYC and business profile. Credit underwriting is done as specified in the credit control policies and procedures manual.

The credit appraisal process is summarized as follows:

- Bureau Credit score is the gatekeeper for accepting a loan application. If score parameters defined in policy are met, then the case is logged in for further processing.
- Various checks are performed on the documents provided by the borrower to assess genuineness. These checks are done through an independent fraud control unit.
- Depending on the loan size, our loan officers either connect digitally or meet the borrowers at their business premises and carry out a personal discussion.
- A credit and financial background check on each borrower is mandatorily conducted.
- For collateralized loans, we conduct legal and technical evaluation of the offered security. We have empanelled professionally qualified legal vendors and valuation agencies to carry out security evaluation for us. These vendors are supervised by our professionally qualified, independent legal and technical teams.

In addition to the aforesaid, we have empanelled experienced and qualified vendors and agencies to carry out customer profile evaluation for us. These vendors are supervised by our independent credit and fraud control team.

Risk management

Our robust risk management procedures include monthly portfolio quality reports 'analysis and portfolio performance review TTD (Through-The-Door) population monitoring based these reports. We generate, analyse and review extensive MIS reports which are broken down by multiple segments (sourcing channels, salaried/ self- employed etc.) in order to better understand each segment we are active in, logically analyse performance trends and mitigate potential/perceived risks in the portfolio by way of modification in credit policy or other measures as relevant.

MSME Financing

In the micro, small and medium and enterprise financing segment (MSME), we provide working capital finance to small business owners. We provide small ticket loans, thereby being able to meet the needs of small scale businesses including standalone shops etc. This product helps facilitate customers having little or no access to banking channels, for loans, capital essential to keep their business running, and provides support to the plethora of micro and small-scale enterprises that are crucial to India's economy. We use a combination of online direct sourcing channels, direct sales force, digital partners and direct selling agents for our sourcing. The pricing is driven by the risk profile of the borrower, the product and the market demand.

As of March 31, 2023, our MSME financing segment accounted for 3.89% of our AUM on a consolidated basis with an average ticket size of ₹0.62 lakhs, portfolio yield of 23.3% and tenor ranging upto 5 years. Collection efficiency for the year ended March 31, 2023 stands at 92.35%.

Business Origination

Business loan facilities are extended to entities with profitable business operations for certain pre-defined period as a mandatory criterion.

We source these loans through multiple channels like Web/Mobile app, Whatsapp, digital partners, direct sales teams (DST), direct sales agents (DSA), walk-ins at our branches, and cross sell. For most of our low-ticket loans, originations are being done using our proprietary web/mobile/whatsapp loan platform. Though this platform, loans are sourced and disbursed end to end digitally. The user can enter key details including identity and address proof, business financials, bank statements and income tax returns which are then used to fetch all necessary documents from authentic sources. The authenticated documents are then fed into the underwriting rule engine to provide a soft sanction to the applicant. Upon preliminary assessment of basic parameters, an instant in-principle approval for the loan application is granted. For cases where additional details are necessary to be assessed, the DSA/DSTs collect all requisite documents as per policy norms and submit to central credit appraisal teams for assessment.

Credit policy and controls

For all our products, the credit policy is approved by the Board of Directors, senior management members, risk and audit committees.

We undertake digital underwriting for small ticket loan borrowers where logical policy checks and underwriting rule engines are in- built in the tablet-based loan application as well as in the Loan Processing System. In most cases the digital underwriting process is sufficient to assess eligibility of a prospective borrower and provide instant credit decision. For appraisal of applications of big-ticket customers, multiple document checks, financial and credit history and risk control checks are carried out and assessment is conducted/considered by various credit committees and at the board level, depending on the value of the transaction. Senior members of the credit teams are empowered at the local level to take credit decisions. Credit team members are authorized to underwrite and approve the cases depending on the value of the transaction and assigned approval authority.

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as past repayment history, income source, KYC and business profile. Credit underwriting is done as specified in the credit control policies and procedures manual.

The credit appraisal process is summarized as follows:

- Bureau Credit score is the gatekeeper for accepting a loan application. If score parameters defined in policy are met, then the case is logged in for further processing.
- Various checks are performed on the documents provided by the borrower to assess genuineness. These checks are done through an independent fraud control unit.
- Depending on the loan size, our loan officers either connect digitally or meet the borrowers at their business premises and carry out a personal discussion.
- A credit and financial background check on each borrower is mandatorily conducted.
- For collateralized loans, we conduct legal and technical evaluation of the offered security. We have empanelled professionally qualified legal vendors and valuation agencies to carry out security evaluation for us. These vendors are supervised by our professionally qualified, independent legal and technical teams.

In addition to the aforesaid, we have empanelled experienced and qualified vendors and agencies to carry out customer profile evaluation for us. These vendors are supervised by our independent credit and fraud control team.

Risk Management

Our robust risk management procedures include monthly portfolio quality reports 'analysis and portfolio performance review TTD (Through-The-Door) population monitoring based these reports. We generate, analyse and review extensive MIS reports which are broken down by multiple segments (sourcing channels, salaried/ self- employed etc.) in order to better understand each segment we are active in, logically analyse performance trends and mitigate potential/perceived risks in the portfolio by way of modification in credit policy or other measures as relevant.

Gold loans

We offer loan against gold to small businessmen, vendors, traders, farmers and salaried people for their personal needs as well as for working capital needs, at competitive rates and a fast turnaround time. We provide a range of schemes for our customers' diverse requirements along with multiple disbursal modes and repayment options for convenience of transacting.

As at March 31, 2023, gold loans accounted for 32.08% of the consolidated AUM with an average ticket size of ₹ 0.70 lakhs portfolio yield of 17.5% and tenor upto 2 years. Collection efficiency for the year ended March 31, 2023 stands at 107.2%.

Business origination

We source clients directly at our branches which are conveniently spread across the country to grant ease of access to our diverse customer base, along with sourcing through our website, other online channels, customer referrals, DSA and partners. Our sales staff periodically conduct promotional activities and events around the catchment areas to drive visibility and generate leads. The campaigns create awareness on the various schemes on offer and contribute to brand recall. The fulfilment of all gold loan leads sourced are through branches or at customer doorstep.

Once a prospective customer walks into any of our gold branch, the customer care executive in the branch explains the various product schemes on offer and helps in identification of best scheme for the customer based on the current requirement. In case of doorstep service, loan manager explains the scheme on offer based on customer requirement. Upon selection of a suitable scheme by the customer, the customer care executive enters client details and uploads mandatory KYC documents into our in-house loan origination tablet application. This application is equipped to screen customers for earlier defaults, frauds and presence in negative customer list as circulated by concerned regulatory and government bodies from time to time.

Credit policy and controls

Post successful authentication of the mandatory documents, the customer proceeds for valuation where the physical gold is valued independently by an experienced team of valuers. Dual underwriting helps in enhancing controls further. We follow a strong verification process and our officers are certified and trained in asset quality practices. The pricing is driven by the risk profile of the borrower, the product and the market demand.

Our branch staff are trained to observe and/or handle fraudulent customers by observing their behaviour, verifying ownership of the gold and matching the jewellery with customer profile or location. For some of high ticket loans, a secondary evaluation may be required to be conducted by an independent internal auditor. After our branch staff have opened and verified the loan account, the loan is sanctioned/approved by the appropriate authorities. The disbursal is processed post completion of mandatory checks as per our credit policy.

Risk management

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. The gold ornaments pledged with us are kept in a tamper proof packet with its details mentioned on the packet and then placed into a fire and burglary proof vault. The branch is also under centralised electronic surveillance at all times.

We follow mark-to-market process for valuation of the underlying collateral. In the event of drop in gold prices, collection is initiated from the customer to cover the margin. IIFL reserves the right to sell the collateral in the event of fall in prices below prescribed threshold.

Majority of our loans go through an audit process at a transaction level where, apart from a valuation done by independent valuers at the time of loan disbursement, an experienced and trained audit executive re-appraises the pledged jewels to ensure the purity of the gold is the same as mentioned. Basis risk based sampling criteria, gold loan cases are audited by our audit executives, customers' KYC and financing documents are also checked and scrutinised by offsite auditors and additionally, fraud triggers in place are well defined and identify early warning alarms of unusual behaviour and suspicious customers.

Micro finance

In the microfinance segment, we offer credit support to women who have either limited or no access to formal banking channels. We provide financial services to the economically weaker sections of society with an aim to bring microfinance services to the doorstep of the rural and semi-urban BoP (Bottom of Pyramid) families in India. Loans are offered under various categories such as income generation, education, emergency etc. We follow the Grameen Model (also regarded as "JLG" or Joint Liability Group). Through the model, loan is disbursed to each individual in the group, and the group guarantees for each other's loans.

As of March 31, 2023, the segment accounted for 15.14% of our AUM on a consolidated basis with an average ticket size of ₹ 0.31 lakhs, portfolio yield of 23.8% and tenor upto 2 years. Collection efficiency for the year ended March 31, 2023 stands at 96.3%.

Business origination

Before establishing any branch, a detailed area survey is conducted at field level which takes into account the credit culture, economic activity, political stability law and order situation, occurrence of natural events, demographic detail etc. Based on the area survey reports assessment, an approval will be signed off jointly by risk and business team centrally, thereby the Company is able to minimise the risk of operating in high risk areas.

A customer relationship officer is responsible for customer acquisition and maintenance while a branch manager and credit manager scrutinize and validate KYC documents. We have a dedicated credit manager at every branch, who carries out all the pre-disbursement checks in addition to that done by the branch manager, which helps in establishing the veracity of application documents. The loan application is processed only after the branch manager approves the customer upon physical verification of customer's address and documents provided.

Credit policy and controls

We require each member seeking a loan from us to submit an application in the centre meeting that is managed by our customer relationship officers. Once complete, a new loan application is only accepted at a group meeting if the majority of members in a group are present. Once we have accepted the loan application, we review the information provided by the member on items such as the purpose of the loan, the amount, and the relevant expertise of the member in the business, as well as the experience, if any. We also review the previous loan of customers with us as well as other lenders through the credit bureau reports.

A credit check is done mandatorily for all customers through an automated system integrated with the credit bureau. Apart from this, certain parameters are analysed to verify the customer's credit-worthiness and also to ensure they are not overburdened.

We approve new loans based on internal credit approval process and reports from credit bureau.

This approval process comprises of the following steps:

- credit bureau checks;
- consent from the centre/group members;
- customer understanding on company process and policy;
- customer agreement for joint liability conditions; and
- approval of loan application by the branch manager and scrutinising of the customer documents by branch credit manager.

Most of the application and approval mechanism is controlled through the technology so that policy and regulatory aspects are adhered. In addition to this, we do have a maker checker concept at the branch to reduce the errors and to ensure proper control over the laid down process and policies.

Risk management

The initial focus of our loan portfolio management efforts is on our customer relationship officers, who are given primary responsibility for both the issuance of loans and the collection of repayments from our borrowers. They also regularly conduct checks or reviews of our borrowers and the end use of loans.

We regularly monitor defaults in the field and get in touch with the field teams to conduct prompt follow up. Central teams also report the observations to the management and seek guidance for further action to improve collections. In addition, we have an internal audit team, which reports on the exceptions in operational, system and other processes.

We have in place a dedicated risk management team to analyze and identify the risks associated with each line of business and suggest suitable policy and process changes to reduce the identified risks. The identified risks are reported & reviewed in the Product risk management committee on a regular basis and the risks associated with the enterprise as a whole are reported on a quarterly basis through Risk Management Committee to the Board for review.

Code of conduct and Fair Practices Policy as stipulated by the regulator has been adopted and the same is communicated to the field team so as to address any potential reputational risks. A dedicated vigilance team has been constituted which conducts regular screening of branch centers, and customers to identify frauds at an early stage and also to suggest suitable recommendations to prevent frauds.

Construction and Real Estate finance

Construction and Real Estate finance includes loans to developers for construction and development of predominantly affordable residential projects and a small proportion of mixed-use projects. In line with our broader retail strategy, the construction finance vertical is an enabler for providing retail loans under the approved project route, the Company has tie-ups with developers for funding the property buyers under the retail home loan category.

As at March 31, 2023, our construction and real estate finance accounted for 4.17% of the consolidated AUM with an average ticket size of ₹ 15.52 crore, portfolio yield of 15.2% and tenor upto 5years or till completion of project sales or to a maximum of 6 months after the legal completion date, whichever is earlier. During the Fiscal 2022 a significant part of the CRE asset portfolio has been sold to an AIF.

Business origination

In the real estate financing business, we endeavour to enter into and maintain a relationship with the client, understanding their business requirement and structuring appropriate mix of construction finance option to the developer. In order to determine demand and supply in a market, we conduct surveys, either directly or through external vendors. We lend largely to residential projects and developers that are not subject to any concentration risks. We have also formulated a prudent lending criteria for borrowers in this segment.

Our sales teams meet with clients for deal origination and receive preliminary information. A name clearance memorandum is generated for the credit committee of the Board and post the committee’s deliberation, the borrower may be considered for a loan. Our team then proceeds to collect requisite information and documentation from the prospective customer, prepares a proposal with case details for relevant authorities to review and logs the case into our loan management system for further processing.

Credit policy and controls

The loan application submitted by the sales team is checked for various parameters including the completeness of the application form, relevant KYC documents, etc. A legal and technical assessment by reputed external vendors is initiated to verify the authenticity of the documents, the legal title to the collateral property and its market value. Our credit team also conducts in-person meeting with the prospective customer to gain understanding of their business, revenue streams, expenses and cash management. The credit team then prepares a credit appraisal note which is sent to our sanctioning authority for final approval.

We follow a strict underwriting and risk assessment mechanism for our real estate loan cases, which include the following:

- *Borrower group and promoter profile check*: wherein we check the developers' past and ongoing project details, financial and banking details, debt history and other outstanding loans etc.

- *Project assessment/overview*: wherein, in case of a developed/partially developed project, we check the location, total saleable area, number of units available for sale and the market conditions in the geographic region for assessing demand etc; and in case of a new/under construction project, we check the committed commencement and completion dates, percentage of work done, total cost incurred and projections for the planned duration of the project.

- *Financial performance appraisal*: which involves an in-depth assessment of the financial statements and health of the developer using ratio analysis, sensitivity analysis, credit worthiness assessments and total project cost and expected sales assessments.

- *Collateral/security evaluation by external agencies*: which involves assessment of the external valuation report along with various approvals received by the developer for the project, and the title search report.

- *Cash flow and sensitivity analysis*: wherein cash flows of the project are analysed on the rationale of sales, construction, approvals, contingencies and debt cost assumptions. A sensitivity check is performed to ascertain the project level debt service coverage ratio.

- *Completion of requisite documentation*: Prescribed financing documents and KYC documents are obtained and included in the loan application file.

Risk management

Our construction and real estate loan application proposals are screened by the senior management and a multi-level committee depending on the loan amount. We seek to mitigate the risk of default by including specific covenants in the financing documentation in addition to our general terms and conditions, on a case-to-case basis.

Our risk management system involves monitoring projects and assessing the facility on a regular basis. Strict project monitoring process post disbursement is followed which includes a quarterly site visit by the technical manager to evaluate technical progress of the project, monitoring of fund transfers, NOC issuances and sales, audit of escrow account, and annual asset quality review. Performance of the portfolio is also regularly reviewed at senior management level and suitable actions are taken either by change in credit policy or by other requisite actions.

Capital Market finance

Our capital market finance products are short term loans secured by pledge of listed equity shares, vested ESOPs, equity and debt mutual fund units, structured notes, bonds, debentures and collateral as approved by the credit policy ("**Approved Securities**"). In case of IPO financing, margins are dependent on over subscription of the issue.

As at March 31, 2023, our capital market finance accounted for 0.68% of our AUM on a consolidated basis with an average ticket size of ₹ 1.65 crore, portfolio yield of 12.5% and tenor upto 2 years. Capital market finance includes loan against shares, mutual fund units, debentures etc., margin funding, IPO financing and ESOP financing.

Business origination

In our loan against security product we offer an opportunity to borrowers generally HNIs, corporates, private trusts, HUFs, limited liability partnership firms etc. to monetise their investments (listed equity shares, mutual fund units, structured notes, bonds, debentures etc.) in order to raise capital for their personal, investments, or business financing needs. The shares or securities are generally very liquid, from high quality companies, and highly valued securities. The amount depends on valuation of the shares, margin allowed by the company, and client's past credit history.

The origination/sourcing team is our group wealth and broking entities which directly meets with clients for deal origination and receives preliminary information

Credit policy and controls

A proper due diligence is conducted on the profile of the borrower and collateral offered for the loan, keeping in mind the concentration risk involved against the funding of the particular security at borrower level as well as entity level. The eligibility criteria for loan are very stringent with regards to borrower profile and nature of the security. The proposals are presented to the credit committee who decides on the final eligibility of a particular client before sanctioning the loan.

Upon sourcing a customer and obtaining a loan application along with the relevant documentation, the relationship officers fill in the case details on the online loan management portal or in hard copy format and hand over the documents and credit appraisal note to a credit officer. Thereafter, credit bureau checks and other relevant checks like watchout investor, google search, SEBI search etc. are conducted to identify any fraudulent activity at an early stage by our credit team. A credit bureau report is then generated where the credit score of the applicant is reviewed along with a track record of loan repayments, where relevant.

The loan application is checked by our internal audit team for various parameters including the completeness of the application form, relevant KYC documents, and income proofs, where applicable. Upon the receipt of security documents, which are to be used as collateral, the disbursement officer initiates a legal and technical assessment, to verify the authenticity of the collateral, the legal title to the collateral and its market value. A personal discussion is conducted by our credit managers over the telephone as well as through in-person meetings at the customer's house or place of business to understand their business, revenue streams, expenses etc., and based on income validations, determine their loan eligibility.

The credit risk team sends documents to the credit committee or sanctioning authority for final approval. We use a risk based pricing matrix to determine the interest rate to be charged for different loans. We seek to mitigate the risk of default by including specific covenants in the financing documentation in addition to our general terms and conditions, on a case-by-case basis.

We have implemented a robust process of credit assessment comprising:

- *Underwriting*: We have a credit team comprising credit managers and disbursement officers who conduct an independent verification of customers, evaluate their securities, and analyse their ability to repay loans;

- *Legal assessments*: We conduct legal assessments through our in-house team of lawyers and by engaging external vendors who help us perform functions such as the verification of documents and title to securities;

- *Technical assessments*: We conduct technical assessments through our in-house team of internal audit and by engaging external vendors who help us perform functions such as conducting valuation of collateral and the periodical review of overall portfolio; and

- *Risk Control Unit*: Our risk containment unit conducts credit bureau checks, security checks, scrutinizes documents, visits certain customers and seeks to identify fraud at early stages. They also conduct risk assessment of the portfolio on daily basis to maintain a healthy portfolio within the regulatory purview. Daily mark to mark valuation of securities is performed by the risk team so as to track portfolio quality and take necessary corrective action.

Risk management

A robust risk management process is conducted on a daily basis on the overall portfolio to maintain the portfolio quality.

The prices of the securities are updated daily on the basis of end of day price file received from the stock exchanges. On volatile days price files are uploaded on a real-time basis. The clients are then intimated of the margin shortfalls by business teams via phones/emails/letters. The collateral in the loan management system is reconciled with the securities lying with the depositories on a daily basis through an automated process by the operations team. Margins on each of the loans are monitored on regular basis and further margin is called for as and when the need arises. This helps us to maintain comfortable margins and enables us to mitigate risks against potential defaults. Margin calls are sent to clients on a daily basis and in case of a shortfall when the client is unable to maintain the margin, the loan value is realised through the sale of the securities at the earliest. Our centralized risk management system helps us monitor our client's credit exposure on a real time basis, enabling us to make margin calls on a dynamic basis and take suitable action in volatile markets.

Operational controls

We have well defined policies and procedures that help maintain operational control across the lifecycle of the loan. The function is independent and centralized and among other tasks, majorly checks loan cases for adherence to policy parameters. For every loan proposal, disbursals are approved by the front-end operations after conducting proper non-discrepancy checks.

Collections and monitoring

We have developed a comprehensive collection mechanism leveraging both technology and on-field strength. Our collection mechanism strategy is centred on four important pillars comprising centralized tele-calling centres, on- field collection agents, NPA collection teams and legal recovery teams.

At the time of loan disbursement, customers are provided with various payment options like automated clearance house, cheque, ECS and digital mode (Quick Pay and Virtual Account). Prior to monthly EMI due-date, customers are reminded of their dues either in form of voice-blasts or SMS reminders. Customers are also sensitized about the implication of default on their credit history and bureau score.

For customers defaulting on payments, collection visits are carried out by our field agents to collect instalments in various methods. Our field agents have the responsibility for a specified number of borrowers, depending on the volume, past collection performance and business performance in the region. Additional measures are undertaken in order to balance customer accounts and effectively manage performance on periodic basis. We ensure that there is continuous monitoring of all customer accounts by collection agents, especially for strategic high-ticket cases and adopt various collection strategies (including legal and settlement) on a case-to-case basis.

Considering our business caters to diverse clientele, our company has a separate in-house collection mechanism for various products depending upon product characteristics, business origination type and legal recovery options. For a customer defaulting on payments, reasons for default are identified and prompt actions are initiated pursuant to well-defined internal collection policy. For secured loans with customers' default, our company may initiate the process for repossessing collateral. In spite of regular reminders with strong efforts of collection teams, if the customer continues to default over a period of time, and in cases where there is suspicion on customer's intent to service the loan, legal action is initiated. A dedicated team is in place for review of high delinquent geographic locations or resolution of certain strategic cases. Additionally, an experienced legal team having extensive experience in various legal recovery mechanisms has been established for supporting the collections teams. We have an independent risk department responsible for monitoring portfolio performance region, product and channel wise.

Branch Network

As on March 31, 2023, our Company had 4,267 branches across India.

Our Credit Ratings

Our current credit ratings for our Company are set forth below:

Credit Ratings for IIFL Finance Limited:

Credit Rating Agency	Instruments	Ratings
CRISIL	Long Term Bank Lines	CRISIL AA/Stable
	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAr/Stable

Credit Rating Agency	Instruments	Ratings
	Subordinated Debt	CRISIL AA/Stable
	Non-Convertible Debentures	CRISIL AA/Stable
	Commercial Paper Programme (IPO Financing)	CRISIL A1+
ICRA	Long-term Bank Lines	[ICRA] AA (Stable)
	Secured NCD Programme	[ICRA] AA (Stable)
	Subordinated Debt Programme	[ICRA] AA (Stable))
	Unsecured NCD Programme	[ICRA] AA (Stable))
	Long-term Principal Protected Equity Linked Debenture Programme	PP-MLD[ICRA]AA (Stable)
	Long-term Principal Protected Market Linked Debenture Programme	PP-MLD[ICRA]AA ((Stable)
	Commercial Paper Programme	[ICRA]A1+
	Commercial Paper Programme (IPO Financing)	[ICRA]A1+
CARE	Long Term Bank Lines	CARE AA (Stable)
	Non-convertible Debenture	CARE AA (Stable)
	Subordinated Debt	CARE AA (Stable)
Brickworks	Secured NCDs	BWR AA+ 'Negative'
	Unsecured Subordinated NCDs	BWR AA+ 'Negative'
Moody's	Corporate family rating (CFR)	B1 / Stable Outlook
	Long-term foreign- and local-currency senior secured ratings to USD1 billion Medium Term Note (MTN) program.	B1 / Stable Outlook
Fitch	Long-Term Issuer Default Rating (IDR)	B+ / Stable
	Senior secured notes issued under USD1 billion Medium Term Note (MTN) Program	B+ / Stable

Our Subsidiaries

Listed below are major subsidiaries of our Company, for more details about the subsidiaries of our Company, please see "*History and Main Objects*" on page 144 of this Tranche II Prospectus.

i. IIFL Home Finance Limited

IIFL Home Finance Limited ("**IIHFL**") is a subsidiary of the IIFL Finance Limited. IIHFL is registered with the National Housing Bank ("**NHB**") vide registration no. 09.0175.18 dated September 14, 2018. As on March 31, 2023, IIFL Finance Limited holds 79.59% of the paid up share capital of IIHFL. IIHFL holds Certificate of Registration (not valid for acceptance of public deposits) from the NHB dated September 14, 2018 to carry on the business of a housing finance institution.

IIHFL caters to a vast segment of retail and corporate customers through its loan offering – this includes both home loans and loans against property and construction finance. IIHFL has a significant competitive advantage of the parent Company, which provides managerial, financial and operational support. IIHFL has access to the pan India branch and distribution network of the Company, and it leverages the same.

IIHFL uses its own proprietary loan software for loan originations and repayment management. The system offers greater control and flexibility over other available systems in the market since changes regarding the loan offering, policy parameters etc. can be implemented on real time basis.

(₹ in crore)

AUM	March 31, 2023	March 31, 2022	March 31, 2021
Home Loan	21,800.37	17,727.04	14,439.24
Loan against Property	5,904.59	5,346.13	5,381.15
Construction Finance	806.98	544.20	873.30
Total	**28,511.94**	**23,617.37**	**20,693.69**

Key financial numbers of IIHFL for last three financial years

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	2,731.16	2,221.44	2,067.75
Total Comprehensive Income	802.00	597.88	398.12

ii. IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)

Samasta is a subsidiary of our Company and is registered with the Reserve Bank of India. As on March 31, 2023, the Company holds 99.51% of the paid up share capital of Samasta. Samasta holds Certificate of Registration (not valid for acceptance of public deposits) from the RBI dated May 17, 2011 to carry on the business of microfinance. Samasta began operations as an MFI in March 2008 with an aim to provide financial services to the financially weaker sections in the country.

(₹ in crore)

AUM	March 31, 2023	March 31, 2022	March 31, 2021
Microfinance loan	9,785.63	6,154.64	4,737.57
Loan against Property	766.61	329.20	58.01
Total	**10,552.24**	**6,483.24**	**4,795.57**

Key financial numbers of Samasta for last three financial years

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	1,753.51	1,019.93	702.20
Total Comprehensive Income	127.87	49.77	66.39

iii. IIHFL Sales Limited ("IIHFL Sales")

IIHFL Sales Limited is a wholly owned subsidiary of IIFL Home Finance Limited and, as on March 31, 2023 our Company holds 79.59% in IIFL Home Finance Limited. IIHFL Sales was incorporated on September 28, 2021. The company primary activity involves sourcing of loans for IIFL Home Finance Ltd, for which it receives commission. The company also receives management fees against certain marketing support and other support functions.

Key financial numbers of IIHFL Sales for last three financial years

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	47.28	7.50	NA
Total Comprehensive Income	11.26	2.79	NA

iv. IIFL Open Fintech Private Limited

IIFL Open Fintech Private Limited was incorporated under the provisions of the Companies Act, 2013 bearing CIN U72900MH2022PTC382767 on May 17, 2022 issued by the Registrar of Companies, Maharashtra, Mumbai and as on March 31, 2023 our Company holds 51.02% in IIFL Open Fintech Private Limited. IIFL Open Fintech Private Limited is primarily engaged in offering neo-banking services to consumers and micro enterprises and retail customers including lending, investment, and wealth management services to certain target groups. As on March 31, 2023, the Company holds 51.02% of the paid up share capital of IIFL Open Fintech Private Limited.

Key financial numbers of IIFL Open Fintech Private Limited for last three financial years:

Particulars	March 31, 2023
Total Income	5.77
Total Comprehensive Income	3.68

Provisioning norms

The Company recognizes loss allowances using expected credit loss ("**ECL**") model. Primarily, ECL accounts for credit losses in future based on observed portfolio behaviour. ECL Credit losses can be considered as difference observed between contractual future cash inflows and expected cash inflows. ECL accounts for two major characteristics: current behaviour of a financial instrument and observed portfolio losses in the portfolio over a period of time considering the time value of money and has following important parameters:

Exposure at default – Estimate of contractual cash inflows in future as on reporting date

Probability of default – Indicator of likelihood of default of financial instrument for a time period

Loss given default – Indicator of normalised loss incurred post default of financial instrument

Stage 1 includes financial instruments that have low credit risk as on the reporting date. For such assets, 12-month expected credit losses are computed on the exposure and interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events within 12 months since reporting date. It is a measure of likelihood of low credit risk portfolio transitioning to high credit risk (and losses post its transition) in next 12 months (“**Stage 1**”).

Stage 2 includes financial instruments that have higher credit risk than Stage 1 but with no objective impairment evidence. For such assets, lifetime expected credit losses are computed on the exposure yet interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events over the balanced loan tenure (“**Stage 2**”).

Stage 3 includes financial assets that have high credit risk and are considered default as per regulatory norms at the reporting date. For these assets, losses are computed based on empirical data and interest revenue is not accrued (“**Stage 3**”).

Further, additional provisions are provided for certain weak accounts.

Sales and Marketing

Marketing activities for our Company are managed by our marketing and corporate communications department. Through in-house teams, external creative agencies and execution partners, the marketing department conducts various activities ranging from brand awareness, product awareness, creative development, lead generation activities and enhancing customer experience, with a focus on aligning product communication to create an economic, social and environmental impact and an overall aim to make our brand ‘IIFL’ the brand of choice for its customers. The above activities are implemented through various modes such as broadcast media (TV, print, radio), digital assets (website, social media platforms), digital advertising, out-of-home media and on-ground activities.

Risk and Asset-Liability Management

Risk management is a key element of our business strategy and is integrated seamlessly across all of its business operations. The objective of the Company’s risk management process is to manage the risk-return equation and ensure meticulous compliance to all extant laws, rules, and regulations applicable for its business. We take a holistic view of risk management and undertakes an enterprise-wide risk management approach under the Enterprise Risk Management (“**ERM**”) framework.

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 the Audit Committee, the Asset Liability Committee and the Risk Management Committee. We adopt a ‘three lines-of-defence’ model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/assurance function. In order to maintain financial soundness of the company, it seeks to promote a strong risk culture throughout the organization. All major risk classes viz credit risk, market risk, operational risk, fraud risk, liquidity risk, business risk and reputational risk are managed via well-defined risk management processes.

Risk	Risk Response Strategies
Credit, liquidity and finance risk	Our Company has separate multi-level credit and investment committee, consisting of Directors of the Board/head of the departments, to consider medium to large credit proposals. However, smaller proposals are decided at appropriate level as per the approval matrix. The Company has in place a risk management committee and asset liability management committee (ALCO), consisting of directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. The committee reviews the risk management processes, covering credit and underwriting controls, operations, technology and compliance risks. Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate price, or of appropriate tenure, to meet our business requirements. This risk is minimised through flexibility in funding mix by way of sourcing the funds through money markets,

Risk	Risk Response Strategies
	debt markets and banks to meet its business and liquidity requirements. Also Priority sector qualified assets available for securitization gives ontap liquidity comfort to the company. We monitor liquidity risk through our ALCO Committee with the help of fortnightly and monthly liquidity and asset liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.
Technology Risk	Our management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc. We have put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting. • Robust Business Continuity Framework including Business Continuity Plan (BCP) is in place. BCP Plan is regularly being tested in form of periodic BCP drills from alternate working sites with report submissions to Top Management and Board by Business Continuity Crisis Management Team (BCCMT) and Quick Response Team (QRT). We successfully completed the ISO 27001:2013 annual re-certification in January 2023. During the year, many processes are automated to reduce the risk of manual error and frauds.
Compliance Risk	We have implemented business-specific compliance manuals, limit monitoring systems and AML/KYC policies. The compliance requirements across various service points have been communicated comprehensively to all through compliance manuals and circulars. To ensure complete involvement in the compliance process, reporting processes have been instituted by heads of all businesses/zones/area offices and departments, through submission of quarterly compliance reports. The compilations of these reports are reviewed by the Audit Committee/Board and are also submitted to regulatory authorities, periodically. Besides, the internal auditors verify the compliances as part of their audit process.
Operational risk management	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and controls or from external events (as defined by Basel Committee on Banking Supervision). Independent operational risk management team reporting to the risk head is in place which is responsible for coordinating all the operational risk activities including building an understanding of the risk profile, implementing tools related to operational risk management, branch operations, cash handling, customer lifecycle management, etc., and working towards the goals of improved controls and lower risk.
Credit risk management	Credit Risk is a measure of loss arising due to failure of borrower to meet the contractual obligation of repayment as per agreement. Our Company has defined processes for identification, ongoing assessment and mitigation of credit risk for various products on regular basis. Our Company routinely monitors credit risk including asset impairment risks and ensures compliance within the board approved policies and risk limits. Additionally, we monitor risk concentrations based on various characteristics. Portfolio reviews are undertaken on monthly basis highlighting behaviour of products on various financial and non-financial parameters. Our Company’s credit concentration monitoring is undertaken on continual basis. Our Company has board-approved policy capping credit concentration to entities. This is effectively undertaken to ensure avoidance of default of large exposures affecting our Company’s financial performance.
Fraud Risk Management	Our Company has a comprehensive Fraud Risk Management framework in place with an independent Fraud Control Unit (FCU) team responsible for fraud prevention, fraud detection and fraud investigations supported by offsite Audit team, internal audit function, outsourced verification vendors and fraud analytics.

Internal Controls

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operation. The Internal Audit team monitors and evaluates the efficacy and adequacy of Internal Control systems in the Company, its compliance with operating systems and accounting procedures. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions and implementation thereof are presented to the Audit Committee of the Board. Status of resolution tracking as well as pending issues is reported to senior management and audit committee of the Board on a regular basis as an 'Action Taken Report'.

Human Resources

Our human resource management systems and processes are future ready and go hand-in-hand with the demands of the business and environment. We have got a scalable talent acquisition system which seamlessly interacts with business and stakeholders to hire and onboard talent. Training and development which is central to our people development theme has the right mix of classroom, online, MDP trainings and certification courses.

We have been taking employee feedback through our annual pulse survey, which enables us to constantly recalibrate our policies and initiatives and improve on areas, based on the feedback. As of March 31, 2023, the Company (along with its subsidiaries) has a strong workforce of 33,910 employees on a consolidated basis.

Corporate Social Responsibility

On the social front, IIFL Foundation (the CSR arm of the IIFL group) has undertaken many initiatives for community welfare, with a special focus on five for development i.e. health, education & environment, livelihood and poverty alleviation. While designing the CSR programmes, a major emphasis has been given to grant opportunities and building the skills of women through our initiatives, especially those from marginalised and vulnerable communities. The programmes contribute to the sustainable development goals by working to promote gender equality, reduced inequalities, no poverty, quality education and good health and wellbeing.

IIFL Foundation's Sakhiyon ki Baadi programme, is a flagship initiative aimed at eradicating illiteracy among females in Rajasthan through 560 learning centres, by engaging with 16,800 girls who are out-of-school. The programme empowers girls to acquire foundational literacy and also facilitates their admission at schools. The programme is spread across 13 districts of Rajasthan and has also facilitated skill development and livelihood to 560 women from native communities. IIFL Foundation has also extended its support to promote academic Learning of Teachers and Students at Government schools in Jodhpur, Bikaner & Jaipur. The foundation has also supported digitization in learning at some Government Schools, at Rajasthan, by developing smart classrooms. IIFL Foundation is setting up English labs at two of the Government Schools to improve the learning outcome of students in the English language. An initiative for improving learning and mental well-being outcomes for young children and caregivers through community radio in Jhunjhunu district of Rajasthan. the foundation also promotes infrastructural development by means of construction of science laboratory, assembly hall, computer lab and sanitation facility at government schools.

IIFL foundation has developed 'Emergency Services' at Maharana Bhupal Govt. Hospital, Udaipur, Rajasthan., by setting up Operation Theatres, ICU and OPD, Medical equipment at Orthopaedic ward. The Foundation helps to conduct Annual Medical Camp in Uttar, offering free of cost cataract surgeries, eye & dental check-up, dental surgeries and procedures, to marginalised and vulnerable. Another Medical camp is held in Maharashtra, offering free of cost treatments during annual pilgrimage time (July) of the year.

On livelihood front, a custom made drone was developed for research and development in Agriculture (AgriDrone) and donated to Maharana Pratap University of Agriculture & Technology (MPUAT), benefitting farmers that are part of the smart village programme of the university.

As part of the Foundation's initiative on skill development it initiated a course on 'Hospitality and Chef Trade training' for youths at Kupwara, an aspirational district in Kashmir. Kupwara is one of the last districts of the country, and surrounded by POK on 3 sides. Opportunities are scarce for youths in such areas. The programme is aimed towards building their skill set and assisting them to secure work opportunities in the hospitality sector.
To support individuals with special needs, the foundation has a programme offering computer training to 30 women with impaired hearing, to get skilled and subsequently earn livelihood. Another programme focuses on 'Financial Training' exclusively for women in Mumbai.

Competition

Our Company offers a diversified range of products including home, gold, business and micro finance loans, loans against property and loans against securities. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other NBFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, burglary, breakdown of office equipment, risk of financial loss due to fraud and other perils including public liability which covers the legal liability arising out of third party bodily injury or third-party property damage in company premises. Our Company has obtained money policy to cover "money in safe and till counter and money in transit" for the branches and various offices.

Our Company also has in place a group insurance policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

Further, our Company has a Directors and Officers Liability Policy which provides a cover for the personal liability of directors and officers arising due to wrongful acts in their managerial capacity.

For a discussion of certain risks relating to our insurance coverage, please see the section "*Risk Factors – Internal Risks – Our insurance coverage may not adequately protect us against losses"* on page 39 of this Tranche II Prospectus.

Property

Our Registered office is located at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, this office is leased by the Company. Our Corporate office is located at 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400 069, Maharashtra, this office is leased by the Company. We have entered into lease / leave and license agreements for terms ranging from one to ten years for all of our branches.

Our Company owns the following properties* as on the date of this Tranche II Prospectus:

- Unit no.12A/10, Unit no.14A/10 and Unit no.14A/09 at Parinee Cresenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

- Shop No. G 22B, Revenue Survey No. 1001/1, Paiki Town Planning Scheme No.4, Final Plot No. 110, Paiki, City Survey No. 7396, Municipal Survey No. 1/12/94, Unjha, Mehsana.

- 22nd floor - North East and South East, 23rd floor - North East, 24th floor - North East, 25th floor - North East and 26th floor - North East of Palaise Royale, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

- Land measuring 10.043 acres at Sector 88B, Gurgaon, Haryana.

Note: The above mentioned properties were owned by India Infoline Finance Limited (now merged with our Company). The said properties are in the process of transfer in the name of our Company.

Intellectual Property

Our Company has entered into a trademark license agreement with IIFL Securities Limited dated March 19, 2019. Pursuant to which, IIFL Securities Limited has granted our Company with a non-exclusive right and license to use the trademark, service mark and logos pertaining to "IIFL". The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement. For details please see "*History and Main Objects"* on page 144 of this Tranche II Prospectus. Further, our Company has applied for registration of the logo 'My Money' in class 36. Registration of the same has been refused by the Trademarks Registry, Mumbai vide an order dated December 15, 2022. The Company is in the process of filing an appeal against the said order.

Information Technology

Information Technology in our Company is the core element which drives business growth and forms the backbone of our organization. Information technology is used as a strategic tool which comprises industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. We believe that through our information systems and adequate controls we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. Business applications including loan operating system are designed, developed and implemented to meet our business and regulatory requirements round the clock and is being used in all our branches across India to manage business operations, improve customer services and efficiency from time to time. IT and Information security and processes are aligned with RBI Master Directions, ISO 27001 and Industry best practices and industry standard security solutions are implemented to control security and Cyber Risks.

Treasury Operations

Our treasury operations are mainly focused on meeting our funding requirements and managing short term surpluses. Our funding requirements are currently predominantly sourced through term loans, issuance of debentures, commercial paper and securitisation of receivables. We believe that through our treasury operations we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirements of asset liability management. The objective is to ensure smooth functioning of all our operations and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest earning liquid assets and cash to optimize earnings. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities we also invest our temporary surplus funds in fixed deposits with banks, liquid debt-based mutual funds and government securities. Our investments are made in accordance with the investment policy approved by the Board.

Awards and Accolades

During the last 12 months, the Company received the following awards and accolades:

- IIFL Finance received 'Best Lending Tech of The Year Award' for WhatsApp Loan at National Awards for Leadership & Excellence in BFSI
- IIFL Finance received 'Quick Loan Approval Award' for IIFL Instant Loan at National Awards for Leadership & Excellence in BFSI
- IIFL Finance received Most innovative Fintech Product Award' for Business loans at National Fintech Leadership Awards
- IIFL Finance received 'Best Leading Tech of the Year' Award at World BFSI Congress & Awards
- IIFL Finance received 'Best Lending Tech of the Year Award' at Asia Awards for Excellence in BFSI
- IIFL Finance wins 'Best Lending Tech of the Year' award at National Award for Leadership & Excellence in BFSI
- IIFL Finance received 'Customer Service Excellence Award' at Asia Awards for Excellence in BFSI
- IIFL Finance received 'Marketing Campaign of the Year' Award at Global Brand Excellence Awards
- IIFL Finance received 'Best Social Media Campaign' Award for 'Anmol Kisse' campaign at World Marketing Congress
- IIFL Finance wins 'Best Radio Campaign' award for "Gold Loan Mela Campaign" at World Marketing Congress
- IIFL Finance received the 'Best Sustainability Initiative Award' for at World BFSI Congress & Awards
- IIFL Foundation received the Best Environment Friendly Project Award for the 'Maa Baadi Project' at the Corporate Social Responsibility Summit & Awards.
- IIFL Foundation received the Community Program Leadership Award for the 'Agricultural Drone Project' at the Corporate Social Responsibility Summit & Awards.
- IIFL Foundation won the 'Best Smart City Initiative Award' for the 'Urban Forest Project in Mumbai' from Responsible Business Awards.
- Honoured with 'Golden Peacock Award' for Risk Management.
- IIFL Finance certified as 'Great Place to Work' for the fifth year in a row.

HISTORY AND MAIN OBJECTS

Corporate Profile:

Our Company was incorporated at Mumbai on October 18, 1995 as a private limited company with the name 'Probity Research & Services Private Limited' under the provisions of the Companies Act, 1956. The status of our Company was changed to a public limited company and our name was changed to 'Probity Research & Services Limited' pursuant to a fresh certificate of incorporation dated on April 28, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was subsequently changed to 'India Infoline.Com Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Company was further changed to 'India Infoline Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Company was changed to 'IIFL Holdings Limited', and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Company was changed to 'IIFL Finance Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019.

Our Company has obtained a certificate of registration dated March 06, 2020 bearing registration no. – N-13.02386 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act. Based on the revised regulatory framework prescribed by RBI for NBFCs, our Company was classified under the category "*Loan Company-Non-Deposit Accepting*" and is a systemically important non-deposit taking NBFC. Later on, RBI vide its circular no. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 has classified all Loan Companies into a new category called NBFC – Investment and Credit Company (NBFC-ICC).

Change in registered office of our Company

The registered office of our Company was firstly changed from, 208-C, Agarwal Market, Vile Parle (East), Mumbai 400 057 to 1, Snehdeep, Gokhale Road, Vile Parle (East), Mumbai, 400057 with effect from August 06, 1999.

The registered office of the company was further changed from 1, Snehdeep, Gokhale Road, Vile Parle (East), Mumbai, 400057 to Building No. 24, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India with effect from January 15, 2001.

The registered office of our Company was further changed from Building No 24, Nirlon complex, Off Western Express Highway, Goregaon (East) Mumbai-400 063 to Building No 75, Nirlon complex, Off Western Express Highway, Goregaon (East) Mumbai-400 063 with effect from July 22, 2005.

The registered office of our Company was further changed from Building No 75, Nirlon complex, Off Western Express Highway, Goregaon (East) Mumbai-400 063 to IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 with effect from April 24, 2010.

Main objects of our Company

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

1. To carry on the business of borrowing/lending money by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities to any person, individual, body-corporate, firm, organization, authority but the company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.*

2. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto. *

2A. To carry on the activities as investment company and to buy, sell, trade, invest, deal or to do broking in shares, stocks, debentures, bonds, derivatives, commodities, obligations, bills, securities, movable and immovable property and other investments. *

**Replaced pursuant to the Composite Scheme of Arrangement approved by the Shareholders at their meeting held on December 12, 2018 and approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated March 07, 2019*

Key terms of Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business.

(i) Trademark License Agreement

Pursuant to the merger of India Infoline Finance Limited with the Company, in terms of the Scheme, the Trademarks of our Company stands transferred to IIFL Securities Limited and in furtherance thereof, the Company ("**Licensee**") has entered into a trademark license agreement with IIFL Securities Limited ("**Licensor**") dated March 19, 2019 ("**Trademark License Agreement**"). Pursuant to such Trademark License Agreement, the Licensee shall continue to use the trademark, service mark and logos pertaining to "***IIFL***", for a one time fee payable to the Licensor, as set out therein. The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the Trademark License Agreement. Further, the Trademark License Agreement contains the customary provisions relating to the protection of the intellectual property, warranties, indemnities and termination.

(ii) Joint Venture Agreement with Open Financial Technologies Private Limited:

The Board of Directors of the Company at its meeting, held on May 02, 2022 approved a proposal of Joint Venture with Open Financial Technologies Private Limited ("**Open Fin Tech**") for the purposes of offering neo-banking services to consumers and micro enterprises and retail customers including lending, investment, and wealth management services to certain target groups. The Company on May 02, 2022 also executed a Joint Venture Agreement with Open Financial Technologies Private Limited **("JV Agreement")** and with respect to the said Joint Venture, the Company incorporated a subsidiary in the name of IIFL Open Fintech Private Limited ("**JV Entity**"). The Ministry of Corporate Affairs approved incorporation of the said subsidiary on May 17, 2022 and issued a Certificate of Incorporation for the same.

Our Company's obligations under the JV Agreement inter alia includes (a) capital commitment in the JV Entity; (b) assistance in customer acquisition through online and offline modes; (c) providing lending capital and support to the JV Entity; (d) risk underwriting and lending through the JV Entity platforms.

Open Fin Tech's obligations under the JV Agreement inter alia includes (a) capital commitment in the JV Entity; (b) providing technological support, license and source code for the licensed technology; (c) providing digital acquisition, know-how and staffing support.

(iii) Share Subscription Agreement dated June 9, 2022 ("Subscription Agreement") executed amongst IIFL Home Finance Limited and Platinum OWL C 2018 RSC Limited

IIFL Home Finance Limited ("**Subsidiary Company**"), a material subsidiary of the Company has executed the Share Subscription Agreement with a wholly owned subsidiary, Platinum OWL C 2018 RSC Limited ("**Investor**"), which is a company incorporated under the laws of Abu Dhabi Global Market **(**individually as a **"Party",** together the **"Parties**") ("**Subscription Agreement**"). The Investor has agreed to subscribe to the securities of IIFL Home Finance Limited.

The salient features of the Subscription Agreement, are as follows:

- Assignment of Rights: The Parties are restricted to assign their rights and obligations under the Subscription Agreement, without the prior written consent of other Parties, provided that the Investor shall be entitled to assign its rights and obligations under the Subscription Agreement to any of its affiliates to whom it transfers of its subscription securities.

- Company cannot take any decisions in relation to the below matters without obtaining prior written consent of the investor:

  - Making alteration to its share capital

    Except to the extent permitted under the transaction documents, any change in the share capital is permitted under the share subscription agreement, unless it reduces the proposed shareholding percentage of the investor in the share capital of the company.

  - Declaring any dividend

Company cannot declare, set aside, make or pay any dividend (interim or final) without obtaining prior written consent of the Investor.

- Long Stop Date: Shall mean a date mutually agreed by the Investor and the Company prior to which the Company is obligated to fulfil the conditions precedent provided under the Part A of Annexure IV of the Share Subscription Agreement.

Subsidiaries of our Company

The Company has following subsidiaries:

(i) IIFL Home Finance Limited:

IIFL Home Finance Limited was incorporated under the provisions of the Companies Act, 1956 bearing CIN U65993MH2006PLC166475 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 02, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai. It is registered with the NHB as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 03, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010.

IIFL Home Finance is primarily engaged in providing mortgage loans, which includes housing loans and loans against property ("**LAP**") and developer loans. Housing loans include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes and for acquiring plots of land (which are intended to be used for construction of houses). LAP is availed for, working capital requirements, for business and personal use.

Change in registered office of IIFL Home Finance Limited:

The Registered office of the Company was subsequently changed from IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 to 12A-10, 13th Floor, Parinee Crescenzo, C-38 & 39, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, with effect from June 18, 2013. Further, IIFL Home Finance Limited shifted its Registered office from 12A-10, 13th Floor, Parinee Crescenzo, C-38 & 39, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 to IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400 604 with effect from April 15, 2019.

Principal Business

IIFL Home Finance Limited is involved in carrying out activities of housing finance.

Board of Directors

Details of Board of Directors of IIFL Home Finance Limited is as set out in the below table:

S. No.	Name of Directors	Designation	DIN No.
1.	Srinivasan Sridhar	Chairman & Independent Director	00004272
2.	Kranti Sinha	Independent Director	00001643
3.	Mohua Mukherjee	Independent Director	08714909
4.	Nirmal Bhanwarlal Jain	Non-Executive Director	00010535
5.	R Venkataraman	Non-Executive Director	00011919
6.	Monu Ratra	Executive Director & CEO	07406284
7.	Arun Kumar Purwar	Independent Director	00026383
8.	Kabir Mathur	Nominee Director	08635072
9.	AnantharamanVenkataramanan	Independent Director	01223191

Shareholding Pattern

The Shareholding pattern of IIFL Home Finance Limited as on March 31, 2023 is as set out in the table below:

S. No.	Name of Equity Shareholders	No. of Equity Shares held	% of Equity Shares
1.	IIFL Finance Limited	2,09,67,681	79.59
2.	Platinum Owl C 2018 RSC Limited	53,76,457	20.41
3.	Govind Modani*	100	0.00
4.	Narendra Jain*	100	0.00
5.	Amit Gupta*	100	0.00
6.	Monu Ratra*	100	0.00
7.	Sneha Patwardhan*	100	0.00
	Total	**2,63,44,638**	**100.00**

As a nominee of IIFL Finance Limited

(ii) IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)

Samasta was incorporated as a public limited under the Companies Act, 1956 on August 09, 1995, in Bangalore, Karnataka bearing CIN U65191KA1995PLC057884. Its registered office is situated at 110/3, Lal Bagh Main Rd, Krishnappa Layout, Bengaluru, Karnataka 560027, India. Since its inception in March 2008, Samasta has been providing innovative and affordable financial products to women from unbanked sections of society in both rural and semi urban areas. Samasta with its wide array of responsible financial products and services acts as a catalyst for sustainable and inclusive economic growth. As on March 31, 2023, Samasta has 1,267 branches across 19 states.

Pursuant to change of name certificate issued by the Ministry of Corporate Affairs (MCA), received on September 3, 2021, the name of Subsidiary of the Company is changed from ‘Samasta Microfinance Limited’ to ‘IIFL Samasta Finance Limited’ with effect from September 1, 2021.

Samasta has received Certificate of Registration from RBI dated September 20, 2021 pursuant to change of its name from ‘Samasta Microfinance Limited’ to ‘IIFL Samasta Finance Limited’ with effect from September 1, 2021.As a business correspondent, Samasta uses its market know-how and accessibility to the rural and semi urban bottom of pyramid families in India to bring microfinance services like micro loans, credit linked insurance, group based savings account etc. to their doorstep.

Principal Business

Samasta is involved in the business of microfinance lending.

Investment in Samasta by our Company

Pursuant to the approval of the Board of Directors of the Company at its meeting held on December 18, 2020, the Company subscribed for 42,426,147 equity shares of ₹10 each for an amount aggregating to ₹ 67.5 crore at a price of ₹ 15.91 per share in the right issue of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on June 12, 2021, the Company subscribed for 91,575,091 equity shares of ₹10 each for an amount aggregating to ₹ 150 crore at a price of ₹ 16.38 per share in the right issue of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on March 22, 2022, the Company subscribed for 41,482,300 equity shares of ₹10 each for an amount aggregating to ₹75 crore at a price of ₹18.08 per share in the right issue of Samasta.

Pursuant to the approval of the Board of Directors at its meeting held on June 23, 2022, the Company purchased from IIFL Home Finance Limited 124,555,797 equity shares of ₹10 each for an amount aggregating to ₹259.08 crore at a price of ₹20.80 per share of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on February 7, 2023, the Company subscribed for 9,54,19,847 equity shares of ₹10 each for an amount aggregating to ₹ 199.99 crore at an issue price of ₹ 20.96 per share in the rights issue of Samasta.

Board of Directors

Details of the board of directors of Samasta is as set out in the table below:

S. No.	Name of Directors	Designation	DIN
1.	Badrinarayanan Seshadri	Independent Director	00507371
2.	Malini B. Eden	Independent Director	00732954
3.	Venkatesh N.	Managing Director	01018821
4.	Vikraman Ampalakkat	Independent Director	01978341
5.	Shivaprakash D.	Wholetime-Director	02216802
6.	Ramanathan Annamalai	Independent Director	02645247

Shareholding Pattern

The Shareholding pattern of Samasta as on March 31, 2023 is as set out in the table below:

S. No.	Name of the Share holder	No. of Equity Shares held	% of Share Holding
1.	IIFL Finance Limited	59,07,16,057	99.51
2.	Narayanaswamy Venkatesh	13,35,840	0.22
3.	Venkatakrishnama Appanaidu Narayanaswamy	10,52,938	0.18
4.	Shivaprakash Deviah	345,000	0.06
5.	Anitha Shivanna	193,200	0.03
6.	Prema Narayanaswamy	1	0.00
7.	Vidhya Anand	1	0.00
TOTAL		**59,36,43,037**	**100.00**

***Note**: Prema Narayanaswamy and Vidhya Anand holding 1 equity share of ₹10 each respectively are registered owners and beneficial interest of such shares lies with Narayanaswamy V.A*

(iii) IIHFL Sales Limited

IIHFL Sales Limited was incorporated on September 28, 2021 as a wholly owned subsidiary of IIFL Home Finance Limited. The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, advertising, brand building, selling and distributing, servicing any kind of financial products or financial instruments or all classes of insurance products or investment products or wealth products. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, Liasoning services.

Board of Directors

Details of the board of directors of IIHFL Sales Limited is as set out in the table below:

S. No.	Name of Directors	Designation	DIN
1.	Ajay Jaiswal	Director	01618047
2.	Amit Kumar Gupta	Director	09338024
3.	Rashmi Priya	Director	09338025

Registered office of the IIHFL Sales Limited

IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604.

Principal Business (IIHFL Sales Limited)

The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, advertising, brand building, selling and distributing, servicing any kind of financial products or financial instruments or all classes of insurance products or investment products or wealth products. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, Liasoning services.

Shareholding Pattern

The Shareholding pattern of IIHFL Sales Limited as on March 31, 2023 is as set out in the table below:

S. No.	Name of the Share holder	No. of Equity Shares held	% of Share Holding
1.	IIFL Home Finance Limited	49,994	100
2.	Abhishikta Chadda Munjal*	1	-
3.	Lokesh Goyal*	1	-
4.	Rachhit Gehani*	1	-
5.	Kulprakash Singh*	1	-
6.	Amit Kumar Gupta*	1	-
7.	Rashmi Priya*	1	-
TOTAL		**50,000**	**100.00**

** As a nominee of IIFL Home Finance Limited.*

(iv) IIFL Open Fintech Private Limited

IIFL Open Fintech Private Limited was incorporated under the provisions of the Companies Act, 2013 bearing CIN U72900MH2022PTC382767 on May 17, 2022 issued by the Registrar of Companies, Maharashtra, Mumbai.

IIFL Open Fintech Private Limited is primarily engaged in offering neo-banking services to consumers and micro enterprises and retail customers including lending, investment, and wealth management services to certain target groups.

Registered Office

IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Thane – 400 604.

Principal Business

To carry on the business as a fintech platform and offer neo-banking services to small and micro enterprises and retail customers including providing lending, investment, and wealth management services and financial products to customers, designers, developers, consultant, advisor, buyers, sellers, importers, exporters, dealers, intermediary through information technology and other cloud platform between all financial institutions, brokers, consumers in all kinds of computer software, computer technology and information technology products including cloud hosted business platforms and computer application products, systems, peripheral and materials and to undertake the business of system and network integration and development, product application and development, computer maintenance and technical support services, internet access, networking and electronic media, telecommunication and web commerce application services.

Board of Directors

Details of Board of Directors of IIFL Open Fintech Private Limited is as set out in the below table:

S. No.	Name of Directors	Designation	DIN No.
1.	Nirmal Jain	Non-Executive Director	00010535
2.	Ram Nirankar Rastogi	Independent Director	07063686
3.	Mehekka Oberai	Non-Executive Director	08829128
4.	Ajeesh Achuthan	Non-Executive Director	07948982
5.	Anish Achuthan	Non-Executive Director	02853403
6.	Deena Jacob	Non-Executive Director	06552579
7.	Ramakrishnan Subramaniam	Independent Director	02192747

Shareholding Pattern

The Shareholding pattern of IIFL Open Fintech Private Limited as on March 31, 2023 is as set out in the table below:

S. No.	Name of the Share holder	No. of Equity Shares held	% of Shareholding
1.	IIFL Finance Limited*	85,91,398	51.02
2.	Open Financial Technologies Private Limited	82,47,312	48.98
Total		**1,68,38,710**	**100**

**1 (One) Share is held by Mehekka Oberai in the capacity of nominee of IIFL Finance Limited.*

Associates of our Company

As on the date of this Tranche II Prospectus, our Company does not have any associate.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three and not more than fifteen.

As of the date of this Tranche II Prospectus, we have eight Directors on the Board, out of which two Directors are Executive Directors and six Directors are Non-Executive Directors. Out of the six Non-Executive Directors, five Directors are Independent Directors. Our Company has 1 (one) woman independent director on the Board.

Details of Board of Directors as on the date of this Tranche II Prospectus:

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment	Details of other directorship	Whether Wilful defaulter (Yes or No)
Arun Kumar Purwar Designation: Chairman & Independent Director ***DIN***: 00026383 ***Nationality***: Indian ***Occupation***: Professional ***Term of Appointment***: Five years w.e.f. April 01, 2019	77	C-2303/4, Flr- 23, Ashok Tower, Dr. SS Rao Road, Parel, Mumbai 400 012	March 10, 2008	1. Alkem Laboratories Limited 2. Balaji Telefilms Limited 3. IIFL Home Finance Limited 4. Eroute Technologies Private Limited 5. Energy Infratech Private Limited 6. Mizuho Securities India Private Limited 7. Jindal Panther Cement Private Limited	No
Nirmal Bhanwarlal Jain ***Designation:*** Managing Director ***Nationality***: Indian ***Occupation***: Business DIN: 00010535 ***Term of Appointment***: Five years w.e.f. April 01, 2022	56	103 A Wing, Guruprasad CHS Limited, TPS II, CTS 777, F.P., 10 Hanuman Road, Vile Parle (East), Mumbai 400 057	October 18, 1995	1. 360 One WAM Limited (formerly known as IIFL Wealth Management Limited) 2. IIFL Home Finance Limited 3. MNJ Consultants Private Limited 4. Pratham Educatio Foundation 5. IIFL Open Fintech Private Limited	No
R Venkataraman **Designation**: Joint Managing Director ***Nationality***: Indian ***Occupation***: Business ***DIN***: 00011919 ***Term of Appointment***: w.e.f. April 01, 2022 upto April 22, 2025	55	604, Glen Heights, Hiranandani Gardens, Powai, Mumbai – 400 076	July 5, 1999	1. 360 One WAM Limited (Formerly known as IIFL Wealth Management Limited) 2. IIFL Home Finance Limited 3. IIFL Securities Limited 4. Orpheus Trading Private Limited	No

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment	Details of other directorship	Whether Wilful defaulter (Yes or No)
Geeta Mathur ***Designation***: Independent Director ***Nationality***: Indian ***Occupation***: Professional ***DIN***: 02139552 ***Term of Appointment:*** Five Years w.e.f. September 18, 2019	56	B-1/8, Vasant Vihar-1, New Delhi 110057.	September 18, 2014	1. NIIT Limited 2. 360 One WAM Limited (Formerly known as IIFL Wealth Management Limited) 3. Sentiss Pharma Private Limited 4. Ummeed Housing Finance Private Limited 5. IPE Global Centre for Knowledge And Development 6. Info Edge (India) Limited 7. Onmobile Global Limited 8. Canara HSBC Life Insurance Company Limited. 9. Healthcare Global Enterprises Limited 10. Motherson Sumi Wiring India Limited 11. Hero Housing Finance Limited	No
Vijay Kumar Chopra ***Designation***: Independent Director ***Nationality***: Indian ***Occupation***: Professional ***DIN***: 02103940 ***Term of Appointment***: Five Years w.e.f. May 21, 2019	77	B-3102, India Bulls BLU Complex, B-Tower, Ganpatrao Kadam Marg, Near Worli Naka, Mumbai-400013	May 21, 2019	1. Milestone Capital Advisors Private Limited 2. Nippon Life India Trustee Limited 3. Pegasus Assets Reconstruction Private Limited	No
Nilesh Vikamsey ***Designation***: Independent Director ***Nationality***: Indian ***Occupation***: Professional ***DIN***: 00031213 ***Term of Appointment***: Five Years w.e.f. April 01, 2019	58	Kalpataru Habitat, 184 / A Wing, Dr. SS. Rao Road, near Gandhi Hospital, Parel, Mumbai 400012.	February 11, 2005	1. 360 One WAM Limited (Formerly known as IIFL Wealth Management Limited) 2. Thomas Cook (India) Limited 3. PNB Housing Finance Limited 4. SOTC Travel Limited 5. Nippon Life India Trustee Limited 6. Gati Limited 7. Gati-Kintetsu Express Private Limited 8. Allcargo Logistics Limited 9. Theio Engineering Limited	No
Chandran Ratnaswami ***Designation***:	74	177 Mckee Avenue, Ontario,	May 15, 2012	1. Thomas Cook (India) Limited 2. Quess Corp Limited 3. Chemplast Sanmar Limited	No

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment	Details of other directorship	Whether Wilful defaulter (Yes or No)
Non-Executive Director ***Nationality***: Canadian ***Occupation***: Professional ***DIN***: 00109215 ***Term of Appointment***: Retirement by rotation		M2N4C6 Toronto M2N4C6 CA		4. Bangalore International Airport Limited 5. Sanmar Engineering Services Limited 6. Go Digit General Insurance Limited 7. Fairbridge Capital Private Limited 8. National Commodities Management Services Limited 9. Go Digit Infoworks Services Private Limited 10. Zoomer Media Limited, Canada 11. Thai Reinsurance Public Company Limited 12. ORE Holdings Limited 13. HWIC Asia Fund, Mauritius 14. FAL Corporation 15. Fairfax India Holdings Corporation 16. Fairbridge Capital (Mauritius) Limited 17. FIH Mauritius Investments Limited, 18. FIH Private Investments Ltd. 19. Fairfirst Insurance Limited (Union Assurance General Limited amalgamated with Asian Alliance General Limited) 20. Primary Real Estate Investments 21. H Investments Limited 22. I Investments Limited 23. HW Private Investments Limited 24. Fairbridge Investments (Mauritius) Limited 25. Fairfax Consulting Services India Limited 26. 11470370 Canada Inc. 27. 10955230 Canada Inc. 28. Chanvima Limited	
Ramakrishnan Subramanian ***Designation***: Independent Director ***Nationality***: Singapore ***Occupation***: Professional	55	110 TG RHU Road, #01-01 Camelot, Singapore – 436928	September 6, 2021	1. Fincrest Management Advisors Pte Ltd. 2. NeoGrowth Credit Private Limited 3. IIFL Open Fintech Private Limited	No

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment	Details of other directorship	Whether Wilful defaulter (Yes or No)
DIN: 02192747 ***Term of Appointment***: Five Years w.e.f. September 06, 2021					

Relationship between Directors

As on the date of this Tranche II Prospectus, none of our Directors are related to each other:

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

Brief profile/particulars of the Directors of the Company

Arun Kumar Purwar

Mr. Arun Kumar Purwar works as Chairman of Eroute Technologies Private Limited, a fintech Co. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("SBI") from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

Nirmal Jain

Mr. Nirmal Jain is the founder and Managing Director of the Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL Group in 1995. It started as an independent equity research Company in India. Over the last 26 years, he has led the expansion of the group, while remaining focused on financial services. The group through four listed entities, has leading presence in India's Wealth & Asset management, consumer lending, securities trading & discount Broking spaces. With an impeccable track record of governance and growth, the group has attracted marquee investors and won accolades internationally.

R Venkataraman

Mr. R Venkataraman is the Co-Promoter and Joint Managing Director of the Company. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group over the past 23 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays –BZW. He worked as an Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 30 years in the financial services sector.

Chandran Ratnaswami

Mr. Chandran Ratnaswami is a Non-Executive Director of the Company. He is the Chief Executive Officer and Director of Fairfax India Holdings Corporation, a Company listed on the Toronto Stock Exchange and is also a Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited.

Mr. Ratnaswami serves on the Boards of, among others, Chemplast Sanmar Limited, Quess Corp Limited, Bangalore International Airport Limited, National Commodities Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance, Thailand, and Fairfirst Insurance Limited, Sri Lanka. He holds a Bachelor's degree in Civil Engineering from IIT Madras, India and an MBA from the Rotman School of Management, University of Toronto, Canada.

Geeta Mathur

Ms. Geeta Mathur, a Chartered Accountant, having worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited among others. She has developed, reorganised, streamlined and led large national teams. She transitioned from the corporate sector to the development sector as CFO of Helpage India, where besides successful implementation of Oracle ERP and setting up processes for budgeting and MIS, she was consistently awarded by the Institute of Chartered Accountants and South Asian Federation of Accountants for best presentation and transparency in accounts She has worked in various capacities in large organisations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor Relations. She currently serves as an independent director in various large organisations across manufacturing and services such as Motherson Sumi Wiring India Limited, Info Edge (India) Ltd and NIIT Ltd. She also co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organisation and community of Women Corporate Directors with a mission to foster a powerful, trusted community of influential Women Corporate Directors. She is a graduate in Commerce from the Shriram College of Commerce, Delhi University and did her articleship with the Price Waterhouse while pursuing her Chartered Accountancy.

Nilesh Vikamsey

Mr. Nilesh Vikamsey is a senior partner at KKC & Associates LLP (Formerly - Khimji Kunverji & Co LLP) – an 85-year-old Chartered Accountants firm. Mr. Vikamsey is a Independent Director in other listed & unlisted Companies & a Committee member of organisations like West India Council of Indo American Chamber of Commerce, Bombay Chartered Accountants' Society (BCAS), The Chamber of Tax Consultants (CTC). He is a trustee in 'Sayagyi U Ba Khin' Memorial Trust (Vipassana International Academy, Igatpuri) & few educational trusts in Mumbai. He is presently a member of the Advisory Committee on Mutual Funds & also Working Group to review the Role and Eligibility of a Sponsor of a Mutual Fund of Securities and Exchange Board of India (SEBI), and Expert Advisory Committee of Institute of Chartered Accountants of India (ICAI). He is member of Advisory Boards of Blacksoil Group, IC3 Institute & MentorMyBoard. He was the President of ICAI in the past. He was an observer on the Board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was the Past Chairman of Federal Bank Limited and member of IRDA. He was the Chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance Committee chaired by Uday Kotak, Primary Market Advisory Committee and Committee on Disclosures and Accounting Standards (SCODA). He was member of International Auditing and Assurance Standards Board (IAASB) Reference Group for Audits of Less Complex Entities. He is a Speaker/Chairman at various seminars, meetings, lectures held by ICAI & other organisations.

Ramakrishnan Subramanian

Mr. Ramakrishnan Subramanian is a Chartered Accountant, Cost Accountant and Masters in Commerce. He has served several leading Banks, FIs in leadership roles since 1990 in India and abroad. He has also served as a Boards member of ING Vysya Bank and Shriram Capital, Shriram Transport, Shriram City Union, in the past apart from having done senior Executive roles such as CEO, MD, Country Head, Asia Regional head roles in domestic and international banks.

He is currently engaged as a Sr. Advisor, Operating Partner, Consultant with PE, VC, FIs and Fintech in India. Within financial sector services, his deep expertise and experience are in Retail Financing – Mortgage, LAP, Personal Loans, Business Loans, SME, LAS, Gold, Auto, CV/CE, Securitisation. He has worked in senior capacities involving Strategy, Board, Governance coupled with strong track record on execution across functions covering Channels, Product, Pricing, Portfolio management, Funding, Credit policy, Credit underwriting, Collections management of large Universal banks, Non-Banking Financial Companies ("NBFCs") and Fintech. Mr. Ramakrishnan Subramanian does not hold any directorship in any other listed Company.

Vijay Kumar Chopra

Mr. Vijay Kumar Chopra is a fellow member of the Institute of Chartered Accountants of India. He was the whole-time member of SEBI for two years; prior to that he has been a career banker and has held several top positions during his 37 years' of experience in banking industry. Some of his accomplishments include being the Chairman and Managing Director at Corporation Bank and SIDBI, 3 years as an Executive Director at the Oriental Bank of Commerce and 31 years in various capacities at the Central Bank of India.

Remuneration of Directors

The Nomination and Remuneration Committee ("**NRC**") determines and recommends to the Board the compensation to be paid to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The tables below sets forth the details of the remuneration pertaining to the last three financial years which has been paid or was payable to the Directors by the Company. The Directors do not receive any remuneration from our subsidiary and associate companies except Mr. R Venkataraman who was paid remuneration upto May 14, 2019 by the subsidiary of the Company i.e. India Infoline Finance Limited which got merged with the Company with effect from March 30, 2020 under the Composite Scheme of Arrangement approved by the Hon'ble NCLT vide its Order dated March 07, 2019. Mr. R Venkataraman was also appointed as the Managing Director of IIFL Securities Limited, another group company with effect from May 15, 2019 and thereafter his entire Remuneration was paid by IIFL Securities Limited, Mr. Arun Kumar Purwar, who is also a Non-Executive Independent Director of IIFL Home Finance Limited, subsidiary of the Company receives sitting fees from IIFL Home Finance Limited and Mr. Ramakrishnan Subramanian who is also a Non-Executive Independent Director of IIFL Open Fintech Private Limited, subsidiary of the Company receives sitting fees.

Remuneration paid to our Directors in the last 3 Fiscal by our Company, Subsidiary Company and Associate companies

Details of remuneration paid to the Executive Directors for the current year and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, by our Company:

(₹ in crore)

Name of Director	Fiscal 2023#	Fiscal 2022#	Fiscal 2021#
Nirmal Jain^	10.20	8.67	8.00
R Venkataraman*	-	-	-

 # Inclusive of charge towards Gratuity / leave liability.

**Mr. R Venkataraman who was paid remuneration upto May 14, 2019 by the subsidiary of the Company i.e. India Infoline Finance Limited which got merged with the Company w.e.f March 30, 2020 under the Composite Scheme of Arrangement approved by the Hon'ble NCLT vide its Order dated March 07, 2019. Mr. R Venkataraman was also appointed as the Managing Director of IIFL Securities Limited, one of the group company w.e.f May 15, 2019 and thereafter his entire Remuneration was paid by IIFL Securities Limited.*

Remuneration paid by Subsidiary and associate companies to the Directors

Except Mr. Arun Kumar Purwar, who is appointed as Independent Director in IIFL Home Finance Limited pursuant to provisions of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has received the sitting fees amounting to ₹5,70,000 during the Fiscal 2023 and also he has received sitting fee amounting to ₹50,000 from April 2023 to May 2023 from IIFL Home Finance Limited (subsidiary of the Company) and Mr. Ramakrishnan Subramanian, who is appointed as Independent Director in IIFL Open Fintech Private Limited and has received sitting fees of ₹25,000 during April 2023 to May 2023, none of our Directors have received any remuneration from Subsidiary and Associate companies.

The terms of remuneration of the Executive Directors are as below:

1. **Nirmal Bhanwarlal Jain, Managing Director**

   The following sets forth Terms of Remuneration of Mr. Nirmal Bhanwarlal Jain, Managing Director appointed with effect from April 01, 2022. The following terms of remuneration has been approved by the Board of Directors at its meeting held on June 09, 2022 and the same was approved by the shareholders at the Annual General Meeting held on July 08, 2022. Further, the Nomination and Remuneration Committee at its meeting held on April 25, 2023 approved increase in remuneration by 20% effective from April 1, 2023.

a) Basic salary of ₹ 0.72 crore per month subject to change as may be proposed by the NRC/Board from time to time.
b) Housing/HRA: He shall be entitled to a Company provided house or house rent allowance of 20% of basic salary if house owned by him but furnished by the Company or house rent allowance of 50% of basic salary if house owned and furnished by himself.
c) Leave Travel: Expenses for him and his family, once in a year subject to a maximum of one month's basic salary.
d) Other benefits: In addition to the above, he will be entitled to claim reimbursement of expenses on account of residence telephones, two cars, business promotion, entertainment, professional development and traveling, full re-imbursement of the education expenses of his children and other incidental expenses incurred in the normal course of the Company's business, full medical expenses incurred for self and his family, including premium for medical insurance or any other benefit as approved by the NRC. Other benefits will be subject to a maximum of ₹ 0.30 crore per month.
e) Increment: Board/NRC can determine the remuneration on an annual basis subject to increment not exceeding 25% p.a. of basic salary, allowances and perquisites.
f) Commission: He shall be paid commission as permissible under the Companies Act, 2013 ("the Act") and as determined by the Board/NRC from time to time. In addition, he will be eligible for contribution to provident funds, gratuity and superannuation and leave encashment as per the rules of the Company.
g) Other terms: He shall not be paid any sitting fees or any other salary for attending Meetings of the Board of Directors or Committees thereof.
   In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Nirmal Jain as minimum remuneration, subject to provisions of the Act.
h) Termination of Employment:
   This employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation, the notice period will be as per the Company's Policy.
   In the event of termination for any of the reasons specified above, he or his Nominee(s) shall be entitled to receive as a lump sum severance payment, a sum equal to 5 times the annual salary including allowances and perquisites.

2. R Venkataraman, Joint Managing Director

Mr. R Venkataraman is also a Managing Director of IIFL Securities Limited, an IIFL group company. He is drawing his entire remuneration from IIFL Securities Limited and not drawing any remuneration from the Company.

Remuneration of Non-Executive and Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Non-Independent Directors are not paid any sitting fees.

With effect from October 1, 2020 the Company shall pay sitting fees of ₹1,00,000 (Rupees One Lakh only) per meeting to Non – Executive Independent Directors for attending meetings of the Board and Audit Committee and ₹30,000 (Rupees Thirty Thousand only) per meeting for attending other Committee meetings plus reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Except the Corporate Social Responsibility Committee meetings for which there is no sitting fees is payable.

Before October 01, 2020 the Company was paying sitting fees of ₹30,000 (Rupees Thirty Thousand only) per meeting to the Non-Executive Independent Directors for attending meetings of the Board and Audit Committee and ₹ 15,000 (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Except the Corporate Social Responsibility Committee meetings for which there is no sitting fees is payable.

Apart from above, the Non-Executive Independent Directors are eligible for commission as approved by the shareholders of the Company at the Annual General Meeting held on June 30, 2021. The amount of commission is based on the overall financial performance of the Company and Board of Directors. The commission payable to the Non-Executive Independent Directors of the Company is as recommended by the Nomination and Remuneration Committee and as decided by the Board of the Company from time to time provided it does not exceed one percent of the net profit of the Company for the respective year.

The following table sets forth all compensation recorded by the Company to the Non-Executive Independent Directors for current year and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, by our Company:

(₹ in crore)

Name of Director	March 31, 2023		March 31, 2022		March 31, 2021	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Nilesh Vikamsey	0.08	0.18	0.05	0.19	-	0.16
Geeta Mathur	0.06	0.20	0.05	0.19	-	0.14
Arun Kumar Purwar	0.08	0.21	0.11	0.11	-	0.09
Chandran Ratnaswami*	-	-	-	-	-	-
Vijay Kumar Chopra#	0.06	0.15	0.05	0.20	-	0.15
Vibhore Sharma$	-	0.06	0.04	0.07	NA	NA
Ramakrishnan Subramanian$	0.06	0.19	0.03	0.04	NA	NA
Nagarajan Srinivasan**	-	-	-	-	-	

Notes:

* *Mr. Chandran Ratnaswami is the Non-Executive Non-Independent Director of the Company and is not paid any sitting fees or commission.*

\# *Mr. Vijay Kumar Chopra was appointed as Independent Director w.e.f. May 21, 2019 and subsequently his appointment was approved by the shareholders at the 24th Annual General Meeting of the Company held on September 30, 2019.*

$ *Mr. Vibhore Sharma was appointed as Independent Director w.e.f. July 01, 2021 and ceased to be and independent director w.e.f. August 31, 2022 and Mr. Ramakrishnan Subramanian was appointed as Independent Director w.e.f. September 06, 2021 and subsequently their appointment was approved by the shareholders at the Extra Ordinary General Meeting of the Company held on September 30, 2021.*

***Mr. Nagarajan Srinivasan was the Non-Executive Non-Independent Director of the Company and was not paid any Sitting fees and Commission. Mr. Nagarajan Srinivasan ceased to be the Non-Executive Non-Independent Director of the Company w.e.f. June 15, 2021.*

Terms of Appointment of Independent Directors

1. **Appointment**

   Appointment will be for a term of five years from the date of appointment unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**"). As an Independent Director you will not be liable to retire by rotation.

   Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. **Role, duties and responsibilities**

   As member of the Board you along with the other Directors will be collectively responsible for ensuring the objectives of the Board which include:

   a) The Company ensuring the requirements under the Companies Act, 2013

   b) Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Companies Act, 2013 and the SEBI LODR Regulations

   c) Accountability under the Directors' Responsibility Statement,

   d) Overseeing the maintenance of high standards of company's values and ethical conduct of business,

   e) Reviewing the business plan, model and monitoring the action plan,

   f) Overseeing the Company's contribution to enhancing the corporate social responsibility

   g) Act not in a manner that unfairly obstructs the functioning of the board and its committees

f) Strive to attend all meetings of the board and its committees

g) Abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and under the SEBI LODR Regulations, as may be applicable from time to time.

3. Time Commitment

You shall devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time.

In addition to the sitting fees, you may be eligible for commission as may be decided by the Board subject to the necessary approval of the shareholders of the Company.

Further, the Company may pay or reimburse to you such reasonable travel, hotel or other related expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

5. Insurance

The Company has obtained Directors' and Officers' Liability Insurance policy and you will be covered under the same.

6. Code of Conduct

As an Independent Director of the Company, you agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

a) Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,

b) Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,

c) Non-Executive Directors will strictly safeguard the confidentiality of all information received by them by virtue of their position.

d) Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

e) Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

f) We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company. You are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

7. Familiarization program

The Company shall, if required, conduct formal familiarization program for its Independent Directors.

8. Performance Appraisal / Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

9. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships. Further, you are required to obtain prior consent of the Company in case you intent to join the board of any companies engaged in the same sphere of activities that of IIFL group.

During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect your status as an Independent Director.

10. Changes of personal details

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, your directorship may be terminated in case of violation of any provision of the Code of Conduct as applicable to Non- Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for "independence" under the provisions of the SEBI LODR Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

13. Miscellaneous

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

As per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the terms of this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

Confirmations

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

- None of our directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

- None of our Directors have been identified as a 'Wilful Defaulter', as defined under SEBI NCS Regulations.

- None of our Directors is, or was, a director or person in control of any company which has been or was delisted from any recognised stock exchange within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

- None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchange at the time of filing this Tranche II Prospectus.

Changes in the Board of Directors during the last three years preceding the date of this Tranche II Prospectus:

Name of Director, Designation and DIN	Appointment / Resignation/ Change in Designation	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks (if any)
Nagarajan Srinivasan Designation: Non-Executive Director DIN: 01480303	Resignation	June 15, 2021	May 21, 2019	-
Vibhore Sharma Designation: Independent Director DIN: 03314559	Appointment	July 1, 2021		-
Ramakrishnan Subramanian Designation: Independent Director DIN: 02192747	Appointment	September 6, 2021		-
Nirmal Bhanwarlal Jain Designation: Managing Director DIN: 00010535	Appointment	April 01, 2022	-	Appointed as Managing Director of the Company with effect from April 01, 2022
R Venkataraman Designation: Joint Managing Director	Change in designation	April 01, 2022	-	Designation of Mr. R Venkataraman

Name of Director, Designation and DIN	Appointment / Resignation/ Change in Designation	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks (if any)
DIN: 00011919				has been changed from Managing Director to Joint Managing Director
Vibhore Sharma Designation: Independent Director DIN: 03314559	Resignation	August 31, 2022	July 1, 2021	-

Interest of the Directors

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Non-Executive Independent Directors of our Company are entitled to sitting fees for every meeting of the Board or a committee thereof except the Corporate Social Responsibility Committee meetings for which no sitting fees is payable. The Executive Directors of our Company are interested to the extent of remuneration paid for services rendered, if any, as an officer or employee of our Company. The Non-Executive Non-Independent Director(s) are not paid any sitting fees and/or commission.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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

Except as disclosed in the Section "*Financial Information*" on page 192 of this Tranche II Prospectus, none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

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

None of our Directors' relatives have been appointed to an office or place of profit.

Except as disclosed hereinabove and the section titled "*Risk Factors*" page 19 of this Tranche II Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the section titled "*Financial Information*" on page 192 of this Tranche II Prospectus, and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by the Company in the preceding two years of filing this Tranche II Prospectus with the Stock Exchanges nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company.

Shareholding of Directors

As on March 31, 2023, none of our Directors hold any qualification shares in our Company.

Details of the shares held in the Company by the Directors, as on March 31, 2023 are provided in the table given below:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 2 each	% of total shares of our Company
1.	Nirmal Bhanwarlal Jain Designation: Managing Director DIN: 00010535	4,77,19,154	12.54
2.	R Venkataraman Designation: Joint Managing Director DIN: 00011919	1,09,84,432	2.89
3.	Nilesh Vikamsey Designation: Independent Director DIN: 00031213	1,65,000	0.04
4.	Arun Kumar Purwar Designation: Chairman & Independent Director DIN: 00026383	95,000	0.03

As on March 31, 2023, none of our Directors hold any stock options of our Company.

Details of the shares held in Subsidiary Company by the Directors as on March 31, 2023 are provided in the table given below. Further, our Company does not have associate company as on the date of this Tranche II Prospectus:

As on March 31, 2023, none of our Directors hold any shares in our Subsidiary companies and any associate company.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company at their AGM held on September 30, 2019 and in accordance with provisions of Section 180 (1)(c) and all other applicable provisions of the Companies Act, 2013 and Articles of Association the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 35,000 crore.

Debenture holding of Directors

None of our Directors hold any debentures in our Company as on March 31, 2023.

Key Managerial Personnel

Kapish Jain, the Chief Financial Officer, comes with more than 25 years of experience in the BFSI sector across all areas of Finance, Strategy, Treasury, IR, FP&A and Accounts. His earlier BFSI experience includes PNB housing finance, AU Finance, Deutsche Bank, ICICI Prudential, etc. Mr. Jain is also a qualified CA, CS, ICWA & CPA.

Sneha Patwardhan, the Company Secretary & Compliance Officer, is a qualified member of the Institute of Company Secretaries of India, a Law Graduate and Post Graduate in Commerce. She has around 15 years of experience in the field of Secretarial, Compliance, Legal, Corporate Advisory, Corporate Governance and Mergers & Acquisitions. Prior to joining IIFL, she was part of the General Corporate Law Practice at Cyril Amarchand Mangaldas.

Apart from the Key Managerial Personnel's of our Company as disclosed above, Nirmal Jain and R Venkataraman are also the Key Managerial Personnel of the Company and their profiles are stated in this section under the head "Brief profiles / particulars of the Directors of the Company".

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and as amended from time to time, all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of Audit Committee, Nomination and Remuneration Committee, Asset Liability Management Committee, Risk Management Committee, IT Strategy Committee and certain other norms in connection with disclosure and transparency and connected lending. Our Company is in compliance with these corporate governance requirements.

Committees of the Board

Audit Committee

The Audit Committee was last reconstituted vide a resolution passed by the Board on April 28, 2022. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation	Nature of Directorship
Nilesh Vikamsey	Chairman	Independent Director
Geeta Mathur	Member	Independent Director
Arun Kumar Purwar	Member	Independent Director
Ramakrishnan Subramanian	Member	Independent Director

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board and RBI Master Directions. The broad terms of reference of the Audit Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgment by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any Related Party Transactions;
    g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. 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;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the Board;
16. Discussion 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;
17. To look 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;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Reviewing the utilization of loans and / or advances from / investment by the Company in its subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
22. Reviewing the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Management letters/letters of internal control weaknesses issued by the statutory auditors;
    c. Internal audit reports relating to internal control weaknesses; and
    d. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
    e. Statement of deviations:
        i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
        ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. Responsibility under Risk Based Internal Audit pursuant to RBI Circular dated February 03, 2021:
    a. Primarily responsible for overseeing IA function
    b. Approve RBIA Policy defining purpose, authority & responsibility with demarcating roles & responsibilities for IA & Risk Management function.
    c. Approve RBIA plan ensuring coverage of all risks with defined time lines
    d. Review of Audit Function atleast annually
    e. Promote use of new audit technologies / tools
    f. Periodic review of RBIA policy
    g. Developing effective audit function for providing quality assurance on the internal control mechanism.
    h. Understanding the risk assessment methodology and approving the audit plan
    i. Ensuring the adequate audit coverage to monitor compliance with policies and procedures.
    j. Approving the audit charter.
    k. Receiving the audit reports and deliberating on action plans to enhance the internal control environment.
    l. Discussing status of (key) open issues from the previous audits and remediation action steps taken by the management.
    m. Assessing the performance of IAF. The AC should also periodically assess the performance of risk based internal audits for its reliability, accuracy and objectivity.
    n. Review the findings identified in the RBI Inspection report and other regulatory inspections (SEBI/Audit/Exchange Audit) and follow up on corrective actions.
    o. Review the key findings in the monthly Concurrent Audit Reports.
    p. Review the key audit findings with the entity Audit Committees; analyse potential impact and remediation plans.
    q. To formulate and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on June 15, 2021. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
Vijay Kumar Chopra	Chairman	Independent Director
Arun Kumar Purwar	Member	Independent Director
Nilesh Vikamsey	Member	Independent Director

The scope of the Nomination and Remuneration Committee includes the references made under Regulation 19 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 well as Section 178 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board and RBI Master Directions. The broad terms of reference of the Nomination and Remuneration Committee are:

1. Succession planning of the Board of Directors and Senior Management Employees;
2. (ii) Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;
3. Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
4. Formulate, review and implement from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of the Company;
6. Devising a policy on diversity of board of directors;
7. Administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. Ensure 'fit and proper' status of proposed/ existing directors as per RBI guidelines and there is no conflict of interest in appointment of Directors on Board of the Company, KMPs and Senior Management.
    a. Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, at the time of every appointment of independent director. For the purpose of identifying suitable candidates:
    a. may use the services of an external agencies if required;
    b. may consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. may consider the time commitments of the candidates.
10. Ensure that the compensation levels of Key Managerial Personnel and senior management are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on internal capital adequacy assessment process.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last reconstituted vide a resolution passed by the Board on May 6, 2021. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
Arun Kumar Purwar	Chairman	Independent Director
Vijay Kumar Chopra	Member	Independent Director
R Venkataraman	Member	Joint Managing Director

The scope of the Stakeholders Relationship Committee includes the references made under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board. The broad terms of reference of the Stakeholders Relationship Committee are:

1. Approval of transfer/ transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;
2. Approval to issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates relating to other securities;

4. Approval to issue and allot right shares/ bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
5. To approve and monitor dematerialization of shares/ debentures/ other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors/ stakeholders grievances;
7. Review of measures taken for effective exercise of voting rights by shareholders;
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

Risk Management Committee

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on April 28, 2022. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
Geeta Mathur	Chairperson	Independent Director
Nilesh Vikamsey	Member	Independent Director
Ramakrishnan Subramanian	Member	Independent Director
R Venkataraman	Member	Joint Managing Director
Sanjeev Srivastava	Member	Chief Risk Officer

The scope of the Risk Management Committee includes references made under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Master Directions. The broad terms of reference of the Risk Management Committee are as under:

1. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;
2. To monitor and review the overall risk management plan of the Company including liquidity risk;
3. To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership;
4. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc);
5. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles;
6. To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programmes;
7. To periodically monitor and review Company’s key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact Company’s delivery of its business plans, strategy, and reputation, if left untreated;
8. To monitor external developments in the business environment which may have an adverse impact on Company’s risk profile, and make recommendations, as appropriate;
9. To sponsor specialist reviews of key risk areas as appropriate;
10. To report to the Board on key risks, risk management performance and the effectiveness of internal controls;
11. To constitute operating risk management committee and delegate such powers to it as may be deemed necessary;
12. To formulate a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the Company, 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.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.
13. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
14. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

15. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
16. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
17. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
18. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it required.
19. Any other matter as may be mandated/referred by the Authority/Board.

Corporate Social Responsibility Committee ("CSR Committee")

The Corporate Social Responsibility Committee was reconstituted vide a resolution passed by the Board on September 27, 2022. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
Vijay Kumar Chopra	Chairman	Independent Director
Nilesh Vikamsey	Member	Independent Director
R Venkataraman	Member	Joint Managing Director

The scope of the Corporate Social Responsibility Committee includes references made under the provisions of the Section 135 of the Companies Act, 2013. The broad terms of reference of the Corporate Social Responsibility Committee are as under:

1. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR policy of the Company may be accessed on the website of the company i.e. www.iifl.com
2. To provide guidance on various CSR activities and to monitor the same.

Asset Liability Management Committee ("ALCO")

The Asset Liability Management Committee was last reconstituted vide a resolution passed by the Board on October 26, 2022. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
R Venkataraman	Chairman	Joint Managing Director
Vijay Kumar Chopra	Member	Independent Director
Arun Kumar Purwar	Member	Independent Director
Ramakrishnan Subramanian	Member	Independent Director
Kapish Jain	Member	Chief Financial Officer
Sanjeev Srivastava	Member	Chief Risk Officer
Govind Modani	Member	VP Treasury

The scope of the ALCO includes the references made under RBI Master Directions. The broad terms of reference of the ALCO are:

1. Ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
2. Prepare forecasts (simulations) showing the effects of various possible changes in market conditions related to the balance sheet and recommend the action needed to adhere to Company's internal limits;
3. Ensure that the Company operates within the limits / parameters set by the Board;
4. ALCO would also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;
5. Measuring and managing liquidity needs and ensure Company's ability to meet its liabilities as they become due, liquidity management can reduce probability of an adverse situation developing;
6. Present to the Board statement of assets and liabilities;
7. Update Board on various assets and securitization of mortgage loans, commercial vehicle & gold loans;
8. Recommending Board about the viable source of finance to cater fund requirements of the Company;
9. Any other matter as may be mandated/referred by the Authority/Board.

Finance Committee

The Finance Committee was last reconstituted vide a resolution passed by the Board on October 26, 2022. As on the date of this Tranche II Prospectus, it comprises:

Name	Designation	Nature of Directorship
R Venkataraman	Chairman	Joint Managing Director
Nirmal Bhanwarlal Jain	Member	Managing Director
Kapish Jain	Member	Chief Financial Officer
Sanjeev Srivastava	Member	Chief Risk Officer

The terms of reference of the Finance Committee inter alia includes the following:

1. To borrow funds for and on behalf of the Company up to the maximum amount as determined by the Board of Directors of the Company from time to time.
2. To invest funds of the Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund, security receipts, securities, etc taking into consideration all investment parameters subject to such amount and limits as provided in the Investment policy of the Company and any amount above this said amount shall require the approval of Board at its Board Meeting;
3. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc from time to time;
4. To enter into derivative transactions viz. Generic and/ or Structured derivative transactions on behalf of the Company subject to condition that structured derivative shall not have any naked position.
5. To enter into securitization/assignment transaction/s in the name of Company in terms of RBI Guidelines.
6. To borrow funds for meeting short term requirements of funds of the Company by issuing Commercial Paper.
7. To authorize various persons from time to time to open, operate and close Bank Accounts, Demat Accounts, Trading Account, Subsidiary General Ledger Account, Constituent Subsidiary General Ledger Account, Gilt Account, Custodian Account in the name of the Company;
8. Addition / Substitution / Withdrawal of the Signatories from time to time to operate the Bank Accounts, Demat Accounts, Trading Account, Subsidiary General Ledger Account, Constituent Subsidiary General Ledger Account, Gilt Account, Custodian Account, etc necessitated on account of change in, relocation or separation of employees;
9. To avail various value added services from the Banks for operation of account(s) held with the Banks including but not limited to cash management services, internet banking, operation of the accounts by fax or such other mode as may be feasible from time to time;
10. To authorize various persons from time to time for various operational purposes including signing of master loan agreements, loan documents, subscription agreement, escrow agreements, security documents, term sheets, non-disclosure agreement, other agreements, sanction letter, power of attorney, plaints, notices, applications, documents, submissions, instructions, etc;
11. To authorize various persons from time to time to perform various acts under the Loan Agreements or Documents, Power of Attorney(s) executed by the borrowers in favor of the Company, to open and operate bank and demat accounts on behalf of the borrower and to generally act under the said Power of Attorney(s);
12. To authorize various persons from time to time to sanction loans under various financial products and matters pertaining to credit, risk, release of collateral, sale of collateral, signing and execution of loan document, etc;
13. To authorize various persons from time to time to sign the Vakalatnamas, Plaints, Applications, Replies, Written Statements, Affidavits and other paper/documents in the legal proceedings, appeals etc filed by the Company or against the Company and to appear before the Court, Tribunal and other Judicial/Quasi Judicial bodies, Local Authority and other Government Authorities;
14. To avail guarantee from companies, body corporates and any person from time to time in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc;
15. To avail security from Companies, body corporates and any person from time to time to be provided as collateral/security in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc;
16. To offer assurances on behalf of other Companies, body corporates and any person from time to time, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc upto such limit, if applicable, as delegated / decided by the Board from time to time;
17. To appoint Direct Selling Agent (DSA) for sourcing the business, fix criteria for selecting DSA, adopt code of conduct for DSAs and lay down guidelines for outsourcing;

18. To authorize various persons from time to time to act as a representative of the Company in respect of a) the investments in shares, securities, debentures, instruments, etc held by the Company; and b) companies to which Company is a creditor and to do the following:-

    a. To attend the general meetings & meetings of the creditors;
    b. To sign proxy form, postal ballot form, shorter consent notice, consent for dispensation from holding meeting in case of Merger and Amalgamation and other documents;
    c.
    d. To exchange correspondence & communication with the Investee companies, companies to which the Company is a creditor;
    e. Approving the request of transfer and transmission of securities of the Company; and
    f. Approving the request for issue of duplicate Security certificate, split Security certificates, etc.

19. To write off/ waivers and settlement cases involving POS/interest of ₹ 25 Lakhs to ₹ 1 crore.
20. Powers relating to issuance and allotment of debentures:

    a. To determine terms and conditions and number of debentures to be issued.
    b. Determining timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any and early redemption thereof.
    c. To approve and make changes to the shelf prospectus, to approve the final shelf prospectus, and tranche prospectus including any corrigendum, amendments supplements thereto, and the issue thereof.
    d. To identify the select group of persons to whom the debentures shall be issued & allotted.
    e. To do all such acts, deeds and things which the Board is empowered to do as per Section 42 of the Companies Act, 2013 read with rules framed thereunder, as may be necessary or expedient, from time to time.
    f. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue

21. To authorize various persons from time to time to sign and execute applications, documents and agreements related to lease, rent, telephone connection, electricity connection, shops and establishment license, trade license, road permit and Internet and broadband connection, opening of new branches and other operational matters in the ordinary course of business of the Company or incidental or in connection thereto.
22. To authorize various persons from time to time under Income Tax Act, Goods and Services Tax and other taxation laws.
23. To authorize various persons from time to time to sign and execute various agreements, papers, documents, undertakings, letters, memorandum of understanding, applications, statements, submissions, etc including any modification of the above, and other necessary documents, for and on behalf of the Company, as may be required in the ordinary course of business of the Company.
24. To do all such acts, deeds, matter and things, as may be necessary in connection with the Median Term Notes (Notes), including but not limited to appointment of various intermediaries//agencies/exchanges, seeking necessary regulatory consents and further to delegate the powers extended unto them to such person(s) as they may deem fit for execution of documents pertaining to the Notes.
25. To do all such acts, deeds, matter and things, as may be necessary in connection with the Public Issue of NCDs, including but not limited to appointment of various intermediaries//agencies/exchanges, seeking necessary regulatory consents and further to delegate the powers extended unto them to such person(s) as they may deem fit for execution of documents pertaining to the NCDs.

IT Strategy Committee

The IT Strategy Committee was last reconstituted vide a resolution passed by the Board on September 27, 2022. As on the date of this Tranche II Prospectus, it comprises:

Constitution of the IT Strategy Committee is as set out below:

Name of Member	Designation	Nature of Directorship
Arun Kumar Purwar	Chairman	Independent Director

Name of Member	Designation	Nature of Directorship
Nilesh Vikamsey	Member	Independent Director
Geeta Mathur	Member	Independent Director
Ramakrishnan Subramanian	Member	Independent Director
Sanjeev Srivastava	Member	Chief Risk Officer
Mitesh Vora	Member	Head – IT - Infrastructure & Cyber Security
Gaurav Sharma	Member	Chief Information Officer/Chief Technology Officer
Aditya Sisodia	Member	Leader NBFC Applications
Shanker Ramrakhiani	Member	Chief Information Security Officer

The scope of the IT Strategy Committee includes the references made under RBI Master Directions. The broad terms of reference of the IT Strategy Committee are:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls;
6. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
7. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
8. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
9. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
10. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
11. Periodically reviewing the effectiveness of policies and procedures;
12. Communicating significant risks in outsourcing to the NBFC's Board on a periodic basis;
13. Ensuring an independent review and audit in accordance with approved policies and procedures;
14. Ensuring that contingency plans have been developed and tested adequately;
15. Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing;
16. To work in partnership with other Board committees and Senior Management to provide input to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;
17. Any other matter as may be mandated/referred by the Authority/Board.

Further, the Board of Directors of the Company has constituted various other committees comprising of senior management persons for day to day operations of the Company viz. Credit Committee, Group Credit Committee, Environment & Social Governance Committee, Stressed Assets Governance Committee and CRE Risk Committee.

OUR PROMOTERS

The Promoters of our Company are Nirmal Bhanwarlal Jain and R Venkataraman. As on March 31, 2023, our Promoters collectively with other Promoter Group and persons acting in concert hold 94,547,490 Equity Shares equivalent to 24.85% of the Equity Share capital of our Company.

	Nirmal Bhanwarlal Jain Date of Birth: December 11, 1966 PAN: ABRPJ9235G Address: 103 A Wing, Guruprasad CHS Limited, TPS II, CTS 777, F.P., 10 Hanuman Road, Vile Parle (East), Mumbai – 400 057
	R Venkataraman Date of Birth: July 27, 1967 PAN: ADHPR6633G Address: 604, Glen Heights, Hiranandani Gardens, Powai, Mumbai – 400 076

The Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoters and Permanent Account Number of Directors has been submitted to the Stock Exchanges, at the time of filing the Draft Shelf Prospectus with the Stock Exchanges.

For detailed profile of our Promoters please see "*Our Management*" on page 151 of this Tranche II Prospectus.

Other Confirmations

Our Promoter has not been identified as Wilful Defaulter by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of Wilful Defaulters prescribed by the RBI.

Except as disclosed in the section titled "*Outstanding Litigation – Material litigation or legal or regulatory actions involving our Promoter*" on page 256 of this Tranche II Prospectus**,** no violations of securities laws have been committed by our Promoter in the past or no proceedings are currently pending against them.

None of the promoter of the Company is a promoter or a whole-time director of another company that is a wilful defaulter.

None of our Promoters have been declared as fugitive economic offender.

Our Promoters have not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad. Further, our Promoters are not promoter or directors of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

None of the member forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

No regulatory action is pending against the Promoters before SEBI or the RBI.

Shareholding of our Promoter in the Company

As on March 31, 2023 our Promoters shareholding is as follows:

Name of Promoter shareholder	Total Number of Equity Shares	Number of shares in demat form	Total shareholding as % of total no of equity shares	Number of shares pledged	% of shares pledged with respect to shares owned
Nirmal Bhanwarlal Jain	4,77,19,154	477,19,154	12.54	Nil	Nil
R Venkataraman	1,09,84,432	1,09,84,432	2.89	Nil	Nil

There have been no changes in the Promoters' holding in our Company during last financial year beyond the threshold prescribed by RBI.

Interest of our Promoter in the Company

Except as stated under the "*Related Party Transaction*" segment of the Financial Statements of the Company, available at page 174 of this Tranche II Prospectus, and other than as our shareholders, our Promoter and / or Promoter Group and persons acting in concert, to the extent of the dividend declared by our Company, do not have any other interest in our Company.

Our Promoter does not intend to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter out of the objects of the Issue.

Payment of benefit to the Promoter in last three years

Other than as disclosed under the *"Related Party Transactions"* segment of the Financial Statements of the Company, available at page 174 of this Tranche II Prospectus, and other than the dividend declared and paid by our Company, the Company has not made payments of any benefits to the Promoter during the last three years preceding the date of this Tranche II Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares have been pledged or encumbered by our Promoter as of the date of this Tranche II Prospectus.

Promoter Group and persons acting in concert

In addition to the Promoters named above, the names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(I)(zb) of the SEBI ICDR Regulations and Section 2(1)(ff) of SEBI NCS Regulations along with their shareholding as on March 31, 2023 are set out below:

Sr. No.	Name of Promoter Group	No. of Equity Shares	% Percentage
1.	Madhu N. Jain	12,075,000	3.17
2.	Aditi Athavankar	200,000	0.05
3.	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.63
4.	Aditi Avinash Athavankar (In her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.37
5.	Ardent Impex Private Limited	3,268,904	0.86
6.	Orpheus Trading Private Limited	1,300,000	0.34

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2023, 2022 and 2021 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Financial Information*” on page 192 of this Tranche II Prospectus.

REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, 1961 and applicable tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time. Investors shall carefully consider the information described below, together with the information set out in other sections of this Tranche II Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

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

The major regulations governing our Company are detailed below:

NBFC Regulations

The Reserve Bank of India Act, 1934

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act, 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f) as:

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, defines "financial institution" to mean any non-banking institution which, among other things, carries on the business of, or part of its business of, financing, by way of making of loans or advances or otherwise, of any activity other than its own; the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (a) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration ("**CoR**"). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned fund ("**NOF**") from ₹ 0.25 crore to ₹ 2 crore for the NBFC which commences business on or after April 21, 1999 also it shall be mandatory for all NBFCs to attain a minimum NOF of ₹ 2 crore by the end of April 1, 2017. Further as per RBI Scale based regulation (SBR) circular dated October 22, 2021 it shall be mandatory for NBFC ICC to achieve NOF of ₹ 5 crore by the end of March 31, 2025 and ₹ 10 crore by March 31, 2027.

NBFCs are primarily governed by the RBI Act and the RBI Master Directions. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
- Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

NBFC classification and principal business criteria

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

NBFCs are primarily governed by the RBI Act, the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs, the Master Direction – Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction- Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, and Reserve Bank Commercial Paper Directions, 2017. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

The major regulations governing our Company are detailed below:

On October 22, 2021 RBI issued a Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ("**SBR Framework**"), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("**NBFC-BL**");

ii) NBFC- Middle Layer ("**NBFC-ML**");

iii) NBFC- Upper layer ("**NBFC-UL**"); and

iv) NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.
The NBFC- ML consist of (a) all deposit taking NBFCs ("**NBFC-Ds**"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

Pursuant the SBR Framework the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹50,000 lakh to ₹1,00,000 lakh ("**NBFC-ND**"). Therefore, non-deposit NBFCs with asset size of over ₹1,00,000 lakh will be considered as systemically important by the RBI ("**NBFC-ND-SI**"). The SBR Framework came into effect from October 01, 2022 and provides that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

Categorisation of NBFCs carrying out specific activity

As the regulatory structure envisages scale based as well as activity-based regulation under the SBR Framework, the following prescriptions shall apply in respect of the NBFCs:

i) NBFC-P2P, NBFC-AA, NOFHC and NBFCs without public funds and customer interface will always remain in the base layer of the regulatory structure.

ii) NBFC-D, CIC, IFC and HFC will be included in middle layer or the upper layer (and not in the base layer), as the case may be. SPD and IDF-NBFC will always remain in the middle layer.

iii) The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factors and Mortgage Guarantee Companies (NBFC-MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

iv) Government owned NBFCs shall be placed in the base layer or middle layer, as the case may be.

Our Company is classified as an Investment and Credit Company (NBFC-ICC).

RBI Master Directions define 'NBFC ICC' to mean a company which is a financial institution carrying on as its principal business of asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities.

As on date of filing of this Tranche II Prospectus the Company falls under the category of NBFC ML, as its assets size is above ₹ 1,00,000 lakh, as per the last audited balance sheet. SBR Framework provide that NBFCs in the middle layer (NBFC-ML) shall continue to follow regulations as currently applicable for NBFC-ND-SIs, NBFC-Ds, CICs, SPDs and HFCs, as the case may be, except for the regulatory changes under SBR Framework applicable on NBFC-ML.

Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

As of September 29, 2022, the NBFC-Middle Layer are governed by updated Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 (as updated from time to time) applicable to all NBFC-ML ("**RBI Master Directions**").

Rating of NBFCs

Pursuant to RBI Master Directions all applicable NBFCs are required to furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them, within 15 days of such a change in rating to Regional Office.

Prudential Norms

The RBI Master Directions, amongst other requirements, prescribe guidelines on NBFCs-ND-SI regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The RBI Master Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Provisioning Norms

Every applicable NBFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided in regulation 13 of the RBI Master Directions. Nevertheless, NBFC-ML shall make provisions for standard assets at 0.40 percent of the principal outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the NBFC.

Capital Adequacy Norms

Every applicable NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 per cent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital in respect of applicable NBFCs (other than NBFC-MFI and NBFC-IDF), at any point of time, shall not be less than 10 percent.

Internal Capital Adequacy Assessment Process (ICAAP)

Under the SBR Framework, NBFC-ML and NBFC-UL are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The internal assessment shall be on similar lines as ICAAP prescribed for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations dated July 01, 2015). While Pillar 2 capital will not be insisted upon, however, NBFCs are required to make a realistic assessment of risks. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the NBFCs board approved policy. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing of the risks.

Credit Concentration Norms

The erstwhile credit concentration limits prescribed for NBFCs were separate for lending and investments, however, under the SBR Framework the lending and investments exposure limits have been merged into a single exposure limit of 25% for single borrower/ party and 40% for single group of borrowers/ parties, of the Tier 1 capital of the NBFC.

Corporate governance norms

The RBI Master Directions prescribed certain corporate governance norms required to be adhered to by applicable NBFCs. The RBI Master Directions, inter alia, provide for constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee and certain other norms in connection with disclosure and transparency. Further, applicable NBFCs with asset size of more than ₹50 billion in categories – investment and credit companies, infrastructure finance companies, micro finance institutions, factors and infrastructure debt funds are required to appoint a chief risk officer ("CRO") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. In this regard, NBFCs are required to strictly adhere to the instructions laid down in Chapter XI of the RBI Master Directions. Under the terms of SBR Framework following additional corporate governance compliances have been stipulated for NBFC-ML and NBFC-UL:

(a) Key Managerial Personnel - Except for directorship in a subsidiary, key managerial personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. However, they can assume directorship in NBFC-BLs.

(b) Independent Director - Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the NBFC shall ensure that there is no conflict arising out of their independent directors being on the board of another NBFC at the same time. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. There shall be no restriction to directorship on the boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

(c) Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their annual financial statements, with effect from March 31, 2023:

i. Corporate governance report containing composition and category of directors, shareholding of non-executive directors, etc.

ii. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

iii. Items of income and expenditure of exceptional nature.

iv. Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.

v. Divergence in asset classification and provisioning above a certain threshold to be decided by RBI.

(d) Chief Compliance Officer – In order to ensure an effective compliance culture, it is necessary to have an independent compliance function and a strong compliance risk management framework in NBFCs. NBFCs are, therefore, required to appoint a chief compliance officer (CCO), who should be sufficiently senior in the organization hierarchy. NBFCs shall put in place a board approved policy laying down the role and responsibilities of the CCO with the objective of promoting better compliance culture in the organization.

(e) Compensation guidelines - In order to address issues arising out of excessive risk taking caused by misaligned compensation packages, NBFCs shall put in place a board approved compensation policy. The guidelines shall at the minimum include, a) constitution of a remuneration committee, b) principles for fixed/ variable pay structures, and c) malus/ claw back provisions. The nomination and remuneration committee shall ensure that there is no conflict of interest.

(f) Other Governance matters - NBFCs shall comply with the following:

i. The board shall delineate the role of various committees (audit committee, nomination and remuneration committee, risk management committee or any other committee) and lay down a calendar of reviews.

ii. NBFCs shall formulate a whistle blower mechanism for directors and employees to report genuine concerns.

iii. The board shall ensure good corporate governance practices in the subsidiaries of the NBFC.

(g) Core Banking Solution - NBFCs with 10 and more branches are mandated to adopt core banking solution in accordance with a glide path of 3 years with effect from October 01, 2022.

Asset Classification

The RBI Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

(i) Standard assets;
(ii) Sub-standard assets;
(iii) Doubtful assets; and
(iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The RBI Master Directions also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 2 crore. Further as per the SRB Framework, it shall be mandatory for NBFC ICC to achieve net owned fund of ₹ 5 crore by the end of March 31, 2025 and ₹ 10 crore by March 31, 2027.

For this purpose, the RBI Master Direction has defined "net owned fund" to mean the following:

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Reserve Fund

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

Liquidity Risk Management

Under the Master Directions, all Non-deposit taking NBFCs with asset size of ₹10,000 lakh and above (as per their last audited balance sheet), systemically important core investment companies and all deposit taking NBFCs (except Type I) NBFC-ND, Non-Operating Financial Holding Company and Standalone Primary Dealer) are required to comply with the RBI Guidelines on Liquidity Risk Management Framework ("**LRM Framework**"). The LRM Framework provide that the applicable NBFCs should ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc. The LRM Framework *inter alia,* deal with: (i) liquidity risk management policy, strategies and practices; (ii) management information system; (iii) internal controls; (iv) maturity profiling; (v) liquidity risk measurement – stock approach; (vi) currency risk; (vii) managing interest rate risk; and (viii) liquidity risk monitoring tools.

The NBFC shall appoint risk management committee ("**RMC**") consisting of chief executive officer ("**CEO**")/ managing director ("**MD**") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk. Further, applicable NBFCs have to constitute asset liability management committee ("**ALCO**") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director (ED) should head the Committee. The role of the ALCO with respect to liquidity risk should include, *inter alia,* decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches. In addition to RMC and ALCO, applicable NBFCs shall constitute asset liability management support group ("**ALM Support Group**"). ALM Support Group consist of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile should be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 per cent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets upto 1 year by establishing internal prudential limits with the approval of the board of directors.

NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to currency risk and interest rate risk under the terms of LRM Framework.

In addition to the guidelines laid down under LRM Framework, all non-deposit taking systemically important NBFCs with asset size of ₹ 5,00,000 lakh and above (except Core Investment Companies, Type I NBFC-NDs, Non-Operating Financial Holding Companies and Standalone Primary Dealers) and all deposit taking NBFCs irrespective of the asset size shall adhere to the liquidity coverage ratio guidelines ("**LCR Framework**"). LRM Framework provides that applicable NBFCs shall maintain an adequate level of unencumbered high quality liquid assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. The liquidity coverage ratio shall be maintained on an ongoing basis to help monitor and control liquidity risk as per the prescribed timelines in progressive manner, as provided below:

	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
For NBFCs with asset size of 10,00,000 lakh and above	50%	60%	70%	85%	100%
For NBFCs with asset size of 5,00,000 lakh and below 10,00,000 lakh	30%	50%	60%	85%	100%

Information with respect to change of address, directors, auditors, etc. to be submitted

An NBFC-ND-SI (NBFC-ML) is required to inform the RBI, not later than one month from the occurrence of any change in:

i) the complete postal address, telephone number/s and fax number/s of the registered/corporate office;
ii) the names and residential addresses of the directors of the company;
iii) the names and the official designations of its principal officers;
iv) the names and office address of the auditors of the company; and
v) the specimen signatures of the officers authorised to sign on behalf of the company

to the Regional Office of the Department of Supervision of RBI under whose jurisdiction NBFC is registered.

Adherence to KYC Direction

Similarly, all NBFCs are required to comply with Master Direction on Know Your Customer Direction, 2016" issued by the RBI and as amended from time to time, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Fair Practices Code

The RBI Master Directions requires all NBFCs having customer interface to formulate with the approval of their Boards a Fair Practices Code (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the directions outlined therein. Applicable NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the directions but in no way sacrificing the spirit underlying the directions. The same shall be put up on their web-site, if any, for the information of various stakeholders.

Guidelines for NBFCs with gold loan business

The RBI pursuant to the RBI Master Directions has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12%. The RBI Master Directions has issued guidelines with regard to the following:

(i) Appropriate infrastructure for storage of gold ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

(ii) NBFCs shall not grant any advance against bullion / primary gold and gold coins. NBFCs shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

(iii) Prior approval of RBI for opening branches in excess of 1,000: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However, NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

(iv) Standardization of value of gold in arriving at the loan to value ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by BBA or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.

(v) Verification of the Ownership of gold: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewellery and adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. The method of establishing ownership should be laid down as a Board approved policy.

(vi) Auction Process and Procedures: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

(a) The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located. NBFCs are allowed to pool gold jewellery from different branches within a district and auction the pooled gold jewellery at any location within the district, subject to meeting the following conditions:
(i) The first auction has failed; and
(ii) All compliance requirement regarding the auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met by the NBFC.

(b) While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

(c) It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

(d) NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

(vii) Other Instructions:

(a) NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹ 500,000.

(b) High value loans of ₹ 20,000 and above must only be disbursed by cheque.

(c) Documentation across all branches must be standardized.

(d) NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI (including Housing Finance Companies), specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated there under is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has further prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding and have been further updated on April 1, 2021 and May 10, 2021.

Financing of NBFCs by banks

RBI Master circular DBR.BP.BC.No.5/21.04.172/2015-16 on Financing of NBFCs by bank

The RBI has issued guidelines vide a circular bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies, entities;(v) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015- 16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has included norms for regulation of excessive interest charged by NBFCs in the Fair Practice Code chapter of Master Direction –NBFC SI Non Deposit taking Company & Deposit taking Company Directions, 2016 and as updated from time to time.

These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio, etc. as. submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year electronically. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 (now DNBS 03) to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the Registered Office of the company is located.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 01, 2015, updated from time to time, to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015, as amended from time to time.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-MLs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-MLs is required to report all cases of fraud of ₹ 0.01 crore and above, and if the fraud is of ₹ 0.10 crore or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-MLs shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Accounting Standards & Accounting policies

The Ministry of Corporate Affairs has amended the existing Indian Accounting Standards vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company from April 1, 2018. RBI vide notification number RBI/2019-20/170DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to thereby.

Ombudsman scheme for customers of NBFCs

The RBI has on November 12, 2021 introduced the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the "Scheme"). The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the "Ombudsmen") for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman alleging deficiency in services by an Covered NBFC, which include inter alia failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues. The complaints may be settled by the Covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the Covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Covered NBFC. The Covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI. Further RBI through its circular CEPD. PRD. No.S873/13.01.001/2021-22 dated November 12, 2021 integrates the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 in order to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it. It will also provide cost-free redress of customer complaints involving deficiency in services rendered by entities regulated by RBI, if not resolved to the satisfaction of the customers or not replied within a period of 30 days by the regulated entity.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI (NBFC-ML), the auditor shall make a separate report to the Board of Directors of the company on, *inter alia*, examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form DNBS07, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (DNBS07) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions ("**MFI**").

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI (NBFC-ML) is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc. DNBS07 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding, *inter alia*, asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("CRILC") on a monthly basis as well as all Reporting Borrower's Default ("RDB") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Reserve bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019

Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 sets out a framework to ensure that there is an early recognition, reporting and time bound resolution of stressed assets. The Stressed Assets Directions apply to (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and, (d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and NBFC-Ds. In the event of a default, the said lenders shall recognize the stress in the loan accounts and classify these loan accounts into three categories namely: (i) SMA-0, where the principal and/or interest, whether partly or wholly is overdue between 1-30 days; (ii) SMA-1, where the principal and/or interest, whether partly or wholly is overdue between 31-60 days; and (iii) SMA-2, where the principal and/or interest whether partly or wholly is overdue between 61-90 days. The said lenders shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("**CRILC**"), on all borrowers having aggregate exposure of ₹500 lakhs and above with them. Once a borrower is reported to be in default by any of the lenders mentioned at (a), (b) and (c) hereinabove, the lenders shall undertake a prima facie review of the borrower account within thirty days from such default ("**Review Period**") to inter alia decide on a resolution strategy, including nature of the resolution plan ("**RP**").

During the Review Period for the implementation of an RP, all lenders shall enter into an inter-creditor agreement, which shall among other things provide that any decision agreed by lenders representing 75 per cent.by value of total outstanding credit facilities (fund based as well non-fund based) and 60 per cent of lenders by number shall be binding upon all the lenders. In particular, the RPs shall provide for payment not less than the liquidation value due to the dissenting lenders, being the estimated realisable value of the assets of the relevant borrower, if such borrower were to be liquidated as on the date of commencement of the Review Period.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information security Framework ("IT") business continuity planning, disaster recovery and management. NBFCs must constitute a IT Strategy Committee and IT Steering

Committee and formulate an IT and Information security policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on '*Willful Defaulters*' the term 'willful default' has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable) which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) No additional facilities will be granted by banks and financial institutions. (b) Promoters of companies that have been identified for siphoning of funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years (c) Legal process (criminal and civil) will be initiated expeditiously. (d) Willful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non Performing Asset ("**NPA**"). Securitisation Companies and Reconstruction Companies ("**SCs/RCs**") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

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

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the

purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any Securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties. Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016. As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting, *inter alia*, any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 100 crore and above) has been reduced from ₹ 1 crore to ₹ 50 Lakhs. This limit was further reduced to ₹ 20 Lakhs from the existing limit of ₹ 50 Lakhs.

Insolvency and Bankruptcy Code, 2016

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

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *inter alia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") *inter alia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Companies Act, 2013

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

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

Under the Companies Act every company having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 croreor more or a net profit of ₹ 5 crore or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

SEBI Regulations

The Securities and Exchange Board of India ("**SEBI**") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1992, as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings. Listed NDSI-NBFCs are subject to SEBI Regulations and face penal actions for any violation thereof.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("FDI") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA will prevail.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals ("SOP") dated June 29, 2017 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non-Resident Indian ("NRI") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

Shops and establishments regulations in various states

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

Labour laws

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

Intellectual property regulations

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

Regulatory measures on account of the COVID-19 pandemic

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' (the 'Scheme'), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in(a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

It must be noted that pursuant order dated September 10, 2020 passed in relation to Gajendra Sharma vs. Union of India & Anr. (Civil Writ Petition No. 825/2020), the Supreme Court imposed status quo with respect to the moratorium, extending the moratorium until further hearing. The Supreme Court ("Court") on the hearing dated November 27, 2020 acknowledged that the Union of India vide its circular dated October 23, 2020 has taken specific measures. The Court disposed the petition with directions to the respondents to ensure that all steps be taken to implement the decision dated October 23, 2020 of the Government of India, Ministry of Finance so that benefit as contemplated by the Government of India percolates to those for whom the financial benefits have been envisaged and extended.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

Auditors' report on the Reformatted Consolidated Statement of Assets and Liabilities as at March 31,2023, 2022, and 2021, the Reformatted Consolidated Statement of Profit and Loss, the Reformatted Consolidated Statement of Cash Flows and the Reformatted Consolidated Statement of Changes in Equity for the years ended March 31, 2023, 2022, and 2021 and the Statement of Significant Accounting Policies and other Explanatory Information of IIFL Finance Limited (collectively, the "Reformatted Consolidated Financial Statements")

The Board of Directors
IIFL Finance Limited
8" Floor, Unit no 802, Hub town Solaris,
N S Phadke Marg, Vijay Nagar,
Andheri East - Mumbai - 400 069

Dear Sirs / Madams,

1. We have examined the attached reformatted consolidated financial statements ("**Reformatted Consolidated Financial Statements**") of IIFL Finance Limited (the "**Company**" or the "**Holding Company**" or "Issuer"), its subsidiary companies and trusts with residual beneficial interest (till March 31, 2022) (the Company , its subsidiaries and trusts with residual beneficial interest till March 31, 2022 together referred to as "**the Group**") as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Issue**"). The Reformatted Consolidated Financial Statements, which have been approved by Finance Committee of the Board of Directors of the Company at their meeting held on May 30,2023, 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, as amended (the "**Act**");

   b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"); and

   c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "**Guidance Note**").

2. The Management of the Company is responsible for the preparation of the Reformatted Consolidated Financial Statements for the purpose of inclusion in the offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai and any other document in relation to the Issue ("**Issue Documents**"). The Reformatted Consolidated Financial Statements have been prepared by the Management of the Company on the basis stated in Note No.1 to the Reformatted Consolidated Financial Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Statements. The Management of the Company is also responsible for identifying and ensuring that the Group complies with the Act, the SEBI NCS Regulations and the Guidance Note.

3. We have examined such Reformatted Consolidated Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 05,2023 requesting us to carry out work on such Reformatted Consolidated Financial Statements in connection with the Company's Issue;

   b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Statements; and

   d) The requirements of Section 26 of the Act and the SEBI NCS Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI NCS Regulations and the Guidance Note in connection with the Issue.

4. These Reformatted Consolidated Financial Statements have been compiled by the Management of the Company from the audited consolidated financial statements of the Group as at and for the years ended March 31,2023, March 31, 2022, and March 31,2021 prepared in accordance with Indian Accounting Standard (IND AS) which comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 26,2023, April 28, 2022 and May 6, 2021 respectively. The consolidated financial statements for the year ended on March 31,2023 and 2022 were audited by us; for the year ended on March 31, 2021 were audited by one of the current joint statutory auditors of the company i.e., V Sankar Aiyar & Co.

5. The Audited Consolidated Financial Statements as at and for the years ended March 31, 2022 and 2021 have been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2023.

6. For the purpose of our examination, we have relied on the statutory auditors' report on the consolidated financial statements of the company, issued by us dated April 26, 2023 for the year ended March 31,2023, April 28, 2022 for the year ended March 31,2022; by the one of the current joint statutory auditors i.e V Sankar Aiyar & Co dated May 6, 2021 for the year ended March 31, 2021.These Consolidated Financial Statements were approved by the Board of Directors of the Company in those years, as referred in paragraph 4 above.

   a. Audit report dated April 26,2023 issued by us on the audited consolidated financial statements for the year ended March 31, 2023 expressed unmodified opinion included the following other matter

      Other Matters

      The financial statements of four subsidiary companies have been audited by other auditors. The financial statements of the said subsidiary companies reflect total assets of Rs. 30,850.31 crs as at March 31, 2023, Group's share of total revenue of Rs. 4,371.23 crs, Group's share of total net profit of Rs. 933.45 crs and Group's share of total comprehensive income of Rs. 944.81 crs and net cash inflows Rs. 16.55 crs for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of sub-section (3) *and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. Audit report dated April 28,2022 issued by us on the audited consolidated financial statements for the year ended March 31, 2022, included the following emphasis of matter and other matter:

Emphasis of Matter:

We draw attention to Note 8.3 to the Consolidated Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of 3 wholly owned subsidiary companies have been audited by other auditors. The financial statements of 2 subsidiary trusts have been audited by one of the joint statutory auditors of the Holding company. The financial statements of the said subsidiary companies and trusts reflect total assets of Rs. 244,170.99 million as at March 31, 2022, Group's share of total revenue of Rs. 33,035.96 million, Group's share of total net profit of Rs. 5,178.68 million and Group's share of total comprehensive income of Rs. 5,369.44 million and net cash inflows Rs. 12,927.42 million for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies and trusts have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and trusts, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors/ reports of one of the joint statutory auditors of the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Consolidated Financial Statements of the company for the previous year ended March 31,2021 were audited by one of the current joint statutory auditors who had expressed unmodified opinion vide their report dated May 6, 2021.

c. Audit report dated May 6,2021 issued by one of the current joint statutory auditors of the company i.e V Sankar Aiyar & Co on the audited consolidated financial statements for the year ended March 31, 2021, included the following emphasis of matter and other matter:

Emphasis Of Matter

We draw attention to Note 8.3 to the Consolidated Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and *uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.*

Our opinion is not modified in respect of this matter.

Other matters:

We did not audit the financial statements of one wholly owned subsidiary company, whose financial statements reflect total assets of Rs 159,778.10 million as at March 31, 2021, total revenues of Rs 20,677.50 million and net cash outflows amounting to Rs 5,128.40 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary company, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company is based solely on the reports of the other auditors.

Our opinion above on the audited consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters.

7. We have performed adequate tests and procedures which in our opinion were necessary for the purpose of issuing our examination report on the Reformatted Consolidated Financial Statements of the Group for the aforesaid periods. These procedures mainly involved comparison of the attached Reformatted Consolidated Financial Statements with the Group's audited consolidated financial statements for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and regrouping and reclassification as per schedule III of Companies Act 2013 and requirements of the SEBI NCS Regulations.

8. Based on our examination and according to the statements and explanations given to us, we report that the Reformatted Consolidated Financial Statements are prepared, in all material aspects, on the basis described in Note no 1 to the Reformatted Consolidated Financial Statements.

9. At the request of the Company, we have also examined the Consolidated statement of Dividend, enclosed as Annexure VI for the years ended March 31, 2023, 2022 and 2021, prepared by the Management and approved by the Finance Committee of the Board of Directors vide Resolution dated May 30,2023.

10. In the preparation and presentation of Reformatted Consolidated Financial Information based on audited financial statements as referred to in paragraph 4 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by one of the current joint statutory auditors (i.e. V Sankar Aiyar & Co) nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Management of the Company for inclusion in the Issue Document to be filed in connection with the proposed Issue and is not to be used, referred to, or distributed for any other purpose except with our prior consent.

Signed by the Statutory Auditors of the Company

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN: 109208W)

Asha Patel
Partner
M. No.166048
Place: Mumbai
Date: May 30, 2023
UDIN: 23166048BGUTFA9432

For Chhajed & Doshi
Chartered Accountants
(FRN: 101794W)

M. P. Chhajed
Partner
M. No. 049357
Place: Mumbai
Date: May 30, 2023
UDIN:23049357BGSKXN8537

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Annexure I

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Assets				
[1]	**Financial assets**				
(a)	Cash and cash equivalents	4	3,630.67	6,211.64	2,642.90
(b)	Bank balance other than (a) above	5	2,208.36	1,945.29	2,141.15
(c)	Derivative financial instruments	6	223.58	74.28	50.39
(d)	Receivables				
	(i) Trade receivables	7	121.43	183.20	192.28
	(ii) Other receivables	7	151.96	15.80	0.51
(e)	Loans	8	40,001.11	33,692.89	33,533.16
(f)	Investments	9	3,511.00	1,192.16	31.57
(g)	Other financial assets	10	1,615.55	924.05	485.50
			51,463.66	**44,239.31**	**39,077.46**
[2]	**Non-financial assets**				
(a)	Current tax assets (net)		239.59	234.17	262.84
(b)	Deferred tax assets (net)	11	122.67	285.82	311.14
(c)	Investment property	12	296.04	295.19	271.06
(d)	Property, plant and equipment	13	176.13	150.52	104.29
(e)	Capital work-in-progress	13.1	27.40	5.64	6.56
(f)	Right to use assets	14	386.61	327.53	298.60
(g)	Other intangible assets	15	3.38	2.11	1.15
(h)	Other non-financial assets	16	272.53	352.60	315.00
(i)	Assets held for sale	17	13.32	17.55	13.95
			1,537.67	**1,671.13**	**1,584.59**
	Total Assets		**53,001.33**	**45,910.44**	**40,662.05**
	Liabilities And Equity				
	Liabilities				
[1]	**Financial liabilities**				
(a)	Derivative financial instruments	6	42.37	164.39	156.58
(b)	Payables				
	(I)Trade payables	18			
	(i) total outstanding dues of micro enterprises and small enterprises		3.02	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		194.28	142.43	109.39
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	9.91	-
(c)	Finance lease obligation	14	413.43	360.68	326.50
(d)	Debt securities	19	7,925.30	7,838.08	8,330.35
(e)	Borrowings (other than debt securities)	20	28,476.27	25,319.37	21,624.36
(f)	Subordinated liabilities	21	3,202.42	2,568.05	2,301.93
(g)	Other financial liabilities	22	2,030.24	2,820.54	2,086.50
			42,287.33	**39,223.45**	**34,935.61**
[2]	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		45.82	50.21	102.44
(b)	Provisions	23	84.77	64.11	49.57
(c)	Deferred tax liabilities (net)	11	0.61	-	-
(d)	Other non-financial liabilities	24	380.65	102.94	180.99
			511.85	**217.26**	**333.00**
	Total Liabilities		**42,799.19**	**39,440.71**	**35,268.61**
[3]	**Equity**				
(a)	Equity share capital	25	76.09	75.92	75.77
(b)	Other equity	25.1	8,915.97	6,387.91	5,311.75
(c)	Non-controlling interest	25.1	1,210.08	5.90	5.92
			10,202.14	**6,469.73**	**5,393.44**
	Total Liabilities and Equity		**53,001.33**	**45,910.44**	**40,662.05**
See accompanying notes forming part of the financial statements		1 - 47			

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Annexure II

(₹ in crores)

Sr. No	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations				
(i)	Interest income	26.1	7,369.27	6,134.53	5,421.20
(ii)	Dividend income	26.2	0.00	0.00	5.94
(iii)	Fees and commission income	27	228.52	153.20	111.26
(iv)	Net gain on fair value changes	28	147.25	155.77	149.96
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	513.81	411.23	129.77
(I)	**Total revenue from operations**		**8,258.85**	**6,854.73**	**5,818.13**
(II)	**Other income**	29	188.26	168.88	149.91
(III)	**Total Income (I+II)**		**8,447.11**	**7,023.61**	**5,968.04**
	Expenses				
(i)	Finance costs	30	3,221.83	2,991.00	2,625.83
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	934.99	904.22	648.30
(iii)	Impairment on financial instruments	32	(68.86)	0.59	498.68
(iv)	Employee benefits expenses	33	1,329.50	930.74	723.09
(v)	Depreciation, amortisation and impairment	12, 13, 14 & 15	152.59	121.70	105.68
(vi)	Others expenses	34	764.54	539.38	361.68
(IV)	**Total Expenses (IV)**		**6,334.59**	**5,487.63**	**4,963.26**
(V)	**Profit before tax (III-IV)**		**2,112.52**	**1,535.98**	**1,004.78**
(VI)	**Tax expense:**				
	(1) Current tax	35	362.70	327.78	317.35
	(2) Deferred tax	11 & 35	144.68	19.38	(77.95)
	(3) Current tax expenses relating to previous years	35	(2.41)	0.57	4.57
	Total tax expense		**504.97**	**347.73**	**243.97**
(VII)	**Profit for the year (V-VI)**		**1,607.55**	**1,188.25**	**760.81**
	Attributable to:				
	Owners of the Company		1,500.30	1,187.89	760.12
	Non-controlling interest		107.25	0.36	0.69
(VIII)	**Other Comprehensive Income**				
	(A) (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit (liabilities)/assets	35	(2.69)	(0.04)	2.15
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 35	0.68	0.01	(0.54)
	Subtotal (A)		**(2.01)**	**(0.03)**	**1.61**
	(B) (i) Items that will be reclassified to profit or loss				
	(a) Cash flow hedge (net)	35	46.45	(1.30)	(33.88)
	(b) Fair value of loans carried at FVTOCI	35	(0.75)	13.65	(0.76)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 35	(11.50)	(3.11)	8.72
	Subtotal (B)		**34.20**	**9.24**	**(25.92)**
	Other Comprehensive Income (A+B)		**32.19**	**9.21**	**(24.32)**
(IX)	**Total Comprehensive Income for the year**		**1,639.74**	**1,197.46**	**736.49**
	Attributable to:				
	Owners of the Company		1,534.01	1,197.11	735.80
	Non-controlling interest		105.73	0.35	0.69
(X)	**Earnings per equity share of face value ₹ 2 each**	36			
	Basic (₹)		39.49	31.33	20.09
	Diluted (₹)		39.18	31.14	20.04
See accompanying notes forming part of the financial statements		1 - 47			

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Annexure III
(₹ in crores)

Particulars	Notes	Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
A. CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax			**2,112.52**		**1,535.98**		**1,004.78**
Adjustments for:							
Depreciation, amortisation and impairment	12, 13, 14 & 15	152.59		121.70		105.68	
Impairment on loans	32	(79.54)		(8.16)		484.29	
Impairment on other financial instruments		10.69		(8.58)		36.05	
(Profit)/ loss on sale of assets		(2.13)		(0.33)		0.30	
(Gain)/Loss on termination - Ind AS 116		(3.09)		-		(0.98)	
Net (Gain)/ loss on fair value changes on investment - realised		(82.68)		(77.20)		(161.67)	
Net (Gain)/ loss on fair value changes on investment - unrealised		(64.58)		0.13		(9.79)	
Net (Gain)/ loss on derecognition of financial instruments under amortised cost		(513.81)		(411.23)		(129.77)	
Employee benefit expenses - share based		(1.90)		3.10		0.44	
Employee benefit expenses - others		22.30		12.30		15.74	
Interest on loans		(6,978.79)		(5,971.71)		(5,325.56)	
Interest on deposits with banks	26.1	(167.32)		(90.01)		(82.73)	
Dividend Income	26.2	-		-		(5.94)	
Finance cost		3,226.30		2,735.46		2,594.43	
Interest expenses - Ind AS 116	30	34.62		30.79		26.94	
Loss/(Gain) on buy back of debentures (net)		(4.47)		(0.79)		(0.71)	
Income received on loans		7,083.51		6,576.39		4,739.07	
Interest received on deposits with banks		143.04		87.91		85.90	
Income received on investments		(7.20)		-		-	
Finance cost paid		(2,540.87)	**226.67**	(3,026.17)	**(26.40)**	(2,537.22)	**(165.54)**
Operating profit before working capital changes			**2,339.19**		**1,509.58**		**839.24**
Decrease/ (increase) in financial and non financial assets			(104.55)		(22.59)		(247.64)
Increase/ (decrease) in financial and non financial liabilities			(565.08)		621.46		1,043.37
Cash (used in)/ generated from operations			**1,669.56**		**2,108.45**		**1,634.97**
Taxes paid			(276.71)		(294.33)		(295.29)
Net cash (used in)/ generated from operating activities			**1,392.85**		**1,814.12**		**1,339.68**
Loans (disbursed)/ repaid (net)			(6,333.41)		(30.39)		(4,926.53)
Net cash (used in)/ generated from operating activities (A)			**(4,940.56)**		**1,783.73**		**(3,586.85)**
B. CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment and other intangible assets			(260.99)		(100.77)		(36.31)
Sale of property, plant and equipment and other intangible assets			2.82		1.17		2.03
Purchase of investment property			(0.85)		(24.51)		(6.31)
Proceeds from investments property			-		-		2.41
Proceeds/(Purchase) of Investments			(2,165.13)		(1,075.23)		865.88
Dividend received			-		-		5.94
Proceeds/(Deposits) from maturity of deposits placed with Banks			(306.30)		203.55		(597.80)
Net cash (used in)/ generated from investing activities (B)			**(2,730.45)**		**(995.79)**		**235.84**
C. CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from issue of equity share capital			2,285.95		8.60		4.56
Payment of Stamp duty			-		(8.34)		-
Premium on issue of debentures			(271.32)		-		-
Dividend paid (including dividend distribution tax)			(173.63)		(132.82)		(113.69)
Proceeds from debt securities			1,673.73		2,910.32		3,101.18
Repayment of debt securities			(1,877.83)		(3,274.14)		(3,410.16)
Proceeds from borrowings (other than debt securities)			19,435.10		12,198.21		12,123.85
Repayment of borrowings (other than debt securities)			(16,363.64)		(9,123.99)		(7,269.34)
Proceeds from subordinated liabilities			376.64		705.82		670.86
Repayment of subordinated liabilities			-		(410.97)		(601.03)
Payment of lease liability			21.22		(91.89)		(77.93)
Change in Minority Interest			(16.18)		-		-
Net cash (used in)/ generated from financing activities (C)			**5,090.04**		**2,780.80**		**4,428.30**
Net increase in cash and cash equivalents (A + B + C)			**(2,580.97)**		**3,568.74**		**1,077.30**
Add : Opening cash and cash equivalents as at the beginning of the year			6,211.64		2,642.90		1,565.60
Cash and cash equivalents as at the end of the year	4		**3,630.67**		**6,211.64**		**2,642.90**
See accompanying notes forming part of the financial statements	1 - 47						

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

REFORMATTED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Annexure IV

A. Equity Share Capital **(₹ in crores)**

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2023 (refer note 25)	75.92	0.17	76.09
As at March 31, 2022 (refer note 25)	75.77	0.15	75.92
As at March 31, 2021 (refer note 25)	75.67	0.10	75.77

B. Other Equity **(₹ in crores)**

Particulars	Share Application Money (Note 1)	Reserves & Surplus									Other Comprehensive Income			Total	Non-Controlling Interest
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6)	Capital Redemption Reserve (Note 7)	Debenture Redemption Reserve (Note 8)	Retained Earnings (Note 9)	Stock Compensation Reserve (Note 10)	Effective portion of Cash Flow Hedges (Note 11)	Fair value of loans carried at FVTOCI	Remeasurements of defined benefit (Note 12)		
Balance as at April 01, 2020	**-**	**83.89**	**1,835.26**	**652.47**	**558.29**	**206.87**	**230.11**	**12.80**	**1,105.53**	**17.41**	**(13.06)**	**-**	**(5.27)**	**4,684.31**	**5.64**
Profit for the year	-	-	-	-	-	-	-	-	760.12	-	-	-	-	760.12	0.69
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(25.35)	(0.57)	1.61	(24.32)	(0.00)
Interim dividend	-	-	-	-	-	-	-	-	(113.54)	-	-	-	-	(113.54)	(0.15)
Change in minority	-	-	-	-	-	-	-	-	0.27	-	-	-	-	0.27	(0.27)
Transfer to/ from reserves	-	-	1.26	0.68	81.96	80.50	-	-	(162.46)	(1.94)	-	-	-	(0.00)	-
Addition during the year	-	-	4.46	-	-	-	-	-	0.01	0.44	-	-	-	4.91	-
Balance as at April 01, 2021	**-**	**83.89**	**1,840.98**	**653.15**	**640.25**	**287.37**	**230.11**	**12.80**	**1,589.93**	**15.91**	**(38.41)**	**(0.57)**	**(3.66)**	**5,311.75**	**5.92**
Profit for the year	-	-	-	-	-	-	-	-	1,187.89	-	-	-	-	1,187.89	0.36
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(0.98)	10.22	(0.03)	9.21	(0.01)
Interim dividend	-	-	-	-	-	-	-	-	(132.82)	-	-	-	-	(132.82)	-
Change in minority	-	-	-	-	-	-	-	-	0.37	-	-	-	-	0.37	(0.37)
Share issue expenses	-	-	(8.34)	-	-	-	-	-	-	-	-	-	-	(8.34)	-
Transfer to/ from reserves	-	-	4.76	0.07	205.35	115.60	-	-	(312.66)	(4.82)	-	-	-	8.30	-
Addition during the year	-	-	8.45	-	-	-	-	-	-	3.10	-	-	-	11.55	-
Balance as at March 31, 2022	**-**	**83.89**	**1,845.85**	**653.22**	**845.60**	**402.97**	**230.11**	**12.80**	**2,332.71**	**14.19**	**(39.39)**	**9.65**	**(3.69)**	**6,387.91**	**5.90**
Profit for the year	-	-	-	-	-	-	-	-	1,500.30	-	-	-	-	1,500.30	107.25
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	34.76	(0.56)	(2.01)	32.19	(1.52)
Interim dividend	-	-	-	-	-	-	-	-	(173.63)	-	-	-	-	(173.63)	-
Change in minority	-	-	(689.64)	(29.36)	-	(92.39)	-	-	(287.07)	-	-	-	-	(1,098.46)	1,098.46
Share issue expenses	-	-	(24.13)	-	-	-	-	-	-	-	-	-	-	(24.13)	-
Transfer to/ from reserves	-	-	6.07	1.09	186.51	158.10	-	-	(344.61)	(7.16)	-	-	-	(0.00)	-
Addition during the year	-	-	2,289.17	-	-	-	-	-	-	2.62	-	-	-	2,291.79	-
Balance as at March 31, 2023	**-**	**83.89**	**3,427.32**	**624.95**	**1,032.11**	**468.68**	**230.11**	**12.80**	**3,027.70**	**9.65**	**(4.63)**	**9.09**	**(5.70)**	**8,915.97**	**1,210.08**

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

REFORMATTED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Notes: **Annexure IV**

1. Share application money pending allotment: Money received for share application for which allotment is pending.

2. Capital Reserves: Capital reserve is created on account of Composite Scheme of Arrangement.

3. Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve (including debenture premium). Total additions to Securities Premium is after netting of share issue expenses.

4. General Reserve: The reserve can be distributed/utilised by the Group, in accordance with the Companies Act, 2013

5. Special Reserve: Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and Samasta Microfinance Limited has been transferred from Retained Earnings to Special Reserve.

6. Special Reserve: Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.

7. Capital Redemption Reserve: This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.

8. Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.

9. Retained Earnings: These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.

10. Stock Compensation Reserve: The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

11. Effective portion of Cash Flow Hedges: This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

12. Remeasurements of defined benefit: This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 47)

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Note 1. **Annexure V**

The Group has prepared the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Consolidated Statement of Profit and Loss and the Reformatted Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Consolidated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Consolidated Financial Statements"). Accordingly these Reformatted Consolidated Financial Statements will be included in the Offer Document (collectively "Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus (es) and any other issue material") proposed to be filed by the Company with the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India (the "SEBI") and the Registrar of Companies – Mumbai (the "Prospectus") in connection with the proposed issue by the Company.

The Reformatted Consolidated Financial Statements are based on and have been extracted by the Management of the Company from the Audited Consolidated Financial Statements of the Group for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Reformatted Consolidated Financial Statements as at and for the years ended March 31, 2021 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with the Audited Consolidated Financial Statements for the year ended March 31, 2023 to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended from time to time (the "SEBI (NCS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI").

These Reformatted Consolidated Financial Statements, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited consolidated financial statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Consolidated Financial Statements have been approved by the Finance Committee of the Board of Directors on its meeting held on April 26, 2023.

Note 1.1 CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on Mar 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI")and digital finance loans.

Note 2. Basis of consolidation

i. Basis of preparation of financial statements

The consolidated financial statements relate to IIFL Finance Limited (the "Company") and its subsidiary/group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Company has:

- Power over the investee,
- Is exposed or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power over investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Company 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 Holding Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

ii. Principles of consolidation:

a) The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date,
- Level 2 inputs are inputs, other than quoted prices included within level 1, (that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

b) The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

c) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2023.

d) The consolidated financial statements of the Group 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, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

e) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

   Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

   Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

   For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

   The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortised but tested for impairment.

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any

iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2023, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2023 of following subsidiaries are included in consolidation:

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary		
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
IIFL Home Finance Limited (HFC)	Direct Subsidiary	India	100%	100%	100%
IIFL Samasta Microfinance Limited (Formerly Samasta Microfinance Limited) (Samasta)	Direct Subsidiary	India	99.51%	99.41%	98.09%
IIHFL Sales Limited	Step down Subsidiary	India	100%	100%	100%
IFL Open Fintech Private Limited	Direct Subsidiary	India	51.02%	NA	NA

iv. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India (“RBI”) and National Housing Bank (“NHB”). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (“ICAI”) are also applied except where compliance with other statutory promulgations require a different treatment.

vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Interest income on Direct assignment pool is recognised on time proportion basis net off amount payable to assignees.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 instrument. The future cash flows are estimated taking into account all the behavioural pattern and contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges 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 and Loss include, among other things, fees charged for servicing a loan.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight-line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE 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 PPE is determined as the difference between the sales proceeds and the carrying amount net of accumulated depreciation of the asset and is recognised in the Statement of Profit and Loss.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as “capital work-in-progress".

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

(f) Impairment of assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

The Group's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit and loss.

Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related 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. These benefits include performance incentive and compensated absences.
Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plan above.

(i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects 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 (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group’s financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Financial assets

Classification and measurement

The Group classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial instruments measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely

payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.
Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.
Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is

established.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss 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 discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will 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 de-recognised and is still in the portfolio.
- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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 or issuer;
- 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.

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.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

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 expert credit assessment.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.
Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

(l) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(m) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

(n) Borrowing costs

Borrowing costs include interest expense calculated using the EIR method.

(o) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(q) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

(r) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(s) Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(t) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

(u) Derivative financial instruments and hedging

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(v) Leases

The Group assesses whether a contract contains a lease, at the inception of the 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 considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor
Leases for which the Group is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group as a lessee
As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for these leases.

(w) Recent Accounting Pronouncements

On March 31, 2023, Ministry of Corporate Affairs ("MCA") has amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

IND AS 1 – Presentation of Financial Statements:
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual period beginning on or after April 1, 2023. The company has evaluated the amendment the impact of the amendment is insignificant in the standalone financial statements.

IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual period beginning on or after April 1,2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements there is no impact on its standalone financial

statements.

IND AS 12 – Income Taxes:

This amendment has narrowed the scope of initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual period beginning on or after April 1,2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Note 4. Cash and Cash Equivalents **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents			
Cash on hand	60.73	50.20	22.52
Cheques on hand	105.74	-	-
Balance with Banks - In current accounts	1,209.17	3,920.92	2,476.32
- In deposit accounts	1,453.69	2,240.16	144.04
- Interest accrued on fixed deposits	1.37	0.36	0.02
CCIL Lending/Money at call or short notice	799.97	-	-
Total	**3,630.67**	**6,211.64**	**2,642.90**

Note 5. Bank Balance (other than cash and cash equivalents) **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	11.28	18.78	13.11
In deposit accounts (refer note 5.1)	2,160.84	1,914.54	2,118.09
Interest accrued on fixed deposits (refer note 5.1)	36.24	11.97	9.95
Total	**2,208.36**	**1,945.29**	**2,141.15**

Note 5.1 Out of the Fixed Deposits shown above **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lien marked	1,795.94	1,294.89	1,479.66
Margin for credit enhancement	133.63	631.62	644.63
Other deposits	267.51	-	3.75
Total	**2,197.08**	**1,926.51**	**2,128.04**

Note 6: Derivative Financial Instruments

(₹ in crores)

Part I	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives:									
Spot and forwards	4,678.79	145.89	33.15	3,694.38	45.85	149.46	3,939.63	41.69	97.38
Cross Currency Interest Rate Swaps	363.08	44.02	-	363.08	-	5.06	363.08	-	29.21
(ii) Interest rate derivatives									
Forward Rate Agreements and Interest Rate Swaps	695.50	26.48	-	695.50	18.56	-	695.50	-	21.29
Options Purchased	4.32	9.22	9.22	4.32	9.87	9.87	5.56	8.70	8.70
(iii) Other derivatives									
Forward exchange contract	968.75	(2.03)	-	-	-	-	-	-	-
Total	**6,710.44**	**223.58**	**42.37**	**4,757.28**	**74.28**	**164.39**	**5,003.77**	**50.39**	**156.58**

(₹ in crores)

Part II	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging									
Options Purchased*	4.32	9.22	9.22	4.32	9.87	9.87	5.56	8.70	8.70
(ii) Cash flow hedging									
Currency derivatives	5,041.87	189.91	33.15	4,057.46	45.85	154.52	4,302.70	41.69	126.59
Interest rate derivative	695.50	26.48	-	695.50	18.56	-	695.50	-	21.29
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives									
Forward exchange contract	968.75	(2.03)	-	-	-	-	-	-	-
Total	**6,710.44**	**223.58**	**42.37**	**4,757.28**	**74.28**	**164.39**	**5,003.77**	**50.39**	**156.58**

Credit Risk and Currency Risk

(₹ in crores)

	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative Asset	3,493.17	223.58	4.32	9.22	3,488.86	214.36
Derivative Liabilities	3,221.59	42.37	4.32	9.22	3,217.27	33.14
As at March 31, 2022						
Derivative Asset	1,386.82	74.28	4.32	9.87	1,382.50	64.41
Derivative Liabilities	3,374.78	164.39	4.32	9.87	3,370.46	154.52
As at March 31, 2021						
Derivative Asset	692.56	50.39	5.56	8.70	687.00	41.69
Derivative Liabilities	4,316.77	156.58	5.56	8.70	4,311.20	147.88

* Unsecured Non Convertible Debentures of ₹ 9.22 crores (March 31, 2022 - ₹ 9.87 crores, March 31, 2021 - ₹ 6.89 crores) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

6.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark Plus Margin. The Group economically hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations relating interest rate and currency risk arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS standards. These contracts are stated at fair value of the Spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Notional amount	6,706.12	4,752.95	4,998.20
Carrying amount	181.22	(90.11)	106.19
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	-	-	-

(₹ in crores)

Impact of hedging item	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Change in fair value profit/(loss)	-	-	
Cash flow hedge reserve profit/(loss)	12.45	9.60	(25.35)
Cost of hedging	(2.56)	-	-

(₹ in crores)

Effect of Cash flow hedge	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total hedging gain / (loss) recognised in OCI	34.76	(0.97)	(25.35)
Ineffectiveness recognised in profit or (loss)	(2.66)	-	-

Note 7. Receivables (₹ in crores)

Receivables	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Trade Receivables			
Receivables considered good - Secured	60.89	134.50	156.47
Receivables considered good - Unsecured*	59.63	48.39	35.81
Receivables considered good - significant increase in credit risk	0.10	0.39	-
Receivables - credit impaired	8.11	0.00	0.29
Total (i) - Gross	**128.73**	**183.28**	**192.57**
Less: Impairment loss allowance	(7.30)	(0.08)	(0.29)
Total (i) - Net	**121.43**	**183.20**	**192.28**
(ii) Other Receivables			
Receivables considered good - Unsecured	151.96	15.80	0.51

* including receivable from Group Companies (refer note 41.2)

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person. Nor trade or other receivables are due from firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group had adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 7.1 Trade Receivables Ageing Schedule

(₹ in crores)

Particulars (As at March 31, 2023)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered	3.99	116.40	0.03	0.10	-	-	**120.52**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.10	-	-	-	-	**0.10**
(iii)Undisputed Trade Receivables – credit	-	-	6.45	1.66	-	-	**8.11**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	3.99	**116.50**	**6.48**	**1.76**	**-**	**-**	**128.73**

(₹ in crores)

Particulars (As at March 31, 2022)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered	4.64	178.12	0.11	0.02	-	-	**182.89**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.39	-	-	-	-	**0.39**
(iii)Undisputed Trade Receivables – credit	-	-	-	-	0.00	-	**0.00**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
	4.64	**178.51**	**0.11**	**0.02**	**0.00**	**-**	**183.28**

(₹ in crores)

Particulars (As at March 31, 2021)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered	1.21	162.41	28.65	0.00	0.01	0.00	**192.28**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)Undisputed Trade Receivables – credit	-	-	0.01	0.00	0.28	-	**0.29**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
	1.21	**162.41**	**28.66**	**0.00**	**0.29**	**0.00**	**192.57**

Note 8. Loans **(₹ in crores)**

Particulars	As at March 31, 2023		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	31,914.84	6,984.42	38,899.26
(ii) Non Convertible Debentures - for financing real estate projects	1,202.46	-	1,202.46
(iii) Related Parties	0.14	-	0.14
(iv) Others (Dues from Customers etc)	1,216.48	-	1,216.48
Total (A) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 300.62 crores and Stage 3 Interest ₹ 85.95 crores)	(1,256.78)	(60.45)	(1,317.23)
Total (A) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	23,746.11	6,736.40	30,482.51
(ii) Covered by Bank/ Government guarantees	192.45	0.73	193.18
(iii) Unsecured	10,395.36	247.29	10,642.65
Total (B) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance	(1,256.78)	(60.45)	(1,317.23)
Total (B) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	34,333.92	6,984.42	41,318.34
Total(C) (I) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance	(1,256.78)	(60.45)	(1,317.23)
Total(C) (I) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**33,077.14**	**6,923.97**	**40,001.11**

(₹ in crores)

Particulars	As at March 31, 2022		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	26,637.08	5,712.46	32,349.54
(ii) Non Convertible Debentures - for financing real estate projects	1,716.84	-	1,716.84
(iii) Related parties	0.20	-	0.20
(iv) Others (Dues from Customers etc)	1,049.17	-	1,049.17
Total (A) - Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 409.22 crores and Stage 3 Interest ₹ 112.48 crores)	(1,372.86)	(50.00)	(1,422.86)
Total (A) - Net	**28,030.43**	**5,662.46**	**33,692.89**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	21,343.64	5,712.46	27,056.10
(ii) Covered by Bank/ Government guarantees	344.92	-	344.92
(iii) Unsecured	7,714.73	-	7,714.73
Total (B) - Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance	(1,372.86)	(50.00)	(1,422.86)
Total (B) - Net	**28,030.43**	**5,662.46**	**33,692.89**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	29,403.29	5,712.46	35,115.75
Total (C) (I)-Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance	(1,372.86)	(50.00)	(1,422.86)
Total (C) (I)-Net	**28,030.43**	**5,662.46**	**33,692.89**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**28,030.43**	**5,662.46**	**33,692.89**

(₹ in crores)

Particulars	As at March 31, 2021		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	26,074.35	5,266.29	31,340.64
(ii) Non Convertible Debentures - for financing real estate projects	2,271.34	-	2,271.34
(iii) Others (Dues from Customers etc)	1,365.15	-	1,365.15
Total (A) - Gross	**29,710.84**	**5,266.29**	**34,977.13**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 382.90 crores and Stage 3 Interest ₹ 116.95 crores)	(1,394.85)	(49.12)	(1,443.97)
Total (A) - Net	**28,315.99**	**5,217.17**	**33,533.16**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	23,833.75	4,945.13	28,778.88
(ii) Covered by Bank/ Government guarantees	335.97	3.49	339.46
(iii) Unsecured	5,541.12	317.67	5,858.79
Total (B) - Gross	**29,710.84**	**5,266.29**	**34,977.13**
Less: Impairment loss allowance	(1,394.85)	(49.12)	(1,443.97)
Total (B) - Net	**28,315.99**	**5,217.17**	**33,533.16**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	29,710.84	5,266.29	34,977.13
Total (C) (I)-Gross	**29,710.84**	**5,266.29**	**34,977.13**
Less: Impairment loss allowance	(1,394.85)	(49.12)	(1,443.97)
Total (C) (I)-Net	**28,315.99**	**5,217.17**	**33,533.16**
(II) Loans outside India (C) (II)			
Less: Impairment loss allowance	-	-	-
Total (C) (II)- Net	-	-	-
Total C (I) and C (II)	**28,315.99**	**5,217.17**	**33,533.16**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

8.2 Secured loans include loans aggregating to ₹ 218.77 crores (March 31, 2022 - ₹ 200.95 crores, March 31, 2021 - ₹ 267.80 crores) in respect of which the creation of security is under process.

Note 9. Investments

(₹ in crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	57.49	-	57.49
Alternate investment funds	1,132.68	-	1,132.68
Security receipts	1,209.60	-	1,209.60
Government Securities	5.04	-	5.04
Bonds	346.52	-	346.52
Preference Shares	38.17	-	38.17
Certificate of Deposits	-	646.40	646.40
Commercial Papers	-	397.34	397.34
Debt securities	-	7.61	7.61
Equity instruments			
in others	-	0.05	0.05
Total – Gross (A)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total – Net (A)	**2,459.60**	**1,051.40**	**3,511.00**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,789.50	1,051.40	3,840.90
Total – (B)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total Net (B)	**2,459.60**	**1,051.40**	**3,511.00**

(₹ in crores)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	1,099.22	-	1,099.22
Security receipts	445.39	-	445.39
Debt securities	-	9.59	9.59
Equity instruments			
in others	-	0.05	0.05
Total – Gross (A)	**1,544.61**	**9.64**	**1,554.25**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total – Net (A)	**1,182.52**	**9.64**	**1,192.16**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	1,544.61	9.64	1,554.25
Total – (B)	**1,544.61**	**9.64**	**1,554.25**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total Net (B)	**1,182.52**	**9.64**	**1,192.16**

(₹ in crores)

Particulars	As at March 31, 2021		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	11.82	-	11.82
Alternate investment funds	7.11	-	7.11
Debt securities	-	12.60	12.60
Equity instruments			
in others	-	0.05	0.05
Total – Gross (A)	**18.92**	**12.65**	**31.57**
Less: Impairment loss allowance	-	-	-
Total – Net (A)	**18.92**	**12.65**	**31.57**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	18.92	12.65	31.57
Total – (B)	**18.92**	**12.65**	**31.57**
Less: Impairment loss allowance	-	-	-
Total Net (B)	**18.92**	**12.65**	**31.57**

Note 9.1 Investment details script wise

Particulars	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)
Mutual funds			**57.49**			**0.00**			**11.82**
IIFL Focused Equity Fund-Direct Plan-Growth	-	-	-	-	-	-	45,62,418.45	10	11.82
Nippon India Mutual Fund ETF Liquid BeES	36.71	1,000.00	0.00	35.20	1,000.00	0.00	-	-	-
Aditya Birla Sunlife Liquid Fund- Growth-Direct Plan(formerly known as Aditya Birla Sun Life Cash Plus)	15,83,308.60	10.00	57.49	-	-	-	-	-	-
Alternate investment fund			**1,132.68**			**1,099.22**			**7.11**
Phi Capital Growth Fund-I	339.12	1,00,000.00	8.59	306.78	1,00,000.00	10.06	298.40	1,00,000.00	4.31
Indiareit Apartment Fund - Class B	11.29	1,00,000.00	0.08	20.01	1,00,000.00	0.24	22.63	1,00,000.00	0.36
IIFL Income Opportunities Fund- Special Situation - Class B	-	-	-	-	-	-	9,32,923.14	4.00	0.20
IIFL Income Opportunities Fund- Special Situation - Class S	-	-	-	-	-	-	1,02,78,484.68	4.00	2.24
IIFL One Value Fund Series B - Class B	60,88,37,542.29	10.00	666.21	60,88,37,542.29	10.00	633.50	-	-	-
IIFL One Value Fund Series B - Class C	36,34,64,973.29	10.00	436.88	41,59,40,426.88	10.00	445.94	-	-	-
Faering Capital Growth Fund III	15,500.00	1,000.00	1.40	15,500.00	1,000.00	1.50	-	-	-
IIFL Securities Capital Enhancer Fund Class S	1,34,18,161.87	10.00	15.45	39,99,800.01	10.00	4.03	-	-	-
IIFL Securities Capital Enhancer Fund Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00	-	-	-
IIFL One Opportunities FOF - Series 1	30,95,601.13	10.00	4.07	30,65,261.70	10.00	3.95	-	-	-
Preference Shares			**38.17**			**-**			
Open Financial Technologies Private Limited	201.00	100.00	38.17	-	-	-	-	-	-
Debt instruments			**7.61**			**9.59**			**12.60**
Elite Mortgage HL Trust June 2019 Series A PTC	5.00	3,58,54,404.00	7.61	5.00	3,58,54,404.00	9.59	5.00	3,58,54,404	12.60
Equity instruments			**0.05**			**0.05**			**0.05**
Alpha Microfinance Consultants Private Limited	50,000.00	10.00	0.05	50,000.00	10.00	0.05	50,000.00	10	0.05
Bonds			**346.52**			**-**			**-**
Andhra Pradesh State Beverages Corporation Limited	450.00	2,50,000.00	11.26	-	-	-	-	-	-
Andhra Pradesh State Beverages Corporation Limited	3,353.00	10,00,000.00	335.26	-	-	-	-	-	-
Government Securities			**5.04**			**-**			**-**
07.38 % Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.04	-	-	-	-	-	-
Certificate of Deposits			**646.40**			**-**			**-**
Axis Bank Limited CD 15MAY23	500.00	5,00,000.00	24.78	-	-	-	-	-	-
Bank of Maharashtra CD 05APR23	2,000.00	10,00,000.00	98.49	-	-	-	-	-	-
Bank of Maharashtra CD 12MAY23	1,000.00	2,50,000.00	49.59	-	-	-	-	-	-
Canara Bank CD 17APR23	2,000.00	5,00,000.00	98.40	-	-	-	-	-	-
HDFC Bank Limited CD 13APR23	2,000.00	6,25,000.00	98.37	-	-	-	-	-	-
HDFC Bank Limited CD 15MAY23	1,600.00	4,00,000.00	79.31	-	-	-	-	-	-
Punjab National Bank CD 18MAY23	2,000.00	5,00,000.00	99.07	-	-	-	-	-	-
Punjab National Bank CD 23JUN23	2,000.00	5,00,000.00	98.39	-	-	-	-	-	-
Commercial Papers			**397.35**			**-**			**-**
National Bank For Agriculture And Rural Development 90D CP 20APR23	6,000.00	5,00,000.00	298.81	-	-	-	-	-	-
Small Industries Development Bank Of India 91D CP 16JUN23	2,000.00	5,00,000.00	98.53	-	-	-	-	-	-
Security Receipts			**1,209.60**			**445.39**			**-**
ACRE-110-Trust (Tranche I)	38,25,000.00	895.48	325.40	38,25,000.00	951.75	362.09	-	-	-
ACRE-110-Trust (Tranche II)	53,97,500.00	952.52	488.42	-	-	-	-	-	-
Arcil-SBPS-049-I-Trust	8,33,000.00	275.20	22.92	8,33,000.00	1,000.00	83.30	-	-	-
Phoenix Trust-FY23-20	21,25,000.00	1,000.00	212.50	-	-	-	-	-	-
Invent/2223/IIFL Samasta/P18 Trust	8,04,678.00	1,000.00	80.47	-	-	-	-	-	-
Invent/2223/IIFL Samasta/P19 Trust	7,99,000.00	1,000.00	79.90	-	-	-	-	-	-
Total Gross			**3,840.90**			**1,554.25**			**31.57**

Note 10. Other financial assets **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)			
Security deposits	49.27	40.91	32.42
Deposit with Exchange	0.25	0.25	0.28
Interest strip asset on assignment	1,309.34	795.53	384.30
Staff advances	0.26	0.21	0.14
Insurance receivable	65.28	50.58	52.52
Less: Provisions on insurance receivables (refer note 10.1)	(36.77)	(26.63)	(18.17)
Other receivables	215.17	57.62	29.34
Accrued interest on investments	7.20	-	-
Other advance	5.55	5.57	4.67
(Unsecured, considered doubtful)			
Security deposit for rented premises	0.98	1.12	1.13
Less: Impairment loss allowance on security deposit (refer note 10.2)	(0.98)	(1.12)	(1.13)
Total	**1,615.55**	**924.05**	**485.50**

Note 10.1: Provisions on insurance receivables **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening	**26.63**	**18.17**	**11.25**
Addition	11.74	16.22	7.28
Reduction	(1.60)	(7.76)	(0.35)
Closing	**36.77**	**26.63**	**18.17**

Note 10.2: Provisions on security deposit **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening	**1.12**	**1.13**	**1.30**
Addition	0.41	0.74	0.48
Reduction	(0.55)	(0.75)	(0.65)
Closing	**0.98**	**1.12**	**1.13**

Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows: **(₹ in crores)**

(A) Deffered tax asset	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	27.74	4.57	-	32.31
Provisions, allowances for doubtful receivables / loans	331.13	(7.30)	-	323.83
Compensated absences and retirement benefits	6.60	2.73	0.68	10.01
MTM on derivative financial instruments	0.74	(9.41)	(12.48)	(21.15)
Expenses deductible in future years	13.73	(4.45)	-	9.28
C/f losses on investments	(15.17)	(14.53)	-	(29.70)
Cash flow hedge reserve	101.77	-	(7.45)	94.32
Fair value of loans carried at FVTOCI	(3.24)	(3.45)	0.19	(6.50)
Leases - Ind AS 116	8.50	(1.45)	-	7.05
Income amortisation (net)	(185.98)	(110.80)	-	(296.78)
Deferred tax assets (net)	**285.82**	**(144.09)**	**(19.06)**	**122.67**

(₹ in crores)

(B) Deffered tax liability	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax liability				
Property, plant and equipment	-	(0.00)	-	(0.00)
Expenses deductible in future years	-	0.02	-	0.02
C/f losses on investments	-	(0.63)	-	(0.63)
Deferred tax liability (net)	**-**	**(0.61)**	**-**	**(0.61)**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows: **(₹ in crores)**

(A) Deffered tax asset	Opening balance (as on April 1, 2021)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	24.63	3.11	-	27.74
Provisions, allowances for doubtful receivables / loans	331.53	(0.40)	-	331.13
Compensated absences and retirement benefits	5.86	0.73	0.01	6.60
MTM on derivative financial instruments	6.82	-	(6.08)	0.74
Expenses deductible in future years	13.10	0.63	-	13.73
C/f losses on investments	-	(15.17)	-	(15.17)
Cash flow hedge reserve	7.32	90.89	3.56	101.77
Fair value of loans carried at FVTOCI	0.19	-	(3.43)	(3.24)
Leases - Ind AS 116	7.14	1.36	-	8.50
Income amortisation (net)	(85.45)	(100.53)	-	(185.98)
Deferred tax assets (net)	**311.14**	**(19.38)**	**(5.94)**	**285.82**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows: **(₹ in crores)**

(A) Deffered tax asset	Opening balance (as on April 1, 2020)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2021)
Deferred tax assets				
Property, plant and equipment	21.21	3.42	-	24.63
Provisions, allowances for doubtful receivables / loans	235.16	96.37	-	331.53
Compensated absences and retirement benefits	6.71	(0.31)	(0.54)	5.86
MTM on derivative financial instruments	6.89	(3.64)	3.57	6.82
Expenses deductible in future years	8.93	4.17	-	13.10
C/f losses on investments	14.22	(14.22)	-	-
Cash flow hedge reserve	-	-	7.32	7.32
Fair value of loans carried at FVTOCI	-	-	0.19	0.19
Leases - Ind AS 116	4.75	2.39	-	7.14
Income amortisation (net)	(54.91)	(30.54)	-	(85.45)
Deferred tax assets (net)	**242.95**	**57.65**	**10.54**	**311.14**

Note 12. Investment property (at cost) **(₹ in crores)**

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2022	**155.60**	**7.48**	**138.16**	**301.24**
Additions during the year	-	-	-	-
Deductions/adjustments during the year	-	(4.73)	-	(4.73)
As at March 31, 2023	**155.60**	**2.75**	**138.16**	**296.51**
Less : Impairment loss allowance	(0.01)	(0.46)	-	(0.47)
Net carrying value as at March 31, 2023	**155.59**	**2.29**	**138.16**	**296.04**
Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)	192.18	3.68	150.66	346.53

*Distress value of above flats is ₹ 158.23 crores.

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2021	**155.60**	**7.48**	**112.19**	**275.27**
Additions during the year	-	-	25.97	25.97
Deductions/adjustments during the year	-	-	-	-
As at March 31, 2022	**155.60**	**7.48**	**138.16**	**301.24**
Less : Impairment loss allowance	(0.01)	(0.85)	(5.19)	(6.05)
Net carrying value As at March 31, 2022	**155.59**	**6.63**	**132.97**	**295.19**
Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)	175.98	8.78	132.97	317.74

*Distress value of above flats is ₹ 157.90 crores.

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2020	**155.60**	**11.18**	**105.89**	**272.67**
Additions during the year	-	-	6.31	6.31
Deductions/adjustments during the year	-	(3.70)	-	(3.70)
As at March 31, 2021	**155.60**	**7.48**	**112.20**	**275.28**
Less : Impairment loss allowance	(0.01)	(0.48)	(3.73)	(4.22)
Net carrying value as at March 31, 2021	**155.59**	**7.01**	**108.46**	**271.06**
Fair value as on March 31, 2021 (Fair value hierarchy : Level 3)	171.04	8.68	108.48	288.20

*Distress value of above flats is ₹ 159.61 crore.

12.1: Management has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	**0.09**	**2.26**	**135.96**	**1.57**	**28.98**	**24.55**	**40.19**	**69.89**	**303.49**
Additions during the year	-	1.82	40.91	0.69	16.25	-	12.60	22.35	**94.62**
Deductions/adjustments	-	(0.08)	(2.45)	-	(0.12)	-	(1.15)	(4.30)	**(8.10)**
As at March 31, 2023	**0.09**	**4.00**	**174.42**	**2.26**	**45.11**	**24.55**	**51.64**	**87.94**	**390.01**
Depreciation									
As at April 1, 2022	**-**	**1.43**	**65.08**	**1.53**	**10.92**	**7.05**	**21.18**	**45.78**	**152.97**
Depreciation for the year	-	0.60	32.09	0.07	6.69	1.47	9.66	15.31	**65.89**
Deductions/adjustments	-	(0.06)	(2.08)	-	(0.14)	(0.05)	(0.92)	(1.73)	**(4.98)**
Up to March 31, 2023	**-**	**1.97**	**95.09**	**1.60**	**17.47**	**8.47**	**29.92**	**59.36**	**213.88**
Net block As at March 31, 2023	**0.09**	**2.03**	**79.33**	**0.66**	**27.64**	**16.08**	**21.72**	**28.58**	**176.13**

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	**0.09**	**1.74**	**87.98**	**1.71**	**11.34**	**35.93**	**27.76**	**48.06**	**214.61**
Additions during the year	-	0.67	49.76	0.02	17.81	-	13.36	26.90	**108.52**
Deductions/adjustments	-	(0.15)	(1.78)	(0.16)	(0.17)	(11.38)	(0.93)	(5.07)	**(19.64)**
As at March 31, 2022	**0.09**	**2.26**	**135.96**	**1.57**	**28.98**	**24.55**	**40.19**	**69.89**	**303.49**
Depreciation									
As at April 1, 2021	**-**	**1.10**	**42.47**	**1.47**	**6.94**	**8.46**	**13.68**	**36.20**	**110.32**
Depreciation for the year	-	0.46	24.00	0.22	4.12	2.11	8.22	13.27	**52.40**
Deductions/adjustments	-	(0.13)	(1.39)	(0.16)	(0.14)	(3.52)	(0.72)	(3.69)	**(9.75)**
Up to March 31, 2022	**-**	**1.43**	**65.08**	**1.53**	**10.92**	**7.05**	**21.18**	**45.78**	**152.97**
Net block As at March 31, 2022	**0.09**	**0.83**	**70.88**	**0.04**	**18.06**	**17.50**	**19.01**	**24.11**	**150.52**

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2020	**0.09**	**1.79**	**73.20**	**1.71**	**13.60**	**35.93**	**19.89**	**47.28**	**193.49**
Additions during the year	-	0.24	17.62	-	1.55	-	4.58	6.21	**30.20**
Deductions/adjustments	-	(0.30)	(2.85)	-	(3.82)	-	3.30	(5.43)	**(9.10)**
As at March 31, 2021	**0.09**	**1.73**	**87.98**	**1.71**	**11.34**	**35.93**	**27.76**	**48.06**	**214.59**
Depreciation									
As at April 1, 2020	**-**	**1.03**	**29.64**	**1.20**	**6.78**	**6.35**	**8.50**	**25.84**	**79.34**
Depreciation for the year	-	0.28	13.85	0.27	1.62	2.12	5.02	14.32	**37.48**
Deductions/adjustments	-	(0.21)	(1.03)	-	(1.46)	-	0.16	(3.96)	**(6.52)**
Up to March 31, 2021	**-**	**1.10**	**42.47**	**1.47**	**6.95**	**8.46**	**13.68**	**36.20**	**110.30**
Net block as at March 31, 2021	**0.09**	**0.63**	**45.51**	**0.25**	**4.39**	**27.47**	**14.08**	**11.87**	**104.29**

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 13.1. Capital-Work-in Progress (CWIP)

Ageing schedule

2022-23 **(₹ in crores)**

Particulars	As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	27.30	0.04	0.06	-	27.40
Projects temporarily suspended	-	-	-	-	-

2021-22 **(₹ in crores)**

Particulars	As at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.14	0.50	-	-	5.64
Projects temporarily suspended	-	-	-	-	-

2020-21 **(₹ in crores)**

Particulars	As at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.24	0.23	0.04	0.05	6.56
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 14. Leases

(i) As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**326.33**	**1.20**	**327.53**
Addition during the year	162.53	3.28	**165.81**
Deduction/Adjustment	(22.16)	(0.06)	**(22.22)**
Depreciation during the year	(83.59)	(0.92)	**(84.51)**
Closing Balance As at March 31, 2023	**383.10**	**3.50**	**386.61**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**297.76**	**0.84**	**298.60**
Addition during the year	101.75	1.13	**102.88**
Deduction/Adjustment	(6.04)	-	**(6.04)**
Depreciation during the year	(67.14)	(0.77)	**(67.91)**
Closing Balance As at March 31, 2022	**326.33**	**1.20**	**327.53**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2020	**274.98**	**2.14**	**277.12**
Addition during the year	101.65	0.15	**101.80**
Deduction/Adjustment	(14.98)	(0.36)	**(15.34)**
Depreciation during the year	(63.89)	(1.09)	**(64.98)**
Closing Balance as at March 31, 2021	**297.76**	**0.84**	**298.60**

b) Break up value of the Current and Non - Current Lease Liabilities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	96.43	74.93	51.55
Non-current lease liabilities	317.00	285.75	274.95
Total	**413.43**	**360.68**	**326.50**

c) Movement in lease liabilities:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**359.40**	**1.28**	**360.68**
Addition during the year	159.61	3.29	**162.90**
Deduction/Adjustment	(25.27)	(0.06)	**(25.33)**
Finance cost accrued during the period	34.42	0.20	**34.62**
Payment of lease liabilities	(118.39)	(1.05)	**(119.44)**
Closing Balance As at March 31, 2023	**409.77**	**3.66**	**413.43**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**325.57**	**0.93**	**326.50**
Addition during the year	101.34	1.12	**102.46**
Deduction/Adjustment	(6.31)	-	**(6.31)**
Finance cost accrued during the period	30.66	0.13	**30.79**
Payment of lease liabilities	(91.87)	(0.90)	**(92.76)**
Closing Balance As at March 31, 2022	**359.40**	**1.28**	**360.68**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2020	**289.09**	**2.26**	**291.35**
Addition during the year	101.15	0.15	**101.30**
Deduction/Adjustment	(16.00)	(0.39)	**(16.39)**
Finance cost accrued during the period	26.80	0.14	**26.94**
Payment of lease liabilities	(75.47)	(1.24)	**(76.71)**
Closing Balance as at March 31, 2021	**325.57**	**0.93**	**326.50**

d) Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than one year	122.51	99.29	76.43
One to two years	102.23	89.31	74.36
Two to five years	189.74	174.49	166.02
More than five years	110.63	95.77	118.92
Total	**525.11**	**458.87**	**435.72**

e) Rental expense recorded for short-term leases was ₹ 32.32 crores (March 31, 2022 - ₹ 19.76 crores, March 31, 2021 - ₹ 13.02 crores)

f) Amounts recognised in profit or loss **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Interest on lease liabilities	34.62	30.79	26.94
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.42	0.46	0.47
Depreciation relating to leases	84.51	67.91	64.98
Total	**119.55**	**99.16**	**92.40**

g) Amounts recognised in the statement of cash flows **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Total cash outflow for leases	119.44	92.76	76.71

Note 15. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2022	**9.96**
Additions during the year	3.31
Deductions /Adjustments	-
As at March 31, 2023	**13.27**
Amortisation	
As at April 01, 2022	**7.85**
Additions during the year	2.04
Deductions /Adjustments	-
Up to March 31, 2023	**9.89**
Net block As at March 31, 2023	**3.38**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2021	**7.97**
Additions during the year	1.99
Deductions /Adjustments	-
As at March 31, 2022	**9.96**
Amortisation	
As at April 01, 2021	**6.82**
Additions during the year	1.03
Deductions /Adjustments	-
Up to March 31, 2022	**7.85**
Net block As at March 31, 2022	**2.11**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2020	**5.67**
Additions during the year	2.30
Deductions /Adjustments	-
As at March 31, 2021	**7.97**
Amortisation	
As at April 01, 2020	**4.42**
Additions during the year	2.40
Deductions /Adjustments	-
Up to March 31, 2021	**6.82**
Net block as at March 31, 2021	**1.15**

Note 16. Other Non-Financial Assets **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Prepaid expenses	134.31	54.05	14.40
Receivable from securitisation trust	80.00	236.50	231.21
Advances for operational expenses*	42.77	43.03	50.18
Deposit with government	1.98	1.97	1.89
GST / Service tax input	11.06	5.20	15.94
Advance towards gratuity (refer note 33.2)	-	1.19	0.83
Capital Advance	0.31	0.07	0.18
Other assets	2.08	10.59	0.37
Total	**272.53**	**352.60**	**315.00**

* Includes foreign currency payments amounting to ₹ 9.32 crores (March 31, 2022 - ₹ 9.07 crores, March 31, 2021 - ₹ 9.07

Note 17. Assets Held For Sale **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets held for sale	13.32	17.55	13.95
Total	**13.32**	**17.55**	**13.95**

Assets held for sale includes Group owned property which it intends to sell in the near future.One of the Property (Buidling) is pending sale beyond one year due to approvals pending from the relevant government authorities.

Note 18. Payables **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(I) Trade payables			
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	3.02	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises			
Outstanding dues of creditors	51.50	26.94	14.69
Accrued salaries and benefits	1.50	2.85	2.31
Provision for expenses	137.59	109.13	91.41
Other trade payables *	3.69	3.52	0.98
Sub-Total (ii)	**194.28**	**142.43**	**109.39**
Total (i+ii)	**197.30**	**142.43**	**109.39**
(II) Other Payables			
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	9.91	-
Total (II)	**-**	**9.91**	**-**

* including payable to Group Companies (refer note 41.2)

Note 18.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

(₹ in crores)

Particulars	2022-2023	2021-2022	2020-2021
(a) Principal amount remaining unpaid to any supplier at the year end	3.02	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	0.00	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

No interest has been paid/is payable by the Group during the year to the suppliers registered under this Act.

Note 18.2 Trade Payables ageing schedule

(₹ in crores)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
As at March 31, 2023		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.00	0.02	-	-	-	3.02
(ii) Others	150.25	43.47	0.55	0.00	0.01	194.28
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

(₹ in crores)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
As at March 31, 2022		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	113.17	29.21	0.03	0.02	-	**142.42**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

(₹ in crores)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
As at March 31, 2021		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-		-	-
(ii) Others	33.55	74.53	0.51	0.03	0.77	**109.39**
(iii)Disputed dues – MSME	-	-	-		-	-
(iv)Disputed dues - Others	-	-	-		-	-

Note 19. Debt Securities (₹ in crores)

Particulars	At Amortised Cost		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Non Convertible Debentures (Refer Note (a), (b), (c), 19.1 and 19.2) - Secured	7,659.78	7,463.66	7,837.80
Less : Unamortised debenture issue expenses	(25.73)	(43.19)	(33.83)
Less : Unexpired discount on NCD	(0.07)	(1.57)	(3.63)
(ii) Commercial Papers - Unsecured	-	100.90	-
Less : Unexpired discount on Commercial Paper	-	(1.74)	-
(iii) Interest accrued but not due	291.32	320.02	530.01
Total (A)	**7,925.30**	**7,838.08**	**8,330.35**
Debt Securities in India	5,614.20	5,317.35	5,455.57
Debt Securities outside India	2,311.10	2,520.73	2,874.78
Total (B)	**7,925.30**	**7,838.08**	**8,330.35**

Notes:

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(b) Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024) { As at March 31, 2022 ₹ 28.13 Crores (May 15, 2022), ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)}

(c) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ Nil { As at March 31, 2022 ₹ 762.88 Crores (from September 07, 2022)}

Note 19.1 - Terms of repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debenture (Secured):		**7,659.78**		**7,463.66**		**7,837.80**
Fixed:		**7,181.21**		**6,884.04**		**6,209.36**
More than 5 years	5.00% - 9.45%	2,458.92	5.00 % - 9.18%	1,935.90	8.60% - 9.18%	637.00
3- 5 years	8.20% - 9.00%	812.24	8.20 % - 10.33%	491.58	10.05% - 10.33%	30.00
1-3 years	8.25% - 10.33%	946.45	8.25% - 11.50%	3,796.76	8.00% - 15.25%	3,974.68
Less than 1 years	8.25% - 11.50%	2,963.60	7.75% -15.25%	659.80	7.70% - 10.50%	1,567.68
Floating:^		**115.00**		**28.13**		**284.38**
1-3 years	8.25%	115.00	-	-	8.56%	28.13
Less than 1 years	-	-	7.51%	28.13	8.56% - 9.40%	256.25
Zero Coupon:		**363.57**		**551.49**		**1,344.06**
More than 5 years	8.75%	5.53	8.75%	5.53	-	-
3- 5 years	8.50% - 8.75%	31.44	8.50% - 8.75%	33.56	9.00% - 10.30%	129.19
1-3 years	8.00% - 10.30%	255.30	8.00 % - 10.30%	325.66	9.35% - 9.85%	225.95
Less than 1 years	8.25%	71.30	9.35% - 9.85%	186.74	8.20% - 10.20%	988.92
Commercial Papers (Unsecured):		**-**		**100.90**		**-**
Less than 1 years	-	-	6.30% - 7.50%	100.90	-	-
Total		**7,659.78**		**7,564.56**		**7,837.80**

^ The floating rate non convertible debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	2,251.39	2,453.40	2,807.42
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. Smfl Ncd Series 3. Date Of Maturity 21/04/2023	11.50%	15.00	15.00	15.00
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. Smfl Ncd Series 3. Date Of Maturity 21/04/2023	11.50%	100.00	100.00	100.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	100.00	-	-
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	25.00	25.00	25.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	15.00	15.00	15.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	20.00	20.00	20.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Inr Denominated Non-Convertible Debentures. Smfl Ncd Series 4. Date Of Maturity 10/07/2023	11.50%	25.00	25.00	25.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series Mld1 22-23. Date Of Maturity 01/09/2023.	11.01%	25.00	-	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series Mld1 22-23. Date Of Maturity 01/09/2023.	11.01%	80.00	-	-
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	307.21	-	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	71.30	71.43	-
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	51.30	50.19	50.19
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 30/04/2024	9.00%	59.00	59.00	59.00
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 30/04/2024	9.00%	74.80	74.80	-
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	20.00	20.00	20.00
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	-	-
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	-	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00	-
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	93.88	94.08	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	57.27	57.31	-
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity 03/01/2025	8.25%	225.72	225.72	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025.	8.25%	26.73	26.73	-
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	-	-
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	-	-
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	15.00	15.00	15.00
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	-	-
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	-	-

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	15.00	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity 31/03/2026	8.50%	280.00	-	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity 28/09/2026	8.20%	112.00	112.00	-
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	146.22	147.25	-
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	135.72	136.08	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	27.19	29.31	-
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity 03/01/2027	8.20%	52.65	52.65	-
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity 03/01/2027	8.50%	13.60	13.60	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027.	8.50%	4.25	4.25	-
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	-	-
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	-	-
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	158.27	-	-
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	18.00	18.00	18.00
8.62% Secured Rated Listed Redeemable Non Convertible Debentures.Series D4.Date Of Maturity 12/03/2028	8.62%	19.00	19.00	19.00
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity 03/01/2029.	8.43%	53.74	53.74	-
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	22.18	22.18	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	5.53	5.53	-
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity 16/04/2029	8.70%	36.00	36.00	-
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	300.00	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	433.30	433.30	-
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity 14/05/2030	8.70%	109.00	109.00	-
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	300.00	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity 28/02/2031	5.00%	74.70	74.70	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00	-
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00	-
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00	-
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	-	-
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	-	24.00	24.00

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	-	29.80	33.40
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.50%	-	260.50	260.50
9.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.60%	-	36.69	36.44
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series II - Category II,III & IV. Maturity Date - 07/05/2022	9.60%	-	42.24	43.71
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	-	28.13	84.38
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series D10. Date Of Maturity 17/05/2022	8.00%	-	100.00	100.00
8.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D11. Date Of Maturity 26/05/2022	8.00%	-	25.00	25.00
Gsec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 1. Date Of Maturity 02/06/2022	9.55%	-	15.00	15.00
15.25% Secured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 1-50. Date Of Maturity 30/06/2022	15.25%	-	5.00	5.00
Market Linked Secured Rated Listed Redeemable Non-Convertible Debentures. Series D3 Option II. Date Of Maturity 27/09/2022	9.50%	-	21.93	25.45
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	-	58.00	58.00
9.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series II. Date Of Maturity 06/12/2022	9.50%	-	33.17	34.32
Zero coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series III. Date Of Maturity 06/12/2022	9.85%	-	10.77	11.39
9.85% Secured Rated Listed Redeemable Non-Convertible Debentures. Series IV. Date Of Maturity 06/12/2022	9.85%	-	64.44	64.70
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 26/12/2022	7.75%	-	50.00	-
Gsec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 2. Date Of Maturity 02/01/2023	9.65%	-	15.00	15.00
9.85% Secured Rated Listed Redeemable Non Convertible Debenture Series D4. Date Of Maturity 17/01/2023	9.85%	-	5.00	5.00
10.50% Secured Rated Unlisted Redeemable Non Convertible Debentures.Date Of Maturity 18/03/2023	10.50%	-	50.00	100.00
9.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date Of Maturity 08/05/2023	9.00%	-	100.00	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.53	-
9.75% Secured Rated Listed Redeemable Non Convertible Debentures. Series III. Maturity Date - 07/02/2024	9.75%	-	170.42	172.92
10.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series IV. Maturity Date - 07/02/2024	10.20%	-	111.80	113.39
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date of Maturity 06/04/2021	8.20%	-	-	27.06
8.00% Secured Redeemable Non-Convertible Debentures. Series C6. Date of Maturity 29/04/2021	8.00%	-	-	250.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series C8. Date of Maturity 30/04/2021	8.75%	-	-	10.00
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date of Maturity 30/04/2021	8.70%	-	-	53.26
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date of Maturity 19/05/2021	9.25%	-	-	50.00
Zero Coupon Secured Listed Rated Redeemable Non Convertible Debentures. Series C10. Date of Maturity 25/05/2021	9.25%	-	-	26.00

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date of Maturity 25/05/2021	8.80%	-	-	26.00
IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date of Maturity 28/06/2021	9.20%	-	-	200.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date of Maturity 15/07/2021	9.35%	-	-	24.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date of Maturity 26/07/2021	9.35%	-	-	235.06
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date of Maturity 05/08/2021	9.25%	-	-	25.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date of Maturity 11/08/2021	9.35%	-	-	96.78
Zero Coupon Secured Non Convertible Debentures - G-Sec MLD 2021. D3 Option I Date of Maturity - 27/09/2021	9.50%	-	-	107.01
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.96%	-	-	111.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.75%	-	-	100.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.87%	-	-	50.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.93%	-	-	25.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date of Maturity 26/10/2021	10.20%	-	-	10.00
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 03/11/2021	10.20%	-	-	287.50
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date of Maturity 03/11/2021	8.90%	-	-	5.00
8.00% 10 Year G-SEC Rate Linked Secured Rated Listed Redeemable Non Convertible Debenture Series D8. Date of Maturity 01/12/2021	8.00%	-	-	75.18
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D6. Date of Maturity 07/01/2022	8.00%	-	-	200.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date of Maturity 24/01/2022	9.38%	-	-	50.00
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D7. Date of Maturity 18/02/2022	8.00%	-	-	100.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 14/03/2022	8.73%	-	-	12.75
7.70% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D12. Date of Maturity 24/03/2022	7.70%	-	-	100.00
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D9. Date of Maturity 30/03/2022	8.00%	-	-	225.00
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	-	25.00
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	-	25.00
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	-	50.00
8.00% Secured Redeemable Non Convertible Debentures. Series Series D1. Date of Maturity: 18/02/2022	8.00%	-	-	125.00
Total		**7,659.78**	**7,463.66**	**7,837.80**

* Includes hedging cost

Note 20. Borrowings (other than debt securities) (₹ in crores)

Particulars	At Amortised Cost		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A)			
(a) Term loan			
(i) From Banks, NHB and Financial Institutions (refer note (a), (b), (d) and 20.1)	25,946.45	21,864.90	16,385.22
(ii) From others (refer note c and 20.1)	1,232.55	757.93	731.10
Less : Prepaid expenses	(117.39)	(84.67)	(49.41)
(b) Other loans			
(i) Cash credit/ overdraft (refer note (a) and 20.2)	620.90	335.09	669.37
(ii) Securitisation liability (refer note 20.2)	743.94	2,406.51	3,840.56
Less : Prepaid expenses	(4.16)	(11.79)	(10.41)
(c) Interest accrued but not due	53.97	51.41	57.93
Total (A)	**28,476.27**	**25,319.37**	**21,624.36**
(B)			
Borrowings in India	25,593.27	23,791.84	20,526.11
Borrowings outside India	2,883.00	1,527.53	1,098.25
Total (B)	**28,476.27**	**25,319.37**	**21,624.36**

Notes:

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

(b) During the year the Group had borrowed ₹ 395.28 crores (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(c) During the year the Group had also borrowed ₹ 822.00 crores (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitised asset.

(d) During the year ended March 31, 2022, the Group borrowed ₹ 379.25 crores (equivalent to USD 50 million) through the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio.

Note 20.1 - Terms of repayment of Term loans

Residual Maturity	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Term loans from Banks and Financial institutions:*						
Fixed:		**6,716.95**		**6,352.09**		**1,481.16**
More than 5 years	-	-	-	-	8.70%	9.00
3- 5 years	8.45% - 9.80%	786.39	8.45%-9.80%	642.05	8.62% - 11.50%	98.36
1-3 years	8.00% - 11.50%	3,118.88	8.00% -11.50%	3,203.88	8.10% - 12.00%	838.83
Less than 1 year	8.00% -11.50%	2,811.68	7.05% -12.00%	2,506.16	7.00% - 12.00%	534.97
Floating:		**16,144.06**		**12,749.12**		**12,158.46**
More than 5 years	7.70% - 9.75%	1,602.86	7.70% - 9.50%	1,427.47	7.80% - 9.50%	1,062.35
3- 5 years	7.70% -9.75%	1,985.13	7.70% -9.75%	1,824.97	7.60% - 10.30%	1,738.70
1-3 years	7.70% -11.00%	5,852.14	7.40% -11.00%	5,294.62	7.50% - 11.75%	5,223.82
Less than 1 year	7.70% -11.00%	6,703.94	6.00%-11.75%	4,202.05	6.21% - 12.15%	4,133.59
Term loans from NHB:						
Fixed:		**3,085.44**		**2,763.70**		**2,745.60**
More than 5 years	2.80% -7.90%	783.14	2.94 % - 6.85 %	652.64	3.00% - 8.95%	603.04
3- 5 years	2.80% -7.90%	723.32	2.94 % - 8.18 %	594.15	3.00% - 8.95%	576.31
1-3 years	2.80% - 8.40%	1,092.71	2.94 % - 8.18 %	1,039.94	3.00% - 8.95%	731.99
Less than 1 year	2.80% - 8.40%	486.28	2.94 % - 8.80 %	476.99	3.00% - 8.95%	834.26
Term loans from others:**						
Floating:		**1,232.55**		**757.93**		**731.10**
3- 5 years	8.44% - 9.20%	1,232.55	8.62%	757.93	8.62%	731.10
Total		**27,179.00**		**22,622.83**		**17,116.32**

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 20.2 - Terms of repayment of Other loans

Residual Maturity	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Less than 1 year - CC/ ODFD ***	6.00% - 9.75%	620.90	3.75% - 10.50%	335.09	3.75% - 10.50%	669.37
Securitisation:		**743.94**		**2,406.51**		**3,840.56**
Fixed:		**564.26**		**1,989.22**		**3,303.14**
3- 5 years	-	-	-	-	10.00%	71.38
1-3 years	-	-	7.50% - 10.10%	1,945.25	7.50% - 10.10%	2,843.06
Less than 1 year	7.72%	564.26	7.72%	43.97	7.72%	388.70
Floating:		**179.68**		**417.29**		**537.43**
More than 5 years	7.30% - 8.05%	143.06	6.45% - 8.20%	318.94	6.45% - 8.20%	385.22
3- 5 years	7.30% - 8.05%	15.23	6.45% - 8.20%	39.16	6.45% - 8.20%	64.19
1-3 years	7.30% - 8.05%	14.56	6.45% - 8.20%	44.26	6.45% - 8.20%	60.58
Less than 1 year	7.30% - 8.05%	6.85	6.45% - 8.20%	14.93	6.45% - 8.20%	27.44
Total		**1,364.84**		**2,741.59**		**4,509.93**

***The rate of interest for the above loans is linked to base rate of Bank's plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 21. Unsecured/Subordinated Liabilities

I. Unsecured, Unsubordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A)			
(i) Unsecured Non Convertible Debentures - Other than Sub Debt	140.00	-	-
Less: Unamortised Debenture Issue Expenses	(0.99)	-	-
(ii) Interest Accrued on Debt Securities	0.81	-	-
Total (A)	**139.82**	**-**	**-**
(B)			
Unsubordinated liabilities in India	139.82	-	-
Unsubordinated liabilities outside India	-	-	-
Total (B)	**139.82**	**-**	**-**

II. Unsecured, Subordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A)			
(i) Non Convertible Debentures	2,858.98	2,429.80	2,134.95
Less : Unamortised debenture issue expenses	(53.30)	(50.32)	(34.04)
(ii) Interest accrued but not due	256.92	188.57	201.02
Total (A)	**3,062.60**	**2,568.05**	**2,301.93**
(B)			
Subordinated liabilities in India	2,715.29	2,220.96	1,955.06
Subordinated liabilities outside India	347.31	347.09	346.86
Total (B)	**3,062.60**	**2,568.05**	**2,301.93**

Note 21.1 - Terms of repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debenture (Unsecured)						
Fixed:		**2,748.53**		**2,179.35**		**1,459.85**
More than 5 years	9.35% - 11.25%	2,226.92	8.70% -10.50%	1,934.74	8.70% - 10.50%	1,228.93
3- 5 years	8.80% - 9.05%	185.00	10.00%	25.93	10.00%	25.92
1-3 years	9.05% - 11.40%	179.11	8.93% -12.10%	170.68	8.93% - 16.90%	123.00
Less than 1 years	8.93% - 12.10%	157.50	12.15% -16.90%	48.00	9.30% - 10.75%	82.00
Zero Coupon		**250.45**		**250.45**		**675.10**
More than 5 years	9.35% - 10.03%	244.67	9.35% -10.03%	244.67	9.35% - 10.03%	244.66
3- 5 years	-	-	10.50%	5.78	9.05% - 10.50%	101.47
1-3 years	10.50%	5.78	-	-	-	-
Less than 1 years	-	-	-	-	9.000%	328.97
Total		**2,998.98**		**2,429.80**		**2,134.95**

Notes:

(a) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crores (from August 07, 2024), ₹ 15.45 Crores (from August 07, 2024), ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025) { As at March 31, 2022 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crores (from August 07, 2024), ₹ 15.45 Crores (from August 07, 2024), as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025)}

(b) Unsecured Non convertible Debentures - Sub Debt includes debentures amounting to ₹ 11 Crores (March 31, 2022 - ₹ 11 Crores, March 31, 2021 - ₹ 11 Crores) in respect of which the company is having a call option at the end of the 5th year from July 20, 2018.

Note 21.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	50.00	50.00	50.00
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity 24/05/2023	12.10%	10.00	10.00	10.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	15.00	15.00	15.00
10.50% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series A Date Of Maturity 20/12/2023	11.40%	50.00	-	-
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 19/04/2024	10.15%	21.85	21.85	21.85
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 19/04/2024	10.15%	67.15	67.15	67.15
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 18/04/2024	9.05%	6.68	6.68	6.68
11.40% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series B Date Of Maturity 19/12/2024	10.50%	50.00	-	-
10.75% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Date Of Maturity 24/02/2025	10.75%	40.00	-	-
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	25.93	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78	5.78
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	75.00	75.00	75.00
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	100.00	100.00	100.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	10.00	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	40.00	40.00	40.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	274.69	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	328.02	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	68.14	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00	325.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	30.00	30.00	30.00
11.25% Unsecured Rated Listed Subordinate Tier Ii Redeemable Non Convertible Debenture. Letter Of Allotment. Date Of Maturity 19/07/2028.	11.25%	150.00	-	-
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00	50.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	126.30	126.52	126.52
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity 03/11/2028	10.00%	232.72	232.72	-
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : 03/11/2028	9.60%	382.82	382.82	-

Note 21.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Iii.Date Of Maturity : 03/11/2028	10.02%	40.28	40.28	-
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	30.77	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	15.45	15.45	15.45
11.25% Unsecured Rated Listed Redeemable Non Convertible Debenture. Letter Of Allotment Date Of Maturity 02/04/2029.	11.25%	25.00	-	-
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	50.00	50.00	-
9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	236.70	-	-
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.69	-	-
16.90% Unsecured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 1-50. Date Of Maturity 30/06/2022	16.90%	-	5.00	5.00
12.15% Unsecured Redeemable Non-Convertible Debenture. Date Of Maturity 30/08/2022	12.15%	-	20.00	20.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date Of Maturity 04/11/2022	12.20%	-	23.00	23.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U01. Date of Maturity 26/07/2021	10.50%	-	-	17.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U02. Date of Maturity 10/08/2021	10.50%	-	-	10.00
10.75% Unsecured Redeemable Non Convertible Debentures. Series U01. Date of Maturity 10/09/2021	10.75%	-	-	20.00
10.50% Unsecured Redeemable Non Convertible Debentures. Series U02. Date of Maturity 16/09/2021	10.50%	-	-	15.00
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Covered PPMLD Series G1. Date of Maturity 21/10/2021	9.00%	-	-	113.01
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Covered PPMLD Series G2. Date of Maturity 22/11/2021	9.00%	-	-	215.96
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date of Maturity 25/01/2022	9.30%	-	-	10.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date of Maturity 11/02/2022	9.30%	-	-	10.00
Total		**2,998.98**	**2,429.80**	**2,134.95**

Note 22. Other Financial Liabilities **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Temporary overdrawn bank balances	787.68	747.19	463.39
Payable on account of assignment/securitisation	1,037.22	1,826.94	1,581.29
Payable towards NCD	2.26	2.22	4.11
Unclaimed dividend	5.13	1.76	0.55
Other payables (refer note 22.1 and 22.2)	197.95	242.43	37.15
Total	**2,030.24**	**2,820.54**	**2,086.50**

Note 22.1: During the year, amount of ₹ 0.35 crore (March 31, 2022 - ₹ 0.59 crore, March 31, 2021 - ₹ 0.35 crore) was transferred to Investor Education and Protection Fund (IEPF). As of March 31, 2023 ₹ 0.00 crore March 31, 2022 - ₹ 0.01 crore, March 31, 2021 - ₹ 0.01 crore) was due for transfer to the IEPF. The same was subsequently transferred.

Note 22.2: Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 crore (March 31, 2022 - ₹ 0.04 crore, March 31, 2021 - ₹ 0.02 crore)

Note 23: Provisions **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	50.36	31.52	27.43
Provision for leave encashment	24.55	18.79	15.45
Provision for gratuity (refer note 33.2)	9.64	4.79	3.05
Expected loan loss provision on loans sanctioned but undrawn	0.22	9.00	3.64
Total	**84.77**	**64.11**	**49.57**

Note 24. Other Non-Financial Liabilities **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income received in advance	0.04	0.04	3.16
Advances from customers	316.04	63.80	153.59
Others	12.58	-	-
Statutory remittances	51.99	39.10	24.24
Total	**380.65**	**102.94**	**180.99**

Note 25: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital			
2,355,250,000 Equity Shares (March 31, 2022 and March 31, 2021 - 2,355,250,000) of ₹ 2 each	471.05	471.05	471.05
500,000,000 Preference Shares (March 31, 2022 and March 31, 2021 500,000,000) of ₹ 10 each	500.00	500.00	500.00
Total	**971.05**	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital			
380,430,389 Equity Shares (March 31, 2022 - 379,598,711 and March 31, 2021 - 378,840,676) of ₹ 2 each fully paid with voting rights	76.09	75.92	75.77
Total	**76.09**	**75.92**	**75.77**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares						
At the beginning of the year	37,95,98,711	75.92	37,88,40,676	75.77	37,83,40,922	75.67
Add: Shares issued during the year	8,31,678	0.17	7,58,035	0.15	4,99,754	0.10
Outstanding at the end of the year	**38,04,30,389**	**76.09**	**37,95,98,711**	**75.92**	**37,88,40,676**	**75.77**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2023, equity shareholders were paid an interim dividend of ₹ 4.00/- (March 31, 2022 - ₹ 3.50/- , March 31, 2021 - ₹ 3.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holdings	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up						
FIH Mauritius Investments Ltd.	8,46,41,445	22.25%	8,46,41,445	22.30%	8,46,41,445	22.34%
CDC Group PLC	-	-	2,95,01,587	7.77%	5,85,01,587	15.44%
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	4,77,19,154	12.57%	4,77,19,154	12.60%
HWIC Asia Fund Class A shares	-	-	-	-	2,83,62,530	7.49%
Smallcap World Fund, Inc	2,82,78,861	7.43%	1,96,71,937	5.18%	-	0.00%
Parajia Bharat Himatlal	1,97,20,000	5.18%	2,03,88,602	5.37%	1,96,95,000	5.20%

(v) Details of Shareholding of Promoters

As at March 31, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year *
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	-0.03%
Madhu N Jain	1,20,75,000	3.17%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital

As at March 31, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year *
Nirmal Bhanwarlal Jain	4,77,19,154	12.57%	-0.01%
Madhu N Jain	1,20,75,000	3.18%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	-0.01%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.91%**	

* The change in percentage is due to dilution of Share Capital

As at March 31, 2021

Promoter name	No. of Shares	% of total shares	% Change during the year *
Nirmal Bhanwarlal Jain	4,77,19,154	12.60%	0.11%
Madhu N Jain	1,20,75,000	3.19%	0.00%
Venkataraman Rajamani	1,09,84,432	2.90%	0.00%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.64%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.38%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	-0.07%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.96%**	

* The change in percentage is due to dilution of Share Capital

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

Note 25.1: Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share Application Money	-	-	-
Capital Reserve	**83.89**	**83.89**	**83.89**
Securities Premium Reserve			
Opening Balance	1,845.85	1,840.98	1,835.26
Add: Share issue expenses	(24.13)	(8.34)	-
Add/(Less): Change in minority	(689.64)	-	-
Add: Addition during the year	2,289.17	8.45	4.46
Add/(Less): Transfer to/ (from) reserves	6.07	4.76	1.26
Closing Balance	**3,427.32**	**1,845.85**	**1,840.98**
General Reserve			
Opening Balance	653.22	653.15	652.47
Add/(Less): Change in minority	(29.36)	-	-
Add/(Less): Transfer to/ (from) reserves	1.09	0.07	0.68
Closing Balance	**624.95**	**653.22**	**653.15**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934			
Opening Balance	845.60	640.25	558.29
Add/(Less): Transfer to/ (from) reserves	186.51	205.35	81.96
Closing Balance	**1,032.11**	**845.60**	**640.25**
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987			
Opening Balance	402.97	287.37	206.87
Add/(Less): Change in minority	(92.39)	-	-
Add/(Less): Transfer to/ (from) reserves	158.10	115.60	80.50
Closing Balance	**468.68**	**402.97**	**287.37**
Capital Redemption Reserve	**230.11**	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**	**12.80**
Retained Earnings			
Opening Balance	2,332.71	1,589.93	1,105.53
Add: Profit for the year	1,500.30	1,187.89	760.12
Less: Interim dividend	(173.63)	(132.82)	(113.54)
Add: Change in minority	(287.07)	0.37	0.27
Add/(Less): Transfer to/ (from) reserves	(344.61)	(312.66)	(162.46)
Add: Addition during the year	-	-	0.01
Closing Balance	**3,027.70**	**2,332.71**	**1,589.93**
Stock Compensation Reserve			
Opening Balance	14.19	15.91	17.41
Add: Addition during the year	2.62	3.10	0.44
Add/(Less): Transfer to/ (from) reserves	(7.16)	(4.82)	(1.94)
Closing Balance	**9.65**	**14.19**	**15.91**
Effective portion of Cash Flow Hedges			
Opening Balance	(39.39)	(38.41)	(13.06)
Add: Other comprehensive income/ (loss)	34.76	(0.98)	(25.35)
Closing Balance	**(4.63)**	**(39.39)**	**(38.41)**
Fair value of loans carried at FVTOCI			
Opening Balance	9.65	(0.57)	-
Add: Other comprehensive income/ (loss)	(0.56)	10.22	(0.57)
Closing Balance	**9.09**	**9.65**	**(0.57)**
Remeasurements of defined benefit			
Opening Balance	(3.69)	(3.66)	(5.27)
Add: Other comprehensive income/ (loss)	(2.01)	(0.03)	1.61
Closing Balance	**(5.70)**	**(3.69)**	**(3.66)**
Total	**8,915.97**	**6,387.91**	**5,311.75**

Non-Controlling Interest

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	5.90	5.92	5.64
Profit for the year	107.25	0.36	0.69
Other comprehensive income	(1.52)	(0.01)	(0.00)
Interim dividend	-	-	(0.15)
Change in minority	1,098.46	(0.37)	(0.27)
Closing Balance	**1,210.08**	**5.90**	**5.92**

Note 26.1 Interest Income

(₹ in crores)

Particulars	FY 2022-23				FY 2021-22			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	6,300.62	-	795.64	7,096.26	5,269.69	-	683.31	5,953.00
Interest on investments	55.35	32.37	-	87.72	0.90	62.99	-	63.89
Interest on deposits with banks	167.32	-	-	167.32	90.01	-	-	90.01
Interest on inter corporate deposit	17.97	-	-	17.97	27.63	-	-	27.63
Total	**6,541.26**	**32.37**	**795.64**	**7,369.27**	**5,388.23**	**62.99**	**683.31**	**6,134.53**

Particulars	FY 2020-21			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	4,549.52	-	748.08	5,297.60
Interest on investments	1.23	12.91	-	14.14
Interest on deposits with banks	82.73	-	-	82.73
Interest on inter corporate deposit	26.73	-	-	26.73
Total	**4,660.21**	**12.91**	**748.08**	**5,421.20**

Note 26.2 Dividend Income

The Group received dividend income amounting to ₹ 0.00 crore (March 31, 2022 - ₹ 0.00 crore, March 31, 2021 - ₹ 5.94 crores).

Note 27. Fees and Commission Income

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Administration Fees & Other charges	199.85	137.94	97.88
Insurance Commission	28.67	15.26	13.38
Total	**228.52**	**153.20**	**111.26**

Note 28. Net gain/(loss) on fair value changes

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Net gain/ (loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
- Investments	147.25	155.77	149.96
- Derivatives	-	-	-
Fair value changes			
- Realised	82.68	77.20	161.83
- Unrealised	64.58	78.58	(11.87)
Total net gain/(loss) on fair value changes	**147.25**	**155.77**	**149.96**

Note 29. Other Income

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Interest on income tax refund	25.53	3.53	0.12
Profit on sale of fixed assets	3.08	1.90	0.29
Gain/(loss) on cancellation of forwards, swaps, options and modification	-	-	17.50
Marketing, advertisement and support service fees	127.58	133.15	110.78
Miscellaneous income	32.06	30.32	21.22
Total	**188.26**	**168.88**	**149.91**

Note 30. Finance Cost

(₹ in crores)

Particulars	On Financial liabilities measured at Amortised Cost		
	FY 2022-23	FY 2021-22	FY 2020-21
Interest on debt securities (refer note 30.1)	679.84	848.62	834.59
Interest on borrowings (other than debt securities) (refer note 30.1)	2,093.89	1,752.81	1,509.19
Interest on subordinated liabilities	273.86	234.72	182.64
Discount on Commercial Paper	2.72	21.42	-
Interest on inter corporate deposit	1.25	9.01	8.89
Interest expense on lease - Ind AS 116	34.62	30.79	26.95
Other borrowing cost (refer note 30.1)	124.66	86.06	63.57
Interest Expense on other borrowings	10.98	7.56	-
Total	**3,221.83**	**2,991.00**	**2,625.83**

Note 30.1: Includes foreign currency expenses incurred amounting to ₹ 403.18 crores (March 31, 2022 - ₹ 251.54 crores, March 31, 2021 - ₹ 201.44 crores)

Note 31. Net (gain)/ loss on derecognition of financial instruments under amortised cost category

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
(A) Net (gain) on derecognition of financial instruments under amortised cost category			
- Interest strip on assignment of loans	(513.81)	(411.23)	(129.77)
(B) Net loss on derecognition of financial instruments under amortised cost category			
- Bad debts written off (net)	934.99	904.22	648.30

Note 32. Impairment on Financial Instruments

(₹ in crores)

Particulars	FY 2022-23			FY 2021-22		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(65.08)	(14.46)	(79.54)	(9.04)	0.88	(8.16)
Other financial assets	10.69	-	10.69	8.77	-	8.77
Total	**(54.40)**	**(14.46)**	**(68.86)**	**(0.27)**	**0.88**	**0.59**

Particulars	FY 2020-21		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	475.46	8.82	484.28
Other financial assets	14.40	-	14.40
Total	**489.86**	**8.82**	**498.68**

Note 33. Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Salaries	1,190.25	831.33	644.86
Contribution to provident and other funds (refer note 33.1)	74.20	54.88	41.21
Leave encashment	14.22	9.12	8.87
Gratuity (refer note 33.2)	8.08	6.44	6.71
Staff welfare expenses*	40.60	27.02	19.69
Share based payments	2.14	1.95	1.75
Total	**1,329.50**	**930.74**	**723.09**

* Includes foreign currency expenses incurred amounting to ₹ Nil (March 31, 2022 - ₹ 0.01 crore, March 31, 2021 - ₹ Nil)

33.1 Defined contribution plans

The Group has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Contribution to Provident fund	18.36	14.23	24.24
Contribution to Employee State Insurance Corporation	10.05	7.89	6.42
Contribution to Labour welfare fund	0.20	0.15	0.10
Company contribution to employee pension scheme	44.92	32.18	10.05
Contribution to NPS & IVTB	0.67	0.43	0.40
Total	**74.20**	**54.88**	**41.21**

33.2 Gratuity disclosure statement

(₹ in crores)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Finance	HFC	Samasta	Finance	HFC	Samasta	Finance	HFC	Samasta
Type of Benefit	Gratuity			Gratuity			Gratuity		
Country	India			India			India		
Reporting Currency	INR			INR			INR		
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)			Indian Accounting Standard 19 (Ind AS 19)			Indian Accounting Standard 19 (Ind AS 19)		
Funding Status	Funded			Funded			Funded		
Starting Period	01-Apr-22			01-Apr-21			01-Apr-20		
Date of Reporting	31-Mar-23			31-Mar-22			31-Mar-21		
Period of Reporting	12 Months			12 Months			12 Months		

Assumptions	FY 2022-23			FY 2021-22			FY 2020-21		
Expected Return on Plan Assets	7.29% - 7.46%			5.66% - 6.98%			5.18% - 6.85%		
Rate of Discounting	7.29% - 7.46%			5.66% - 6.98%			5.18% - 6.85%		
Rate of Salary Increase	6.00% - 9.00%			6.00% - 9.00%			6.00% - 9.00%		
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a	For service 4 years and below 28.00% p.a. & thereafter 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below: 35.00%p.a For service 5 years and above: 10.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)			Indian Assured Lives Mortality 2012-14 (Urban)			Indian Assured Lives Mortality (2006-08)		
Mortality Rate After Employment	N.A.			N.A.			N.A.		

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Table Showing Change in the Present Value of Projected Benefit Obligation			
Present Value of Benefit Obligation at the Beginning of the	32.77	28.12	24.64
Interest Cost	2.20	1.79	1.53
Current Service Cost	7.79	6.29	6.39
Past Service Cost	-	-	-
Liability Transferred In/ Acquisitions	0.14	0.25	1.15
(Liability Transferred Out/ Divestments)	(0.16)	(0.33)	(1.35)
(Gains)/ Losses on Curtailment	-	-	-
(Liabilities Extinguished on Settlement)	-	-	-
(Benefit Paid Directly by the Employer)	-	(0.01)	(0.83)
(Benefit Paid From the Fund)	(4.05)	(3.00)	(1.75)
The Effect Of Changes in Foreign Exchange Rates	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.00)	(0.68)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3.69)	(2.34)	(0.68)
Actuarial (Gains)/Losses on Obligations - Due to Experience	5.70	1.98	(0.30)
Present Value of Benefit Obligation at the End of the Year	**40.69**	**32.77**	**28.12**

(₹ in crores)

Table Showing Change in the Fair Value of Plan Assets	FY 2022-23	FY 2021-22	FY 2020-21
Fair Value of Plan Assets at the Beginning of the Year	**29.20**	**25.89**	**19.39**
Interest Income	2.01	1.69	1.22
Contributions by the Employer	4.69	5.01	6.55
Expected Contributions by the Employees	-	-	-
Assets transferred in/ acquisitions	-	-	-
(Assets Transferred Out/ Divestments)	-	-	-
(Benefit Paid from the Fund)	(4.05)	(3.00)	(1.75)
(Assets Distributed on Settlements)	-	-	-
Effects of Asset Ceiling	-	-	-
The Effect of Changes In Foreign Exchange Rates	-	-	-
Return on Plan Assets, Excluding Interest Income	(0.68)	(0.39)	0.48
Fair Value of Plan Assets at the End of the Year	**31.17**	**29.20**	**25.89**

(₹ in crores)

Amount Recognized in the Balance Sheet	FY 2022-23	FY 2021-22	FY 2020-21
(Present Value of Benefit Obligation at the end of the Year)	**(40.69)**	**(32.77)**	**(28.12)**
Fair Value of Plan Assets at the end of the Year	31.17	29.20	25.89
Funded Status (Surplus/ (Deficit))	(9.52)	(3.57)	(2.23)
Net (Liability)/Asset Recognized in the Balance Sheet	(9.52)	(3.57)	(2.23)
Assets recognised in the Balance Sheet under "Other non-financial assets"	-	1.18	0.83
Liabilities recognised in the Balance Sheet under "Provisions"	(9.52)	(4.75)	(3.05)

Unfunded gratuity- The above table does not depict unfunded gratuity liability amounting to ₹ 0.12 crores, correspondingly expense of the equivalent amount has been charged to Profit and Loss A/c

(₹ in crores)

Net Interest Cost for Current Year	FY 2022-23	FY 2021-22	FY 2020-21
Present Value of Benefit Obligation at the Beginning of the	**32.77**	**28.12**	**24.64**
(Fair Value of Plan Assets at the Beginning of the Year)	(29.20)	(25.89)	(19.39)
Net Liability/(Asset) at the Beginning	3.56	2.22	5.24
Interest Cost	2.20	1.79	1.53
(Interest Income)	(2.01)	(1.69)	(1.22)
Net Interest Cost for Current Year	0.19	0.10	0.32

(₹ in crores)

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2022-23	FY 2021-22	FY 2020-21
Current Service Cost	7.79	6.29	6.39
Net Interest Cost	0.19	0.10	0.32
Expenses Recognized	7.98	6.40	6.71

(₹ in crores)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2022-23	FY 2021-22	FY 2020-21
Actuarial (Gains)/Losses on Obligation For the Year	2.01	(0.35)	(1.67)
Return on Plan Assets, Excluding Interest Income	0.68	0.39	(0.48)
Change in Asset Ceiling	-	-	-
Net (Income)/Expense For the Year Recognized in OCI	**2.69**	**0.03**	**(2.15)**

(₹ in crores)

Balance Sheet Reconciliation	FY 2022-23	FY 2021-22	FY 2020-21
Opening Net Liability	3.57	2.22	5.24
Expenses Recognized in Statement of Profit or Loss	7.98	6.40	6.71
Expenses Recognized in OCI	2.69	0.03	(2.15)
Net Liability/(Asset) Transfer In	0.14	0.25	1.16
Net (Liability)/Asset Transfer Out	(0.16)	(0.33)	(1.35)
(Benefit Paid Directly by the Employer)	-	(0.01)	(0.83)
(Employer's Contribution)	(4.69)	(5.01)	(6.55)
Net Liability/(Asset) Recognized in the Balance Sheet	**9.52**	**3.57**	**2.23**

(₹ in crores)

Category of Assets	FY 2022-23	FY 2021-22	FY 2020-21
Government of India Assets	-	-	-
State Government Securities	-	-	-
Special Deposits Scheme	-	-	-
Debt Instruments	-	-	-
Corporate Bonds	-	-	-
Cash And Cash Equivalents	-	-	-
Insurance fund	31.17	27.47	25.82
Asset-Backed Securities	-	-	-
Structured Debt	-	-	-
Other	-	-	-
Total	**31.17**	**27.47**	**25.82**

Information for major category of plan assets of gratuity fund is not available with the Group and hence not disclosed.

Expenses recognised in the Statement of Profit or Loss for next year	FY 2022-23	FY 2021-22	FY 2020-21
Current service cost	8.41	7.19	6.29
Net interest cost	0.43	0.08	0.10
(Expected contributions by the employees)	-	-	-
Expenses recognised	**8.84**	**7.26**	**6.40**

(₹ in crores)

Maturity Analysis of the Benefit Payments: From the Fund	FY 2022-23	FY 2021-22	FY 2020-21
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	3.92	0.69	1.57
2nd Following Year	1.31	0.93	0.55
3rd Following Year	1.39	1.07	0.72
4th Following Year	1.51	1.13	0.83
5th Following Year	1.86	1.21	0.87
Sum of Years 6 To 10	9.50	7.41	5.61
Sum of Years 11 and above	118.37	100.48	82.28

(₹ in crores)

Sensitivity Analysis	FY 2022-23	FY 2021-22	FY 2020-21
Projected Benefit Obligation on Current Assumptions	40.69	32.77	28.12
Delta Effect of +1% Change in Rate of Discounting	(5.02)	(4.44)	(3.87)
Delta Effect of -1% Change in Rate of Discounting	5.54	5.46	4.79
Delta Effect of +1% Change in Rate of Salary Increase	5.34	4.77	4.20
Delta Effect of -1% Change in Rate of Salary Increase	(4.53)	(4.06)	(3.57)
Delta Effect of +1% Change in Rate of Employee Turnover	0.16	(0.21)	(0.38)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.24)	0.21	0.42

The sensitivity analysis 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 sensitivity analysis presented above may not be representative of the actual change in the projected 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 projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

Notes forming part of Reformatted Consolidated Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

Note 34. Other Expenses **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Advertisement and marketing expenses (refer note 34.1)	75.74	50.05	32.37
Direct operating expenses	101.46	52.09	17.08
Bank charges	23.17	20.30	12.50
Commission to non whole-time directors	0.66	0.61	-
Communication costs	14.73	12.92	10.37
Electricity	22.75	15.35	11.49
Exchange and statutory charges	4.53	4.54	1.05
Legal & professional fees (refer note 34.1)	143.53	87.04	55.03
Directors sitting fees	1.81	1.08	1.20
Office expenses	24.24	20.11	16.09
Postage & courier	7.63	7.71	4.24
Printing & stationery	14.62	8.96	5.69
Rates & taxes	2.19	1.98	0.78
Rent	32.32	19.76	13.02
Repairs & maintenance			
- Computer	2.44	1.95	1.85
- Others (refer note 34.1)	15.44	13.98	7.37
Remuneration to auditors			
- Audit fees	1.26	0.99	0.75
- Certification / other services (refer note 34.2)	0.63	0.24	0.26
- Out of pocket expenses	0.14	0.06	0.08
Software charges (refer note 34.1)	46.39	39.26	22.67
Travelling & conveyance (refer note 34.1)	71.50	40.30	22.79
Corporate social responsibility expenses (refer note 43)	21.80	18.77	12.62
Miscellaneous expenses (refer note 34.1)	13.81	8.47	5.85
Insurance premium	14.46	20.22	23.62
Security expenses	106.35	92.59	81.48
Loss on sale of fixed assets (net)	0.94	0.03	1.44
Total	**764.54**	**539.38**	**361.68**

Note 34.1: Includes below payments done in foreign currency **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Advertisement and marketing expenses	0.17	-	0.14
Travelling & conveyance	0.19	0.03	-
Repairs & maintenance- Others	-	0.03	-
Miscellaneous expenses	0.03	-	-
Software charges	0.33	0.06	0.09
Legal & professional fees	1.14	1.39	0.18

Note 34.2: During the year the Group has paid ₹ 0.25 crore (March 31, 2022 - ₹ 0.97 crore, March 31, 2021 - ₹ 0.23 crore) to the auditors towards certification required under Public Issue of Non Convertible Debentures, the same has been amortised over the tenure of the borrowings.

Note 35. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2022-23	FY 2021-22	FY 2020-21
Current tax expense			
Current year	362.70	327.78	317.35
Changes in estimates related to prior years	(2.41)	0.57	4.57
Deferred tax expense			
Origination and reversal of temporary differences	144.68	19.38	(77.95)
Total	**504.97**	**347.72**	**243.97**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2022-23			FY 2021-22		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(2.69)	0.68	(2.01)	(0.04)	0.01	(0.03)
Cash flow hedge (net)	46.45	(11.69)	34.76	(1.30)	0.33	(0.97)
Fair value of loans carried at FVTOCI	(0.75)	0.19	(0.56)	13.65	(3.44)	10.21
Total	**43.01**	**(10.82)**	**32.19**	**12.31**	**(3.10)**	**9.21**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2020-21		
	Before tax	Tax expense	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/ (asset)	2.15	(0.54)	1.61
Cash flow hedge (net)	(33.88)	8.53	(25.35)
Fair value of loans carried at FVTOCI	(0.76)	0.19	(0.57)
Total	**(32.50)**	**8.18**	**(24.32)**

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2022-23	FY 2021-22	FY 2020-21
Profit before tax	**2,112.52**	**1,535.98**	**1,004.78**
Tax using the Group's domestic tax rate	564.75	405.48	284.56
Tax effect of:			
Non-deductible expenses	6.75	5.60	3.59
Tax-exempt income - others (includes deduction under section 80JJAA)	(41.07)	(35.57)	(30.37)
Tax-exempt income- dividend	(22.36)	(15.83)	(18.69)
Income taxed at different rates	(0.82)	(4.08)	(7.29)
Others	0.01	0.02	0.64
Adjustments for current tax for prior periods	(2.41)	0.57	4.57
Differential tax rate in subsidiary	0.69	1.15	6.70
Past-year losses for which no deferred tax asset is recognised	(1.33)	(9.95)	-
Recognition of previously unrecognised deductible temporary differences	0.76	0.33	0.27
Total income tax expense	**504.97**	**347.72**	**243.97**

Note 36. Earnings Per Share

Basic and Diluted Earnings Per Share [“EPS”] computed in accordance with INDAS 33 ''Earnings per share''.

Particulars		FY 2022-23	FY 2021-22	FY 2020-21
Face value of equity shares in ₹ fully paid up		2.00	2.00	2.00
BASIC				
Profit after tax as per statement of Profit and Loss (₹ in crores)		1,500.30	1,187.89	760.12
Profit after tax attributable to equity share holders (₹ in crores)	A	1,500.30	1,187.89	760.12
Weighted average number of equity shares outstanding	B	37,98,80,425	37,91,94,372	37,84,17,476
Basic EPS (In ₹)	**A/B**	**39.49**	**31.33**	**20.09**
DILUTED				
Weighted average number of equity shares for computation of basic EPS		37,98,80,425	37,91,94,372	37,84,17,476
Add: Potential equity shares on account conversion of Employees Stock Options		30,15,015	22,54,850	8,06,252
Weighted average number of equity shares for computation of diluted EPS	C	38,28,95,439	38,14,49,222	37,92,23,728
Diluted EPS (In ₹)	**A/C**	**39.18**	**31.14**	**20.04**

Note 37. Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed to ensure minimal impact on the Group's growth and performance.
The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.

A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement.
The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

Risk management is integral to Group's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Group operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc.
Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk)

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.
It has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.
The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

37A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.
Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in crores)

	As at March 31, 2023				
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	3,630.67	**3,630.67**
Bank Balance other than above	-	-	-	2,208.36	**2,208.36**
Receivables					
(i) Trade Receivables	-	-	1.66	127.07	**128.73**
(ii) Other Receivables	-	-	-	151.96	**151.96**
Loans *	31,053.25	2,061.97	813.29	-	**33,928.51**
Investments	-	-	-	1,051.40	**1,051.40**
Other Financial assets	-	-	-	1,653.31	**1,653.31**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in crores)

	As at March 31, 2022				
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	6,211.64	**6,211.64**
Bank Balance other than above	-	-	-	1,945.29	**1,945.29**
Receivables					
(i) Trade Receivables	-	-	0.00	183.28	**183.28**
(ii) Other Receivables	-	-	-	15.80	**15.80**
Loans *	26,105.29	2,122.55	972.35	-	**29,200.19**
Investments	-	-	-	9.64	**9.64**
Other Financial assets	-	-	-	951.80	**951.80**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in crores)

	As at March 31, 2021				
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	-	**-**
Bank Balance other than above	-	-	-	2,642.90	**2,642.90**
Receivables					
(i) Trade Receivables	30.64	-	0.29	161.64	**192.57**
(ii) Other Receivables	-	-	-	0.51	**0.51**
Loans *	25,083.16	3,666.11	812.15	-	**29,561.42**
Investments	-	-	-	-	**-**
Other Financial assets	-	-	-	504.80	**504.80**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

37A.2. Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

37A.3. Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-22	**641.16**	**61.84**	**195.80**	**11.35**	**409.22**	**112.49**	**1,246.18**	**185.68**
New loans disbursed during the year	377.44	25.55	15.54	2.30	87.97	7.96	480.95	35.81
Loans closed/written off during the year	(213.13)	(33.06)	(65.91)	(4.77)	(329.31)	(85.58)	(608.35)	(123.41)
Movement in provision without change in asset staging	(106.43)	6.35	31.87	2.44	42.66	46.81	(31.90)	55.60
Movement in provision due to change in asset	17.57	4.86	(38.83)	(1.09)	90.08	4.27	68.82	8.04
Closing ECL Mar-23	**716.61**	**65.54**	**138.47**	**10.23**	**300.62**	**85.95**	**1,155.70**	**161.72**

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	**629.99**	**67.29**	**194.70**	**55.78**	**382.90**	**116.95**	**1,207.59**	**240.02**
New loans disbursed during the year	323.45	24.22	16.75	1.82	88.61	2.74	428.81	28.78
Loans closed/written off during the year	(278.08)	(36.87)	(76.15)	(45.66)	(241.38)	(50.61)	(595.61)	(133.14)
Movement in provision without change in asset staging	(15.99)	4.13	71.64	3.70	44.31	39.94	99.96	47.77
Movement in provision due to change in asset	(18.21)	3.07	(11.14)	(4.29)	134.78	3.47	105.43	2.25
Closing ECL Mar-22	**641.16**	**61.84**	**195.80**	**11.35**	**409.22**	**112.49**	**1,246.18**	**185.68**

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-20	**336.62**	**30.95**	**90.90**	**17.33**	**379.89**	**160.88**	**807.40**	**209.16**
New loans disbursed during the year	180.88	14.57	50.65	41.30	89.56	3.48	321.09	59.35
Loans closed/written off during the year	(63.97)	(5.75)	(24.59)	(3.81)	(273.89)	(118.67)	(362.44)	(128.23)
Movement in provision without change in asset staging	191.46	28.22	56.80	(3.58)	59.42	42.85	307.67	67.49
Movement in provision due to change in asset	(15.01)	(0.69)	20.94	4.54	127.93	28.40	133.87	32.25
Closing ECL Mar-21	**629.99**	**67.29**	**194.70**	**55.78**	**382.90**	**116.95**	**1,207.59**	**240.02**

The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ in crores)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2022	**31,166.50**	**2,569.11**	**2,039.69**	**137.26**	**860.19**	**112.00**	**34,066.38**	**2,818.38**
New loans disbursed during the year	24,195.99	1,680.15	642.19	39.84	179.69	7.86	25,017.87	1,727.85
Loans closed/written off during the year	(12,744.41)	(691.29)	(1,003.28)	(50.65)	(674.63)	(85.32)	(14,422.31)	(827.26)
staging	(4,156.58)	(1,208.23)	(87.31)	(23.85)	(14.94)	25.66	(4,258.83)	(1,206.42)
Movement in EAD due to change in asset staging	(1,060.29)	(56.89)	380.53	15.69	378.38	24.23	(301.38)	(16.97)
Closing EAD Mar-2023	**37,401.20**	**2,292.85**	**1,971.83**	**118.28**	**728.70**	**84.44**	**40,101.73**	**2,495.58**

(₹ in crores)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	**29,517.98**	**2,385.91**	**3,397.77**	**268.15**	**696.23**	**116.35**	**33,611.98**	**2,770.41**
New loans disbursed during the year	21,156.35	857.49	501.35	23.00	155.53	2.09	21,813.24	882.59
Loans closed/written off during the year	(13,130.60)	(1,033.20)	(1,798.07)	(154.22)	(389.49)	(50.50)	(15,318.16)	(1,237.93)
staging	(5,394.51)	417.48	(230.41)	(10.85)	(10.55)	27.26	(5,635.45)	433.88
Movement in EAD due to change in asset staging	(982.74)	(58.56)	169.05	11.19	408.47	16.80	(405.23)	(30.56)
Closing EAD Mar-2022	**31,166.50**	**2,569.11**	**2,039.69**	**137.26**	**860.19**	**112.00**	**34,066.38**	**2,818.38**

(₹ in crores)

Reconciliation of exposure at default	Financial Assets where loss allowance		Financial assets for which credit risk has		Financial assets for which credit risk has		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2020	**26,341.66**	**2,447.97**	**1,239.76**	**173.91**	**652.59**	**160.87**	**28,234.01**	**2,782.74**
New loans disbursed during the year	15,802.77	1,017.67	1,708.49	109.16	127.92	3.26	17,639.17	1,130.08
Loans closed/written off during the year	(7,853.31)	(452.87)	(410.86)	(100.52)	(390.70)	(118.92)	(8,654.86)	(672.32)
Movement in EAD without change in asset staging	(2,893.95)	(614.08)	(34.34)	(2.57)	(5.97)	32.68	(2,934.25)	(583.97)
Movement in EAD due to change in asset staging	(1,879.19)	(12.78)	894.72	88.18	312.39	38.47	(672.09)	113.87
Closing EAD Mar-2021	**29,517.98**	**2,385.91**	**3,397.77**	**268.15**	**696.23**	**116.35**	**33,611.98**	**2,770.41**

37A.4. Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 934.99 crore (March 31, 2022 - ₹ 904.22 crore, March 31, 2021 - 648.20 crore)

37A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in crores)

Particulars	FY 2022-2023	FY 2021-2022	FY 2020-2021
Value of Modified Assets at the time of modification	534.05	2,372.91	3,031.20
Value of Modified Assets outstanding at end of year	528.39	2,509.35	2,956.16
Modification Gain/ (Loss)	(5.66)	136.44	(29.47)

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 22, 2019) and the "The Housing Finance Companies (NHB) Directions, 2010".

37A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk – This category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Credit Grading details : **(₹ in crores)**

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	39,694.04	2,090.11	813.14	42,597.30
March 31, 2022	33,735.61	2,176.95	972.19	36,884.75
March 31, 2021	31,903.89	3,665.92	812.58	36,382.39

37A.7. Concentration of Credit Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.
In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

37B Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	42.37	28.40	0.96	9.22	3.79	-	-
Trade payables	197.30	195.61	0.47	0.65	0.56	0.01	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation *	525.11	29.02	28.49	65.01	179.16	112.83	110.60
Debt securities	7,925.30	2,623.59	157.63	449.74	1,394.34	848.36	2,451.64
Borrowings (other than debt securities) (Note 1)	28,476.27	3,045.37	2,813.52	4,664.40	11,824.89	3,636.58	2,491.51
Subordinated liabilities	3,202.42	113.46	65.99	59.69	242.06	180.92	2,540.30
Other financial liabilities	2,030.24	2,000.88	18.48	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**42,983.95**	**8,621.27**	**3,085.54**	**5,256.12**	**13,648.27**	**4,778.70**	**7,594.05**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	164.39	3.06	-	3.17	158.16	-	-
Trade payables	142.43	140.23	0.19	0.99	0.04	0.98	-
Other payables	9.91	9.91	-	-	-	-	-
Finance lease obligation *	458.87	24.34	24.05	50.91	153.54	110.27	95.76
Debt securities	7,838.08	841.02	155.01	242.75	4,138.75	526.32	1,934.23
Borrowings (other than debt securities) (Note 1)	25,319.37	1,834.56	1,955.70	4,273.91	11,842.92	3,044.21	2,368.07
Subordinated liabilities	2,568.05	38.66	31.06	28.11	211.07	33.40	2,225.75
Other financial liabilities	2,820.54	2,791.36	3.17	-	-	26.01	-
Financial guarantee contracts	845.50	845.50	-	-	-	-	-
Total	**40,167.14**	**6,528.64**	**2,169.18**	**4,599.84**	**16,504.48**	**3,741.19**	**6,623.81**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2021	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	156.58	-	21.29	1.81	126.59	6.89	-
Trade Payables	109.39	103.17	-	6.22	-	-	-
Other Payables	-	-	-	-	-	-	-
Finance lease obligation *	435.72	19.38	19.14	37.91	138.09	102.29	118.91
Debt Securities	7,834.17	682.94	500.35	1,630.81	4,223.88	159.19	637.00
Borrowings (other than debt securities)(Note 1)	21,626.25	2,507.72	2,617.28	3,300.80	7,861.46	3,233.00	2,105.99
Subordinated Liabilities	2,134.95	-	62.00	348.97	123.00	131.71	1,469.27
Other financial liabilities	2,091.38	2,086.25	-	0.22	4.91	-	-
Loan commitments - Other outflows	-	-	-	-	-	-	-
Financial guarantee contracts	1,225.54	1,225.54	-	-	-	-	-
Total	**35,613.97**	**6,625.00**	**3,220.06**	**5,326.74**	**12,477.93**	**3,633.08**	**4,331.17**

* The amount represent undiscounted cash flows

Note 1: Borrowings includes cash credit facilities, has been slotted in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

Note 2: In computing the above information with respect to cash credit and overdraft facilities with Banks, the Management has made certain estimates and assumptions which have been relied upon by the auditors.

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	1,053.65	1,779.87	613.15
- Expiring beyond one year (bank loans)	-	-	-

37C Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group’s exposure to market risk is primarily on account of interest rate risk and Foreign exchange risk.

37C.1 Interest rate risk

(a) The exposure of the Group’s borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	18,292.19	14,287.54	14,380.72
Fixed rate borrowings	20,910.42	21,071.24	17,214.64
Total borrowings	**39,202.60**	**35,358.78**	**31,595.36**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding: **(₹ in crores)**

	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.28%	16,944.64	43.22%	8.63%	13,501.49	38.18%	8.63%	13,365.25	42.30%
External Commercial borrowings	8.44%	1,232.55	3.14%	8.62%	757.93	2.14%	8.62%	731.10	2.31%
Non convertible debentures	8.25%	115.00	0.29%	7.51%	28.13	0.08%	9.15%	284.38	0.90%
Net exposure to cash flow interest rate risk		**18,292.19**			**14,287.55**			**14,380.73**	
Currency Interest Rate Swaps	8.97%	**1,394.53**	3.56%	9.36%	**387.64**	1.10%	9.36%	**367.52**	1.16%

An analysis by maturities is provided in note 37(B)(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

The Group had the following variable rate loans outstanding: **(₹ in crores)**

	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Floating rate loans	12.93%	18,283.62	44.25%	11.44%	15,862.96	45.17%	11.66%	15,024.39	42.95%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Interest rates – increase by 30 basis points	(41.07)	(32.07)	(32.28)	-	-	-
Interest rates – decrease by 30 basis points	41.07	32.07	32.28	-	-	-

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Interest rates – increase by 30 basis points	41.05	35.61	33.73	-	-	-
Interest rates – decrease by 30 basis points	(41.05)	(35.61)	(33.73)	-	-	-

37C.2. Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps (CCRIS) in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity.

The Group's currency position is as under **(₹ in crores)**

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	189.91	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	33.15	-	-	-	-	-
Net Gap as at 31.03.2023	**156.76**	**-**	**-**	**-**	**-**	**-**

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	45.85	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	154.52	-	-	-	-	-
Net Gap as at 31.03.2022	**(108.67)**	**-**	**-**	**-**	**-**	**-**

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	41.69	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	147.88	-	-	-	-	-
Net Gap as at 31.03.2021	**(106.19)**	**-**	**-**	**-**	**-**	**-**

*It is fully hedged by forward contract and CCIRS

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
USD sensitivity						
INR/USD -Increase by 5%	-	-	-	(182.45)	(134.33)	(132.40)
INR/USD -Decrease by 5%	-	-	-	182.45	134.33	132.40

The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

37C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under **(₹ in crores)**

Particulars	Equity Share	Mutual Funds /Alternate investment funds/ others	Bonds	Security Receipts	Total
Market Value as on March 31, 2023	0.05	2,284.73	346.52	879.70	3,511.00
Market Value as on March 31, 2022	0.05	1,108.81	-	83.30	1,192.16
Market Value as on March 31, 2021	0.05	18.92	-	-	18.97

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Increase 5%	131.37	44.61	0.71	-	-	-
Decrease 5%	(131.37)	(44.61)	(0.71)	-	-	-

37D.Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

37E. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	3,630.67
Bank Balance other than (a) above	-	-	2,208.36
Derivative financial instruments	9.22	214.36	-
Receivables			
(i) Trade receivables	-	-	121.43
(ii) Other receivables	-	-	151.96
Loans	-	6,923.97	33,077.14
Investments	2,459.60	-	1,051.40
Other financial assets	-	-	1,615.55
Total financial assets	**2,468.82**	**7,138.33**	**41,856.51**
Financial liabilities			
Derivative financial instruments	9.22	33.14	-
Trade payables	-	-	197.30
Other Payables	-	-	-
Finance lease obligation	-	-	413.43
Debt securities	-	-	7,925.30
Borrowings (other than debt securities)	-	-	28,476.27
Subordinated liabilities	-	-	3,202.42
Other financial liabilities	-	-	2,030.24
Total financial liabilities	**9.22**	**33.14**	**42,244.96**

(₹ in crores)

Particulars	As at March 31, 2022		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	6,211.64
Bank Balance other than (a) above	-	-	1,945.29
Derivative financial instruments	9.87	64.41	-
Receivables			
(i) Trade receivables	-	-	183.20
(ii) Other receivables	-	-	15.80
Loans	-	5,662.46	28,030.43
Investments	1,182.52	-	9.64
Other financial assets	-	-	924.05
Total financial assets	**1,192.39**	**5,726.87**	**37,320.05**
Financial liabilities			
Derivative financial instruments	9.87	154.52	-
Trade payables	-	-	142.43
Other Payables	-	-	9.91
Finance lease obligation	-	-	360.68
Debt securities	-	-	7,838.08
Borrowings (other than debt securities)	-	-	25,319.37
Subordinated liabilities	-	-	2,568.05
Other financial liabilities	-	-	2,820.54
Total financial liabilities	**9.87**	**154.52**	**39,059.07**

(₹ in crores)

Particulars	As at March 31, 2021		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	2,642.90
Bank Balance other than (a) above	-	-	2,141.15
Derivative financial instruments	8.70	41.69	-
Receivables			
(i) Trade receivables	-	-	192.28
(ii) Other receivables	-	-	0.51
Loans	-	5,217.17	28,315.99
Investments	18.92	-	12.65
Other financial assets	-	-	490.37
Total financial assets	**27.62**	**5,258.86**	**33,795.85**
Financial liabilities			
Derivative financial instruments	8.70	147.88	-
Trade payables	-	-	109.39
Other Payables	-	-	-
Finance lease obligation	-	-	326.50
Debt securities	-	-	8,330.35
Borrowings (other than debt securities)	-	-	21,624.36
Subordinated liabilities	-	-	2,301.93
Other financial liabilities	-	-	2,091.38
Total financial liabilities	**8.70**	**147.88**	**34,783.91**

37E. 1. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

37E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.
(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
(v) Equity instruments in listed entities that are quoted market prices (unadjusted) in active markets for identical instruments are classified at level 1.
(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA for March 2020 respectively and are classified as level 2.
(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.
(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2023					
Financial assets					
Forward rate agreements and interest rate swaps	-	214.36	-	214.36	214.36
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Loans - classified under FVOCI	-	-	6,923.97	6,923.97	6,923.97
Investments	**404.01**	**43.21**	**2,012.38**	**2,459.60**	**2,459.60**
(i) Mutual Funds/Alternate Investment fund / Others	57.49	-	1,132.68	1,190.17	1,190.17
(ii) Security Receipts	-	-	879.70	879.70	879.70
(iii) Debt Securities	346.52	-	-	346.52	346.52
(iv) Government Securities	-	5.04	-	5.04	5.04
(v) Preference Shares	-	38.17	-	38.17	38.17
(vi) Certificate of Deposits	-	-	-	-	-
(vii) Commercial Papers	-	-	-	-	-
Total financial assets	**404.01**	**266.79**	**8,936.35**	**9,607.15**	**9,607.15**
Financial liabilities					
Forward rate agreements /CCIRS	-	33.15	-	33.15	33.15
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Total financial liabilities	**-**	**42.37**	**-**	**42.37**	**42.37**

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2022					
Financial assets					
Forward rate agreements and interest rate swaps	-	64.41	-	64.41	64.41
Call option included under Debt securities & Subordinated liabilities	-	9.87	-	9.87	9.87
Loans - classified under FVOCI	-	-	5,662.46	5,662.46	5,662.46
Investments	**0.00**	**-**	**1,182.52**	**1,182.52**	**1,182.52**
(i) Mutual Funds/Alternate Investment fund / Others	0.00	-	1,099.22	1,099.22	1,099.22
(ii) Security Receipts	-	-	83.30	83.30	83.30
Total financial assets	**0.00**	**74.28**	**6,844.98**	**6,919.26**	**6,919.26**
Financial liabilities					
Forward rate agreements /CCIRS	-	154.52	-	154.52	154.52
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	9.87	-	9.87	9.87
Total financial liabilities	**-**	**164.39**	**-**	**164.39**	**164.39**

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2021					
Financial assets					
Forward rate agreements and interest rate swaps	-	41.69	-	41.69	41.69
Call option included under Debt securities & Subordinated liabilities	-	8.70	-	8.70	8.70
Loans - classified under FVOCI	-	-	5,217.17	5,217.17	5,217.17
Investments	**11.82**	**-**	**7.11**	**18.93**	**18.93**
(i) Mutual Funds/Alternate Investment fund / Others	11.82	-	7.11	18.93	18.93
(ii) Security Receipts	-	-	-	-	-
(iii) Debt Securities	-	-	-	-	-
(iv) Equity	-	-	-	-	-
Total financial assets	**11.82**	**50.39**	**5,224.28**	**5,286.49**	**5,286.49**
Financial liabilities					
Forward rate agreements /CCIRS	-	126.59	-	126.59	126.59
Interest rate derivative	-	21.29	-	21.29	21.29
Call option included under Debt securities & Subordinated liabilities	-	8.70	-	8.70	8.70
Total financial liabilities	**-**	**156.58**	**-**	**156.58**	**156.58**

37E.3. 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.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value. Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2023			
Financial assets			
Cash and cash equivalents	3,630.67	3,630.67	
Bank Balance other than included above	2,208.36	2,208.36	
Receivables			
(i) Trade Receivables	121.43	121.43	
(ii) Other Receivables	151.96	151.96	
Loans	32,449.59	33,077.14	Level 3
Investment in debt securities	1,051.40	1,051.40	
Other Financial assets	1,615.55	1,615.55	
Total financial assets	**41,228.97**	**41,856.51**	
Financial Liabilities			
Trade Payables	197.30	197.30	
Finance lease obligation	413.43	413.43	
Debt Securities *	7,551.37	7,925.30	Level 3
Borrowings (Other than debt securities)	28,476.27	28,476.27	Level 3
Subordinated Liabilities	3,161.48	3,202.42	Level 3
Other financial liabilities	2,030.24	2,030.24	
Total financial liabilities	**41,830.10**	**42,244.97**	

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2022			
Financial assets			
Cash and cash equivalents	6,211.64	6,211.64	
Bank Balance other than included above	1,945.29	1,945.29	
Receivables			
(i) Trade Receivables	183.20	183.20	
(ii) Other Receivables	15.80	15.80	
Loans	21,915.81	28,030.43	Level 3
Investment in debt securities	9.64	9.64	
Other Financial assets	924.05	924.05	
Total financial assets	**31,205.43**	**37,320.05**	
Financial Liabilities			
Trade Payables	142.43	142.43	
Other payables	9.91	9.91	
Finance lease obligation	360.68	360.68	
Debt Securities *	7,662.86	7,838.08	Level 3
Borrowings (Other than Debt Securities)	24,182.83	25,319.37	Level 3
Subordinated Liabilities	2,591.86	2,568.05	Level 3
Other financial liabilities	2,820.54	2,820.54	
Total financial liabilities	**37,771.12**	**39,059.07**	

(₹ in crores)

Assets and liabilities which are measured at amortised cost for	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2021			
Financial assets			
Cash and cash equivalents	2,642.90	2,642.90	
Bank Balance other than included above	2,141.15	2,141.15	
Receivables	-	-	
(i) Trade Receivables	192.28	192.28	
(ii) Other Receivables	0.51	0.51	
Loans	28,058.70	28,315.99	Level 3
Investment in debt securities	12.65	12.65	
Other Financial assets	490.37	490.37	
Total financial assets	**33,538.56**	**33,795.85**	
Financial Liabilities			
Trade Payables	109.39	109.39	
Finance lease obligation	326.50	326.50	
Debt Securities *	8,210.71	8,330.35	Level 3
Borrowings (Other than Debt Securities)	21,633.52	21,624.36	Level 3
Subordinated Liabilities	2,327.81	2,301.93	Level 3
Other financial liabilities	2,091.38	2,091.38	
Total financial liabilities	**34,699.31**	**34,783.91**	

* For MTN Bond book value is been considered as fair value.

37.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2022	**5,662.46**	**1,099.22**	**83.30**
Issuances	13,996.06	79.82	**913.70**
Re-classified to amortised cost	(624.07)	-	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(12,110.48)	(143.44)	**(95.39)**
Total gain /losses recognised in profit and loss	-	97.09	**(21.91)**
Transfers in	-	-	-
Transfers out	-	-	-
Balances As at March 31, 2023	**6,923.97**	**1,132.69**	**879.70**
Unrealised gain /losses related to balances held at the end of financial year	-	165.66	(21.91)

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2021	5,217.17	7.11	-
Issuances	12,444.01	1,196.64	**103.71**
Re-classified to amortised cost	(821.07)	-	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(11,177.65)	(174.04)	**(20.41)**
Total gain /losses recognised in profit and loss	-	69.51	-
Transfers in	-	-	-
Transfers out	-	-	-
Balances As at March 31, 2022	**5,662.46**	**1,099.22**	**83.30**
Unrealised gain /losses related to balances held at the end of financial year	-	68.57	-

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2020	5,811.07	5.00	**98.90**
Issuances	6,975.61	1.24	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(7,569.51)	(0.01)	**(145.00)**
Total gain /losses recognised in profit and loss	-	0.87	**46.15**
Transfers in	-	-	-
Transfers out	-	-	-
Balances As at March 31, 2021	**5,217.17**	**7.10**	**0.05**
Unrealised gain /losses related to balances held at the end of	-	(0.95)	-

37 F. Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2021, the Group has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Financial assets derecognised during the year	12,110.48	11,177.65	7,569.50
Gain from derecognition	543.87	515.27	244.53

37 G. Transferred financial assets that are recognised in their entirety:

The Group uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Group retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in crores)

Securitisations	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	743.94	2,406.51	3,840.56
Carrying amount of associated liabilities	743.94	2,406.51	3,848.44
Fair value of assets	743.81	2,405.76	3,841.85
Fair value of associated liabilities	743.94	2,406.10	3,849.73

Note 38. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
In respect of Income tax demands (refer note a and b)	79.51	66.31	48.65
In respect of Service tax/ Gst demands (including interest accrued and refer note c)	65.84	83.17	61.75
In respect of Profession Tax demands (refer note d)	0.16	0.16	0.16
In respect of Bank guarantees given (refer note e)	584.94	845.50	1,225.54
In respect of Corporate guarantees given	23.34	23.34	23.34
In respect of legal case/ penalties/others	1.17	0.16	0.12
Contingent liability in respect of credit enhancement for securitisation transaction	79.95	195.67	190.06
In respect of Stamp Duty (refer note f)	16.66	16.66	-

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is ₹ 71.34 crores (March 31, 2022 - ₹ 41.77 crores, March 31, 2021 - ₹ 23.39 crore).

(c) Amount paid under protest with respect to service tax demand ₹ 1.89 crores (March 31, 2022 and March 31, 2021 - ₹ 1.89 crores) and with respect to GST demand ₹ 0.12 crore (March 31, 2022 - ₹ 0.02 crore, March 31, 2021 - Nil).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crore (March 31, 2022 and March 31, 2021 - ₹ 0.05 crore).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Group had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

(g) Apart from the above, Group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

Commitments not provided for:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Commitments related to loans sanctioned but undrawn	2,139.07	2,483.11	1,567.08
Estimated amount of contracts remaining to be executed on capital and operating account	19.90	18.75	32.54
Commitments related to alternate investment funds	9.77	20.59	2.02

Note 40. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2008	As at March 2022 ESOP 2008
Number of Option outstanding	9,36,947	11,47,105
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.
Grant Price (₹ Per Share)	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00, ₹ 252.00 and ₹ 271.40

Particulars	As at March 2021 ESOP 2008
Number of Option outstanding	3,31,525
Method of accounting	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise Period	Seven years from the date of grant
Grant Date	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017 and 04-Sep-2020
Grant Price (₹ Per Share)	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71 and ₹ 126.64

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

b) (ii) Movement of options during year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2021	**3,31,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	9,25,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82.02	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**1,77,105**	**82.02-271.40**	**92.54**	**1.14**

b) (ii) Movement of options during year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2020	**4,34,937**	**61.40-218.71**	**87.76**	**2.89**
Granted during the year	50,000	126.64	126.64	-
Expired/forfeited during the year	27,315	82.02-218.71	132.06	-
Expired during the year				
Exercised during the year	1,26,097	61.40-82.73	77.95	-
Outstanding as on March 31, 2021	**3,31,525**	**82.02-218.71**	**93.70**	**2.65**
Exercisable as on March 31, 2021	**2,76,725**	**82.02-218.71**	**85.58**	**1.96**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	15-Oct-22	26-Aug-22	22-Dec-21	19-Aug-21
Stock price (₹)	350.00	341.65	271.40	252.00
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	7.37%	7.02%	5.81%	5.77%
Exercise price (₹)	350.00	341.65	271.40	252.00
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	45.31	42.15	35.40	35.40

Particulars	ESOP 2008			
	06-May-21	04-Sep-20	29-Apr-17	08-Mar-16
Stock price (₹)	252.00	87.85	218.71	82.02
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66%	6.56%	6.66%	7.47%
Exercise price (₹)	252.00	126.64	218.71	82.02
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	21.10	201.65	76.59

Particulars	ESOP 2008
	02-Mar-15
Stock price (₹)	85.66
Volatility	10.00%
Risk-free Rate	7.65%
Exercise price (₹)	82.73
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	13.31

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2020	As at March 2022 ESOP 2020
Number of Option outstanding	27,05,444	35,72,033
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

Particulars	As at March 2021
Number of Option outstanding	44,33,233
Method of accounting	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise Period	Seven years from the date of grant
Grant Date	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

(b) (ii) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2021	**44,33,233**	**61.48-182.22**	**150.40**	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,98,225	177.04-182.22	177.37	-
Exercised during the year	6,62,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**20,31,205**	**61.48-182.22**	**150.73**	**3.05**

(b) (ii) Movement of options during the year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2020	**82,65,678**	**61.48 -182.22**	**157.65**	**5.15**
Granted during the year	-	-	-	-
Expired/forfeited during the year	34,58,788	61.48-182.22	173.65	-
Exercised during the year	3,73,657	61.48-182.22	95.69	-
Outstanding as on March 31, 2021	**44,33,233**	**61.48-182.22**	**150.40**	**4.06**
Exercisable as on March 31, 2021	**20,01,004**	**61.48-182.22**	**132.44**	**3.57**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	ESOP 2020		
	02-May-18	08-Feb-17	02-Dec-15
Stock price (₹)	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%	6.82%
Exercise price (₹)	142.22	106.67	61.48
Time to Maturity (Years)	4.84	3.87	2.33
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78	37.90

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 (“the Effective date” or the “Date of Modification”) has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

Note 40. Additional Dislcoure requirements

(i) Relationship with Struck off Companies

The Group has not entererd into any transactions with strike off companies

(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance with number of layers of companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

(iv) Utilisation of Borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed income

The Group has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken As at March 31, 2023.

(ix) Wilful Defaulter

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

Title deeds of Immovable Property not held in name of the Group

As at March 31, 2023

Particulars	Description of item of property	Gross Carrying Value (₹ in crores)	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Investment Property (Refer note 12)	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 17)	Building (3 Properties)	5.47	Borrowers to whom loans were given	No	Repossessed between June 2019 to December 2020	Properties repossessed under SARFAESI Act.

As at March 31, 2022

Particulars	Description of item of property	Gross Carrying Value (₹ in crores)	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Investment Property (Refer note 12)	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	4.73	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 17)	Building (19 Properties)	9.70	Borrowers to whom loan has been given	No	Various dates	Properties repossessed under SARFAESI Act

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

(xi) Disclosure on Loans and Advances

The Group has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

41. List of Related Parties

Nature of relationship	Name of party *
Other related parties	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	India Infoline Foundation
	India Infoline Employee Trust
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)
	360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)
	IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5paisa Capital Limited
	5paisa P2P Limited
Key managerial personnel	Mr.Nirmal Jain
	Mr.R. Venkataraman
	Mr. Kapish Jain (w.e.f November 01, 2022)
	Mrs. Sneha Patwardhan
	Mr.Rajesh Rajak (w.e.f.Mar 12,2020 upto October 31,2022)
	Mr. Sumit Bali (upto June 30, 2020)
	Mr. Monu Ratra
	Mr. Amit Gupta
	Mr. Ajay Jaiswal
	Mr. Narayanaswamy Venkatesh
	Mr. Shivaprakash Deviah
	Mr. Anantha Kumar T
	Mr. Pramod Kulkarni
	Mr. Manoranjan Biswal
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian) (w.e.f September 06, 2021)
	Mr. Venkatakrishnama Appanaidu Narayanaswamy
	Mrs. Anitha Shivaprakash

* The above list includes related parties with whom transactions have been carried out during the year.

41.1 Significant transactions with related parties

(₹ in Crores)

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Interest income				
5paisa Capital Limited	Other related parties	3.47	5.07	11.82
IIFL Management Services Limited	Other related parties	-	0.01	2.82
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	2.04	11.97
IIFL Securities Limited	Other related parties	5.28	4.75	0.13
Mr. Shankar Subramanian	Key Managerial Personnel and their relatives	0.04	0.02	-
Interest expense				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.00	9.01	8.45
IIFL Management Services Limited	Other related parties	0.46	1.96	-
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	0.38	-	-
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	0.56	1.17	-
IIFL Securities Limited	Other related parties	2.24	0.81	0.45
Trademark License Fee				
IIFL Securities Limited	Other related parties	-	-	0.01
Donation paid				
India Infoline Foundation	Other related parties	17.22	15.27	11.86
Arranger/ processing fees /brokerage on NCD				
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	6.77	4.39	12.96
IIFL Securities Limited	Other related parties	0.40	46.46	0.41
5paisa Capital Limited	Other related parties	-	-	0.07
IIFL Management Service Limited	Other related parties	0.50	-	-
Livlong Protection & Wellness Solutions Limited(Formerly IIFL Corporate Services Limited)	Other related parties	0.07	-	-
Rent expenses				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	3.82	1.92	1.75
Referral Fees Income/Other charges				
Livlong Protection & Wellness Solutions Limited(Formerly IIFL Corporate Services Limited)	Other related parties	10.85	-	-
Mr. Shankar Subramanian	Key Managerial Personnel and their relatives	0.00	0.00	-
Commission / brokerage expense				
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	0.09	-	-
IIFL Securities Limited	Other related parties	1.48	0.09	0.02
Brokerage/Commission on NCDs paid				
IIFL Securities Limited	Other related parties	7.06	-	-
Remuneration paid				
Mr.Nirmal Jain	Key Managerial Personnel	10.20	8.67	8.00
Mr.Kapish Jain (w.e.f November 01,2022)	Key Managerial Personnel	0.88	-	-
Mrs. Sneha Patwardhan	Key Managerial Personnel	0.74	0.58	0.28
Mr.Rajesh Rajak (w.e.f Mar 12,2020 upto October 31,2022)	Key Managerial Personnel	1.82	1.33	1.07
Mr. Monu Ratra	Key Managerial Personnel	4.65	4.95	3.99
Mr. Amit Gupta	Key Managerial Personnel	0.79	1.15	0.62
Mr. Ajay Jaiswal	Key Managerial Personnel	0.89	0.89	0.64
Mr. Venkatesh N	Key Managerial Personnel	2.33	1.56	0.84
Mr. Shivprakash D	Key Managerial Personnel	1.02	0.73	0.47
Mr. Anantha Kumar T	Key Managerial Personnel	0.56	0.35	0.27
Mr.Pramod Kulkarni	Key Managerial Personnel	-	0.05	0.06
Mr. Manoranjan Biswal	Key Managerial Personnel	0.16	0.10	-
Mr. Shreyas Dwaraki	Key Managerial Personnel	-	-	0.03
Mr. Sumit Bali (upto June 30, 2020)	Key Managerial Personnel	-	-	0.54
Equity dividend paid				
India Infoline Employee Trust	Other related parties	0.03	0.03	0.02
Mr.Narayanaswamy Venkatesh	Key Managerial Personnel and their relatives	0.01	-	-
Mr.Shivaprakash Deviah	Key Managerial Personnel	0.00	-	-
Mr.Venkatakrishnama Appanaidu Narayanaswamy	Key Managerial Personnel and their relatives	0.01	-	-
Mrs.Anitha Shivaprakash	Key Managerial Personnel and their relatives	0.00	-	-
ICD/loan taken				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	4,295.60	5,108.15
IIFL Securities Limited	Other related parties	-	200.00	2,565.00
ICD/loan returned				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	4,295.60	5,108.15
IIFL Securities Limited	Other related parties	-	200.00	2,565.00
ICD/loan given				
5paisa Capital Limited	Other related parties	700.00	600.00	2,813.00
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	2,663.50	2,703.70
IIFL Management Services Limited	Other related parties	-	50.00	-
IIFL Securities Limited	Other related parties	1,435.00	1,739.00	436.75
ICD/loan received back				
5paisa Capital Limited	Other related parties	700.00	600.00	2,913.00
IIFL Management Services Limited	Other related parties	-	50.00	56.91
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	2,663.50	2,976.15
IIFL Securities Limited	Other related parties	1,435.00	1,739.00	436.75
Mr. Shankar Subramanian	Key Managerial Personnel and their relatives	0.06	-	-

(₹ in Crores)

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	Other related parties	12.73	13.70	12.49
IIFL Management Services Limited	Other related parties	0.48	0.26	0.52
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	3.03	2.21	1.73
5paisa Capital Limited	Other related parties	0.06	0.04	-
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	-	-	0.41
Allocation / reimbursement of expenses paid others				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.09	0.20	0.32
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	-	0.01	0.06
5paisa Capital Limited	Other related parties	0.27	0.40	0.30
5paisa P2P Limited	Other related parties	-	0.00	0.00
IIFL Management Services Limited	Other related parties	0.01	0.03	0.04
IIFL Securities Limited	Other related parties	0.92	2.29	1.22
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	Other related parties	0.05	0.02	-
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	-	-	0.01
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.08	0.09	0.40
IIFL Management Services Limited	Other related parties	0.14	0.03	0.03
5paisa Capital Limited	Other related parties	1.56	0.87	0.46
IIFL Securities Limited	Other related parties	3.54	3.15	3.35
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	Other related parties	0.22	0.01	-
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	-	-	0.02
Allocation / reimbursement of expenses received others				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.01	0.10	0.13
IIFL Management Services Limited	Other related parties	0.10	0.00	0.09
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	0.03	0.07	0.03
360 ONE Asset Management Limited(Formerly IIFL Asset Management Limited)	Other related parties	-	-	0.06
India Infoline Foundation	Other related parties	0.00	-	-
5paisa Capital Limited	Other related parties	0.22	0.13	0.10
5paisa P2P Limited	Other related parties	0.00	-	0.01
IIFL Commodities Limited	Other related parties	-	-	0.06
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	Other related parties	0.06	0.03	-
IIFL Securities Limited	Other related parties	1.14	1.01	0.80
Security Deposit Paid				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.53	0.04	-
Repayment towards Borrowing				
IIFL Management Services Limited	Other related parties	0.12	-	-
Security Deposit Received				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.01	-	-
Sale of investment				
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	-	-	201.11
Non convertible debenture Issued				
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	25.07	-	-
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	0.04	100.00
IIFL Securities Limited	Other related parties	-	50.00	75.18
IIFL Management Services Limited	Other related parties	55.09	94.30	-
Non convertible debenture Redeemed				
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	-	-	103.84
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	-	22.21
Investment in Non convertible debentures/Buyback				
IIFL Management Services Limited	Other related parties	-	108.11	-

Note 41.2 Closing balances with related parties

(₹ in Crores)

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Other payable				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	0.14	0.13	-
5paisa Capital Limited	Other related parties	0.02	0.17	0.22
5paisa P2P Limited	Other related parties	-	-	0.00
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	1.52	4.02	1.09
IIFL Management Services Limited	Other related parties	0.11	-	0.00
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	-	-	0.04
IIFL Securities Limited	Other related parties	-	1.26	0.45

(₹ in Crores)

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Other receivable				
IIFL Management Services Limited	Other related parties	-	0.01	-
IIFL Securities Limited	Other related parties	0.73	-	-
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	-	0.19
360 ONE Asset Management Limited(Formerly IIFL Asser Management Limited)	Other related parties	-	-	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	0.01	0.04	-
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	Other related parties	3.11	0.05	-
India Infoline Foundation	Other related parties	-	5.49	-
Mr. Shankar Subramanian	Key Managerial Personnel and their relatives	0.15	-	-
Security Deposit receivable				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	1.44	0.92	0.87
Outstanding non convertible debenture issued				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	0.00	-
IIFL Management Services Limited	Other related parties	4.00	4.00	2.22
IIFL Securities Limited	Other related parties	8.00	52.30	4.09
360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)	Other related parties	21.46	-	21.80
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	7.60	26.70	-
Interest accrued on outstanding non convertible debenture issued				
IIFL Facilities Services Limited(Formerly IIFL Real Estate Limited)	Other related parties	-	0.00	-
IIFL Management Services Limited	Other related parties	-	-	0.35
IIFL Securities Limited	Other related parties	-	1.97	0.19
IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)	Other related parties	3.10	1.97	-
Loan receivable				
Mr. Shankar Subramanian	Key Managerial Personnel and their relatives	0.15	0.20	-
Gratuity payable*				
Mr.Nirmal Jain	Key managerial personnel	0.15	0.15	0.14
Mr.Kapish Jain(w.e.f November 01,2022)	Key managerial personnel	0.01	-	-
Mrs. Sneha Patwardhan	Key managerial personnel	0.01	0.01	0.00
Mr.Rajesh Rajak (w.e.f.March 12,2020 upto October 31,2022)	Key managerial personnel	-	0.02	0.01
Mr. Monu Ratra	Key managerial personnel	0.10	0.10	0.10
Mr. Amit Gupta	Key managerial personnel	0.10	0.09	0.09
Mr. Ajay Jaiswal	Key managerial personnel	0.09	0.08	0.07
Leave encashment payable*				
Mr.Nirmal Jain	Key managerial personnel	0.89	0.64	0.46
Mr.Kapish Jain(w.e.f November 01,2022)	Key managerial personnel	0.02	-	-
Mrs. Sneha Patwardhan	Key managerial personnel	0.02	0.02	0.01
Mr.Rajesh Rajak (w.e.f.March 12,2020 upto October 31,2022)	Key managerial personnel	-	0.01	0.02
Mr. Monu Ratra	Key managerial personnel	0.17	0.15	0.13
Mr. Amit Gupta	Key managerial personnel	0.05	0.04	0.04
Mr. Ajay Jaiswal	Key managerial personnel	0.05	0.05	0.04

Note 42.1. Maturity analysis of assets and liabilities as at March 31, 2023 **(₹ in crores)**

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	3,630.38	0.29	3,630.67
(b)	Bank balance other than (a) above	1,761.22	447.14	2,208.36
(c)	Derivative financial instruments	95.21	128.37	223.58
(d)	Receivables	-	-	
	(i) Trade receivables	120.51	0.92	121.43
	(ii) Other receivables	151.96	-	151.96
(e)	Loans	18,051.63	21,949.48	40,001.11
(f)	Investments	1,557.03	1,953.97	3,511.00
(g)	Other financial assets	747.79	867.76	1,615.55
[2]	**Non-financial assets**			
(a)	Current tax assets	2.15	237.44	239.59
(b)	Deferred tax assets	-	122.67	122.67
(c)	Investment property	-	296.04	296.04
(d)	Property, plant and equipment	-	176.13	176.13
(e)	Capital work-in-progress	27.30	0.10	27.40
(f)	Right to use assets	-	386.60	386.60
(g)	Other intangible assets	-	3.38	3.38
(h)	Other non-financial assets	197.48	75.05	272.53
(i)	Assets held for sale	13.32	-	13.32
	Total Assets	**26,355.98**	**26,645.34**	**53,001.32**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	38.59	3.78	42.37
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	0.01	3.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	193.65	0.63	194.28
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	96.43	317.00	413.43
(d)	Debt securities	3,230.95	4,694.35	7,925.30
(e)	Borrowings (other than debt securities)	10,523.29	17,952.98	28,476.27
(f)	Subordinated liabilities	243.43	2,958.99	3,202.42
(g)	Other financial liabilities	2,030.24	-	2,030.24
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities	45.82	-	45.82
(b)	Provisions	66.22	18.55	84.77
(c)	Deferred tax liabilities	-	0.61	0.61
(d)	Other non-financial liabilities	380.55	0.10	380.65
[3]	**EQUITY**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	8,915.97	8,915.97
(c)	Non-controlling interest	-	1,210.08	1,210.08
	Total Liabilities and Equity	**16,852.18**	**36,149.14**	**53,001.32**

Note 42.2. Maturity analysis of assets and liabilities As at March 31, 2022 **(₹ in crores)**

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	6,211.64	-	6,211.64
(b)	Bank balance other than (a) above	1,414.05	531.24	1,945.29
(c)	Derivative financial instruments	-	74.28	74.28
(d)	Receivables	-	-	-
	(i) Trade receivables	183.18	0.02	183.20
	(ii) Other receivables	15.80	-	15.80
(e)	Loans	14,940.89	18,752.00	33,692.89
(f)	Investments	0.34	1,191.82	1,192.16
(g)	Other financial assets	164.86	759.19	924.05
		-	-	-
[2]	**Non-financial assets**	-	-	-
(a)	Current tax assets	1.64	232.53	234.17
(b)	Deferred tax assets (net)	-	285.82	285.82
(c)	Investment property	-	295.19	295.19
(d)	Property, plant and equipment	-	150.52	150.52
(e)	Capital work-in-progress	5.14	0.50	5.64
(f)	Right to use assets	-	327.53	327.53
(g)	Other intangible assets	-	2.11	2.11
(h)	Other non-financial assets	103.36	249.24	352.60
(i)	Assets held for sale	17.55	-	17.55
	Total Assets	**23,058.45**	**22,851.99**	**45,910.44**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6.23	158.16	164.39
(b)	Payables			
	(I)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	141.41	1.02	142.43
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.91	-	9.91
(c)	Finance lease obligation	74.92	285.76	360.68
(d)	Debt securities	1,238.78	6,599.30	7,838.08
(e)	Borrowings (other than debt securities)	8,064.17	17,255.20	25,319.37
(f)	Subordinated liabilities	97.82	2,470.23	2,568.05
(g)	Other financial liabilities	2,794.52	26.02	2,820.54
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities	50.21	-	50.21
(b)	Provisions	50.38	13.73	64.11
(c)	Other non-financial liabilities	102.94	-	102.94
[3]	**EQUITY**			
(a)	Equity share capital	-	75.92	75.92
(b)	Other equity	-	6,387.91	6,387.91
(c)	Non-controlling interest	-	5.90	5.90
	Total Liabilities and Equity	**12,631.29**	**33,279.15**	**45,910.44**

Note 42.3. Maturity analysis of assets and liabilities As at March 31, 2021 **(₹ in crores)**

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	2,642.90	-	2,642.90
(b)	Bank balance other than (a) above	1,837.32	303.83	2,141.15
(c)	Derivative financial instruments	-	50.39	50.39
(d)	Receivables	-	-	
	(i) Trade receivables	192.28	0.00	192.28
	(ii) Other receivables	0.51	-	0.51
(e)	Loans	15,873.31	17,659.85	33,533.16
(f)	Investments	0.42	31.15	31.57
(g)	Other financial assets	187.46	298.04	485.50
[2]	**Non-financial assets**			
(a)	Current tax assets	1.62	261.22	262.84
(b)	Deferred tax assets (net)	-	311.14	311.14
(c)	Investment property	-	271.06	271.06
(d)	Property, plant and equipment	-	104.29	104.29
(e)	Capital work-in-progress	-	6.56	6.56
(f)	Right to use assets	-	298.60	298.60
(g)	Other intangible assets	-	1.15	1.15
(h)	Other non-financial assets	46.32	268.68	315.00
(i)	Assets held for sale	13.95	-	13.95
	Total Assets	**20,796.09**	**19,865.96**	**40,662.05**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	21.29	135.29	156.58
(b)	Payables			
	(I)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	109.39	-	109.39
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	51.56	274.94	326.50
(d)	Debt securities	3,260.11	5,070.24	8,330.35
(e)	Borrowings (other than debt securities)	8,428.73	13,195.63	21,624.36
(f)	Subordinated liabilities	529.28	1,772.65	2,301.93
(g)	Other financial liabilities	2,081.60	4.90	2,086.50
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities	50.96	51.48	102.44
(b)	Provisions	37.48	12.09	49.57
(c)	Other non-financial liabilities	180.99	-	180.99
[3]	**EQUITY**			
(a)	Equity share capital	-	75.77	75.77
(b)	Other equity	-	5,311.75	5,311.75
(c)	Non-controlling interest	-	5.92	5.92
	Total Liabilities and Equity	**14,751.39**	**25,910.66**	**40,662.05**

Note 43. Corporate Social Responsibility:

During the financial year 2022-23, the Group has spent ₹ 21.35 crore (March 31, 2022 - ₹ 12.74 crore, March 31, 2021 - ₹ 12.62 crore) out of the total amount of ₹ 27.40 crore (March 31, 2022 - ₹ 18.77 crore, March 31, 2021 - ₹ 12.62 crore) resulting into shortall of ₹ 6.05 crore (March 31, 2022 - ₹ 6.03 crore, March 31, 2021 - ₹ Nil). The shorfall amount pertains towards the ongoing projects. The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2023-24. The aforementioned amount has been contributed to India Infoline Foundation.

Note 44. Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)	As % of consolidated other comprehensive income	Amount (₹ in crores)	As % of consolidated total comprehensive income	Amount (₹ in crores)
IIFL Finance Limited	31.44%	3,207.09	44.66%	717.93	64.69%	20.82	45.05%	738.75
Indian Subsidiaries								
IIFL Home Finance Limited	43.25%	4,412.64	39.92%	641.75	33.23%	10.70	39.79%	652.45
Samasta Microfinance Limited	12.90%	1,316.15	7.82%	125.67	6.81%	2.19	7.80%	127.86
IIFL Open Fintech Private Limited	0.41%	42.08	0.23%	3.68	0.00%	-	0.22%	3.68
Indian Step down Subsidiary								
IIHL Sales Limited	0.14%	14.10	0.70%	11.27	-	-	0.69%	11.27
Subtotal	**88.14%**	**8,992.06**	**93.33%**	**1,500.30**	**104.72%**	**33.71**	**93.55%**	**1,534.00**
Non Controlling interest in subsidiaries	11.86%	1,210.08	6.67%	107.25	(4.71%)	(1.52)	6.45%	105.73
Total		**10,202.15**		**1,607.55**		**32.19**		**1,639.73**

Note 45. Segment Reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

Note 46. Shared services

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 47. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

Form AOC-I

Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2023

(₹ in crores)

Sr. No.	Particulars	IIFL Home Finance Limited	Samasta Microfinance Limited	IIFL Open Fintech Private Limited	IIHFL Sales Limited
1	Share Capital	26.34	593.64	16.84	0.05
2	Other Equity	5,526.86	728.51	101.94	14.05
3	Total Assets	21,785.18	8,904.10	119.56	41.47
4	Total Liabilities	16,231.98	7,581.95	0.78	27.37
5	Investments	1,427.24	160.42	57.49	-
6	Total Turnover	2,731.16	1,753.51	5.77	47.28
7	Profit/ (loss) before taxation	1,022.90	158.51	4.92	14.86
8	Provision for taxation (including deferred tax)	232.57	30.33	1.24	3.61
9	Total Comprehensive Income	802.00	127.87	3.68	11.25
10	Proposed preference dividend	-	-	-	-
11	Extent of interest in subsidiary	79.59%	99.51%	51.02%	79.59%

Note: Reporting period for the subsidiary is the same as holding company.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

Annexure VI

Statement of Dividend

(₹ in crores)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Equity Share Capital (₹ in Crores)		76.09	75.92	75.77
Face Value Per Equity Share (₹)	(a)	2	2	2
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	4	3.5	3
Total interim dividend on Equity Shares (₹ in Crores)		152.09	132.82	113.54
Dividend Declared Rate (In %)	(c=b/a)	200.00%	175.00%	150.00%
Dividend tax (gross) on interim dividend (₹ in Crores)		-	-	-

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

Auditors' report on the Reformatted Standalone Statement of Assets and Liabilities as at March 31,2023, 2022 and 2021, the Reformatted Standalone Statement of Profit and Loss, the Reformatted Standalone Statement of Cash Flows and the Reformatted Standalone Statement of Changes in Equity for the years ended March 31, 2023, 2022 and 2021 and the Statement of Significant Accounting Policies and other Explanatory Information of IIFL Finance Limited (collectively, the "Reformatted Standalone Financial Statements")

The Board of Directors
IIFL Finance Limited
8" Floor, Unit no 802, Hub town Solaris,
N S Phadke Marg, Vijay Nagar,
Andheri East - Mumbai - 400 069

Dear Sirs / Madams,

1. We have examined the attached reformatted standalone financial statements ("**Reformatted Standalone Financial Statements**") of IIFL Finance Limited (the "**Company**" or the "**Issuer**") as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Issue**"). The Reformatted Standalone Financial Statements, which have been approved by Finance Committee of the Board of Directors of the Company at their meeting held on May 30,2023 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, as amended (the "**Act**");

    b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"); and

    c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "**Guidance Note**").

2. The Management of the Company is responsible for the preparation of the Reformatted Standalone Financial Statements for the purpose of inclusion in the Offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai or any other document in relation to the Issue ("**Issue Documents**"). The Reformatted Standalone Financial Statements have been prepared by the Management of the Company on the basis stated in Note no.1 to the Reformatted Standalone Financial Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Statements. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI NCS Regulations and the Guidance Note.

3. We have examined such Reformatted Standalone Financial Statements taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 05,2023 requesting us to carry out work on such Reformatted Standalone Financial Statements in connection with the Company's Issue;

    b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of

Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Statements; and

d) The requirements of Section 26 of the Act and the SEBI NCS Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI NCS Regulations and the Guidance Note in connection with the Issue.

4. These Reformatted Standalone Financial Statements have been compiled by the Management of the Company from the audited standalone financial statements of the Company as at and for the years ended March 31, 2023 March 31, 2022 and March 31,2021 prepared in accordance with Indian Accounting Standard (IND AS) which comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 26, 2023, April 28, 2022, and May 6, 2021 respectively. The standalone financial statements for the year ended on March 31, 2023 and March 31, 2022 were audited by us; for the year ended on March 31, 2021 were audited by one of the current joint statutory auditors of the company i.e., V Sankar Aiyar & Co.

5. The Audited Standalone Financial Statements as at and for the years ended March 31, 2022 and 2021 have been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2023.

6. For the purpose of our examination, we have relied on the statutory auditors' report on the Standalone Financial Statements of the Company, issued by us dated April 26,2023 and April 28,2022 for the year ended March 31, 2023 and March 31, 2022; by one of the current joint statutory auditors i.e V Sankar Aiyar & Co, of the company dated May 6,2021 for the year ended March 31,2021. These Standalone Financial Statements were approved by the Board of Directors of the Company in those years, as referred in paragraph 4 above.

   a. Statutory audit report dated April 26, 2023 issued by us on the audited standalone financial statements for the year ended March 31, 2023 expressing unmodified opinion.

   b. Statutory audit report dated April 28, 2022 issued by us on the audited standalone financial statements for the year ended March 31, 2022, included the following emphasis of matter paragraph:

   Emphasis of Matter

   We draw attention to Note 8.3 to the Standalone Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

   Our opinion is not modified in respect of this matter.

Other matters

The standalone financials statements of the company for the previous year ended March 31,2021 were audited by one of the current joint statutory auditors who had expressed unmodified opinion *vide* their report dated May 6,2021.

c. Statutory audit report dated May 6, 2021 issued by one of the current joint statutory auditors of the company i.e V Sankar Aiyar & Co, on the audited standalone financial statements for the year ended March 31, 2021, included the following emphasis of matter paragraph:

Emphasis Of Matter

We draw attention to Note 8.3 to the Standalone Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion above on the audited standalone financial statements, and our report on other legal and regulatory requirements above, is not modified in respect of the above matters.

7. We have performed adequate tests and procedures which in our opinion were necessary for the purpose of issuing our examination report on the Reformatted Standalone Financial Statements of the Company for the aforesaid periods. These procedures mainly involved comparison of the attached Reformatted Standalone Financial Statements with the Company's audited standalone financial statements for financial years ended March 31,2023, March 31, 2022, and March 31, 2021 and regrouping and reclassification as per schedule III of Companies Act 2013 and requirements of SEBI the NCS Regulations.

8. Based on our examination and according to the statements and explanations given to us, we report that the Reformatted Standalone Financial Statements are prepared, in all material aspects, on the basis described in Note 1 to the Reformatted Standalone Financial Statements.

9. At the request of the Company, we have also examined the Standalone Statement of Dividend, enclosed as Annexure VI for the years ended March 31,2023, March 31, 2022, and March 31,2021, prepared by the Management and approved by the Finance Committee of the Board of Directors vide Resolution dated May 30, 2023.

10. In the preparation and presentation of Reformatted Standalone Financial Information based on audited financial statements as referred to in paragraph 4 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by one of the current joint statutory auditors (i.e V Sankar Aiyar & Co) nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management of the Company for inclusion in the Offer Documents to be filed in connection with the proposed Issue and is not to be used, referred to, or distributed for any other purpose except with our prior consent.

Signed by the Statutory Auditors of the Company

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN: 109208W)

Asha Patel
Partner
M. No.166048
Place: Mumbai
Date: May 30, 2023
UDIN: 23166048BGUTEZ1325

For Chhajed & Doshi
Chartered Accountants
(FRN: 101794W)

M. P. Chhajed
Partner
M. No. 049357
Place: Mumbai
Date: May 30, 2023
UDIN:23049357BGSKXM2569

REFORMATTED STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Assets				
[1]	**Financial assets**				
(a)	Cash and cash equivalents	4	1,762.39	4,356.94	2,051.87
(b)	Bank balance other than (a) above	5	1,407.07	1,251.87	1,540.63
(c)	Derivative financial instruments	6	172.37	64.41	41.69
(d)	Receivables				
	(i) Trade receivables	7	66.51	140.54	159.37
	(ii) Other receivables	7	151.96	15.80	0.51
(e)	Loans	8	14,549.34	12,884.05	15,594.30
(f)	Investments	9	3,779.69	2,448.85	1,204.26
(g)	Other financial assets	10	867.02	518.82	203.09
			22,756.35	**21,681.28**	**20,795.72**
[2]	**Non-financial assets**				
(a)	Current tax assets (net)		225.77	227.02	246.87
(b)	Deferred tax assets (net)	11	31.80	158.50	206.36
(c)	Investment property	12	293.70	288.51	264.00
(d)	Property, plant and equipment	13	147.79	134.82	95.54
(e)	Capital work-in-progress	14	27.40	5.64	6.56
(f)	Right to use assets	15	328.23	297.25	279.40
(g)	Other intangible assets	16	2.95	1.92	0.92
(h)	Other non-financial assets	17	260.50	333.72	310.49
(i)	Assets held for sale	18	7.85	7.84	-
			1,325.99	**1,455.22**	**1,410.14**
	Total Assets		**24,082.34**	**23,136.50**	**22,205.86**
	Liabilities And Equity				
	Liabilities				
[1]	**Financial liabilities**				
(a)	Derivative financial instruments	6	33.14	149.46	118.67
(b)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	19	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	133.38	86.17	66.42
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	-	9.91	-
(c)	Finance lease obligation	15	352.22	327.62	305.42
(d)	Debt securities	20	5,194.09	5,105.28	5,344.67
(e)	Borrowings (other than debt securities)	21	10,526.89	9,771.07	9,217.98
(f)	Subordinated liabilities	22	1,659.51	1,369.64	1,737.40
(g)	Other financial liabilities	23	894.33	1,784.73	1,480.61
			18,793.56	**18,603.88**	**18,271.17**
[2]	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		29.63	18.44	18.54
(b)	Provisions	24	51.26	41.38	31.56
(c)	Other non-financial liabilities	25	92.98	45.90	63.85
			173.87	**105.72**	**113.95**
	Total Liabilities		**18,967.43**	**18,709.60**	**18,385.13**
[3]	**Equity**				
(a)	Equity share capital	26	76.09	75.92	75.77
(b)	Other equity	26.1	5,038.82	4,350.98	3,744.96
			5,114.90	**4,426.90**	**3,820.73**
	Total Liabilities and Equity		**24,082.34**	**23,136.50**	**22,205.86**
See accompanying notes forming part of the financial statements		1 - 63			

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

REFORMATTED STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Revenue from operations				
(i)	Interest income	27.1	3,468.42	3,502.45	3,070.39
(ii)	Dividend income	27.2	87.58	62.91	70.19
(iii)	Fees and commission income		62.30	50.15	36.23
(iv)	Net gain on fair value changes	28	91.82	150.74	133.69
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	348.06	313.41	65.13
(I)	**Total revenue from operations**		**4,058.18**	**4,079.66**	**3,375.63**
(II)	**Other income**	29	30.51	26.94	38.94
(III)	**Total Income (I+II)**		**4,088.69**	**4,106.60**	**3,414.56**
	Expenses				
(i)	Finance costs	30	1,455.96	1,615.61	1,554.98
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	355.15	723.83	568.65
(iii)	Impairment on financial instruments	32	(69.62)	(206.93)	176.42
(iv)	Employee benefits expenses	33	672.38	519.90	407.11
(v)	Depreciation, amortisation and impairment	13, 15 & 16	124.77	106.43	90.88
(vi)	Other expenses	34	507.33	380.39	242.08
(IV)	**Total Expenses (IV)**		**3,045.97**	**3,139.23**	**3,040.11**
(V)	**Profit before exceptional items and tax (III-IV)**		**1,042.72**	**967.37**	**374.45**
(VI)	Exceptional items	35	-	-	53.05
(VII)	**Profit before tax (V +VI)**		**1,042.72**	**967.37**	**427.50**
(VIII)	**Tax expense:**				
	(1) Current tax	36	117.53	171.28	97.28
	(2) Deferred tax	11 & 36	119.70	51.18	(16.75)
	(3) Current tax expenses relating to previous years	36	-	(0.57)	4.38
	Total tax expense		**237.23**	**221.89**	**84.92**
(IX)	**Profit for the year (VII-VIII)**		**805.49**	**745.48**	**342.57**
(X)	**Other Comprehensive Income**				
	(A) (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit liability/(asset)	36	(1.79)	0.96	0.90
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	0.45	(0.24)	(0.23)
	Subtotal (A)		**(1.34)**	**0.72**	**0.67**
	(B) (i) Items that will be reclassified to profit or loss				
	(a) Cash flow hedge (net)	36	29.61	(14.13)	(29.10)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	(7.45)	3.56	7.32
	Subtotal (B)		**22.16**	**(10.57)**	**(21.78)**
	Other Comprehensive Income (A+B)		**20.82**	**(9.85)**	**(21.11)**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**826.31**	**735.63**	**321.47**
(XII)	**Earnings per equity share of face value ₹ 2 each**	37			
	Basic (₹)		21.20	19.66	9.05
	Diluted (₹)		21.04	19.54	9.03
	See accompanying notes forming part of the financial statements	1 - 63			

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

Asha Patel
Partner
Membership No. 166048

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

Annexure III

REFORMATTED STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED STATEMENT OF CASH FLOWS

(₹ in crores)

Particulars	Notes	Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
A. CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax			**1,042.72**		**967.37**		**427.50**
Adjustments for:							
Depreciation, amortisation and impairment	13, 15 & 16	124.77		106.43		90.88	
Impairment on loans	32	(80.31)		(215.96)		169.11	
Impairment on other financial instruments		10.69		(8.32)		7.31	
(Profit)/ loss on sale of assets		(0.05)		(0.03)		0.15	
(Gain)/ loss on termination of lease - Ind AS 116		(3.03)		(0.33)		(0.45)	
Net (gain)/ loss on fair value changes on investments- realised	28	(29.74)		(72.16)		(151.32)	
Net (gain)/ loss on fair value changes on investments- unrealised	28	(62.08)		0.13		17.63	
Net (gain)/ loss on derecognition of financial instruments under amortised cost	31	(348.06)		(313.41)		(65.13)	
Employee benefit expenses - share based		2.64		3.10		0.44	
Employee benefit expenses - others		8.75		6.74		7.84	
Interest on loans		(3,355.11)		(3,434.01)		(3,001.55)	
Interest on deposits with banks	27.1	(80.94)		(60.18)		(53.09)	
Interest on investments	27.1	(32.37)		-		-	
Dividend income	27.2	(87.58)		(62.91)		(70.19)	
Finance cost		1,416.27		1,582.01		1,530.39	
Interest expenses - Ind AS 116	15	29.96		28.57		24.59	
Net (gain)/ loss on buy back of debentures		(4.47)		(0.79)		(0.27)	
Income received on loans		3,585.73		3,919.83		2,325.75	
Interest received on deposits with banks		58.48		60.34		54.95	
Income received on investments		31.14		-		-	
Finance cost paid		(1,393.20)	(208.51)	(1,645.64)	(106.59)	(1,461.04)	(574.00)
Operating profit/(loss) before working capital changes			**834.21**		**860.78**		**(146.50)**
Decrease/ (increase) in financial and non financial assets		7.29		(18.36)		(339.37)	
Increase/(decrease) in financial and non financial liabilities		(1,001.34)	(994.05)	419.06	400.70	751.65	412.28
Cash (used in)/ generated from operations			**(159.84)**		**1,261.48**		**265.78**
Taxes paid			(105.08)		(150.97)		(133.13)
Net cash (used in)/ generated from operating activities			**(264.92)**		**1,110.51**		**132.65**
Loans (disbursed)/ repaid (net)			(1,815.60)		2,445.75		(905.80)
Net cash (used in)/ generated from operating activities (A)			**(2,080.52)**		**3,556.26**		**(773.15)**
B. CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment and other intangible assets			(90.29)		(84.24)		(32.13)
Sale of property, plant and equipment and other intangible assets			1.43		0.70		1.58
Purchase of equity investments in subsidiary			(497.48)		(225.00)		(67.50)
Proceeds from equity investment in subsidiary			-		-		132.12
Redemption in debentures of subsidiary			-		-		49.99
Purchase of investment property			(5.19)		(24.51)		(6.31)
Proceeds/(Purchase) of Investments			(740.30)		(947.56)		785.07
Dividend income			87.58		62.91		70.19
Proceeds/(Deposits) from maturity of deposits placed with Banks			(139.78)		290.56		(496.01)
Net cash (used in)/ generated from investing activities (B)			**(1,384.03)**		**(927.14)**		**437.00**
C. CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from issue of equity share (including securities premium)			11.13		8.60		4.56
Payment of stamp duty on account of merger			-		(8.34)		-
Dividend paid (including dividend distribution tax)			(152.10)		(132.82)		(113.54)
Proceeds from debt securities			1,238.73		1,514.82		925.18
Repayment of debt securities			(1,149.33)		(1,835.79)		(1,368.51)
Proceeds from borrowings (other than debt securities)			10,113.83		4,032.37		12,129.86
Repayment of borrowings (other than debt securities)			(9,346.72)		(3,502.79)		(9,795.66)
Proceeds from subordinated liabilities			302.39		50.00		670.86
Repayment of subordinated liabilities			(43.00)		(363.97)		(601.03)
Payment of lease liability			(104.93)		(86.13)		(69.98)
Net cash (used in)/ generated from financing activities (C)			**870.00**		**(324.05)**		**1,781.74**
Net increase in cash and cash equivalents (A + B + C)			**(2,594.55)**		**2,305.07**		**1,445.61**
Add : Opening cash and cash equivalents as at the beginning of the year			4,356.94		2,051.87		606.27
Cash and cash equivalents as at the end of the year	4		**1,762.39**		**4,356.94**		**2,051.87**
See accompanying notes forming part of the financial statements	1 - 63						

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

Asha Patel
Partner
Membership No. 166048

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Directo
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

Annexure IV

REFORMATTED STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital (₹ in crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2023 (Refer Note 26)	75.92	0.17	76.09
As at March 31, 2022 (Refer Note 26)	75.77	0.15	75.92
As at March 31, 2021 (Refer Note 26)	75.67	0.10	75.77

(₹ in crores)

Particulars	Share application money pending allotment (Note 1)	Reserves & Surplus								Other Comprehensive Income (OCI)		Total
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Capital Redemption Reserve (Note 6)	Debenture Redemption Reserve (Note 7)	Retained Earnings (Note 8)	Stock Compensation Reserve (Note 9)	Effective portion of Cash Flow Hedges (Note 10)	Remeasurements of defined benefit (Note 11)	
Balance as at April 01, 2020	**-**	**83.89**	**1,834.44**	**508.61**	**525.51**	**230.11**	**12.80**	**320.82**	**17.41**	**-**	**(1.44)**	**3,532.14**
Profit for the year	-	-	-	-	-	-	-	342.57	-	-	-	342.57
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(21.78)	0.67	(21.11)
Interim dividend	-	-	-	-	-	-	-	(113.54)	-	-	-	(113.54)
Transfer to/ (from) reserves	-	-	1.26	0.68	68.68	-	-	(68.68)	(1.94)	-	-	0.00
Addition during the year	-	-	4.46	-	-	-	-	-	0.44	-	-	4.90
Balance as at March 31, 2021	**-**	**83.89**	**1,840.16**	**509.29**	**594.19**	**230.11**	**12.80**	**481.17**	**15.91**	**(21.78)**	**(0.77)**	**3,744.96**
Profit for the year	-	-	-	-	-	-	-	745.48	-	-	-	745.48
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(10.57)	0.72	(9.85)
Interim dividend	-	-	-	-	-	-	-	(132.82)	-	-	-	(132.82)
Share issue expenses	-	-	(8.34)	-	-	-	-	-	-	-	-	(8.34)
Transfer to/ (from) reserves	-	-	4.76	0.06	195.23	-	-	(195.23)	(4.82)	-	-	(0.00)
Addition during the year	-	-	8.45	-	-	-	-	-	3.10	-	-	11.55
Balance as at March 31, 2022	**-**	**83.89**	**1,845.03**	**509.35**	**789.42**	**230.11**	**12.80**	**898.60**	**14.18**	**(32.35)**	**(0.05)**	**4,350.98**
Profit for the year	-	-	-	-	-	-	-	805.49	-	-	-	805.49
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	22.16	(1.34)	20.82
Interim dividend	-	-	-	-	-	-	-	(152.09)	-	-	-	(152.09)
Transfer to/ (from) reserves	-	-	6.07	1.09	161.11	-	-	(161.11)	(7.16)	-	-	-
Addition during the year	-	-	10.97	-	-	-	-	-	2.65	-	-	13.62
Balance as at March 31, 2023	**-**	**83.89**	**1,862.06**	**510.44**	**950.53**	**230.11**	**12.80**	**1,390.88**	**9.67**	**(10.19)**	**(1.39)**	**5,038.82**

REFORMATTED STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
REFORMATTED STANDALONE STATEMENT OF CHANGES IN EQUITY

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital Reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.
3. **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
4. **General Reserve:** The reserve can be distributed/ utilised by the Company, in accordance with The Companies Act, 2013.
5. **Special Reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, 20% of the profit after tax for the year has been transferred from Retained Earnings to Special Reserve.
6. **Capital Redemption Reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.
7. **Debenture Redemption Reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
8. **Retained Earnings:** These are the profits that the Company has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and Capital Redemption Reserve.
9. **Stock Compensation Reserve:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
10. **Effective portion of Cash Flow Hedges**:These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
11. **Remeasurements of defined benefit:** This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 63)

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Asha Patel
Partner
Membership No. 166048

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 30, 2023

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Note1. **Annexure V**

The Company has prepared the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Statement of Cash Flows for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Standalone Statement of Changes in Equity for the year ended March 31, 2023 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Statements"). Accordingly, these Reformatted Standalone Financial Statements will be included in the Offer Document (collectively "Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus (es) and any other issue material") proposed to be filed by the Company with the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India (the "SEBI") (the "Prospectus") in connection with the proposed issue by the Company.

The Reformatted Standalone Financial Statements are based on and have been extracted by the Management of the Company from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Reformatted Standalone Financial Statements as at and for the year ended March 31, 2021 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with the Audited Standalone Financial Statements for the year ended March 31, 2023 to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended from time to time (the "SEBI (NCS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI").

These Reformatted Standalone Financial Statements, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited standalone financial statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Standalone Financial Statements have been approved by the Finance Committee of the Board of Directors on its meeting held on May 30, 2023.

Note 1.1 CORPORATE INFORMATION:

Company overview

IIFL Finance Limited (the "Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans.

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1,(that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(a) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India (“RBI”). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (“ICAI”) are also applied except where compliance with other statutory promulgations requires a different treatment.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of

Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company’s Statement of Profit and Loss include, among other things, fees charged for servicing a loan.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment (“PPE”)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy.

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase.

The estimated useful life of assets is as under:

Class of assets	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE 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 PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as “capital work-in-progress".

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

Intangible assets i.e., Software are amortised on straight-line basis over the estimated useful life of 3 years.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(f) Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

The Company’s contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit and loss.

Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related 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. These benefits include performance incentive and compensated absences

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits being long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plan above.

(i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects 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 (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Financial assets

Classification and measurement

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial instruments measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Company's right to receive dividends is established.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss 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 discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is measured through a loss allowance at an amount equal to:
- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:
- Probability of default ("PD") is an estimate of the likelihood that customer will 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 de-recognised and is still in the portfolio.
- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

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 or issuer;
- 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.

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.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company 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 Company 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 Company's expert credit assessment.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.
Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g., convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(l) Investment in subsidiaries

Investment in subsidiaries is recognised at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e., the deficit in the recoverable value over cost.

(m) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(n) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

(o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR method.

(p) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(q) Segment reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources

will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(s) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(t) Derivative financial instruments and hedging

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognised in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss, and is included in the other Income line item.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(u) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-to-use assets and lease liabilities for these leases.

(v) Recent Accounting Pronouncements

On March 31, 2023, Ministry of Corporate Affairs ("MCA") has amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

IND AS 1 – Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual period beginning on or after April 1,2023. The company has evaluated the amendment the impact of the amendment is insignificant in the standalone financial statements.

IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual period beginning on or after April 1,2023.

The company has evaluated the amendment and there is no impact on its standalone financial statements.

IND AS 12 – Income Taxes:
This amendment has narrowed the scope of initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual period beginning on or after April 1,2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Note 4. Cash and Cash Equivalents (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents			
Cash on hand	58.47	48.65	20.22
Balance with Banks			
- In current accounts	903.95	3,490.85	2,021.00
- In deposit accounts	-	817.07	10.63
- Interest accrued on above deposits	-	0.37	0.02
CCIL Lending/Money at call or short notice	799.97	-	-
Total	**1,762.39**	**4,356.94**	**2,051.87**

Note 5. Bank Balance (Other Than Cash and Cash Equivalents) (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	6.57	13.61	11.65
In Deposit accounts (refer note 5.1)	1,372.24	1,232.46	1,523.01
Interest accrued on fixed deposits (refer note 5.1)	28.26	5.80	5.97
Total	**1,407.07**	**1,251.87**	**1,540.63**

Note 5.1 Out of the Fixed Deposits shown above (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lien marked	1,236.52	803.50	1,075.24
Margin for credit enhancement	52.95	434.76	453.74
Other deposits	111.03	-	-
Total	**1,400.50**	**1,238.26**	**1,528.98**

Note 6: Derivative Financial Instruments

(₹ in crores)

Part I	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives									
- Spot and forwards	4,678.79	145.89	33.14	3,694.38	45.85	149.46	3,939.63	41.69	97.38
(ii) Interest rate derivatives							-	-	-
- Forward rate agreements and Interest rate swaps	695.50	26.48	-	695.50	18.56	-	695.50	-	21.29
(iii) Credit derivatives	-	-	-	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-	-	-	-
Total	**5,374.29**	**172.37**	**33.14**	**4,389.88**	**64.41**	**149.46**	**4,635.13**	**41.69**	**118.67**

(₹ in crores)

Part II	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging									
- Currency derivatives	4,678.79	145.89	33.14	3,694.38	45.85	149.46	3,939.63	41.69	97.38
- Interest rate derivative	695.50	26.48	-	695.50	18.56	-	695.50	-	21.29
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-	-	-	-
Total	**5,374.29**	**172.37**	**33.14**	**4,389.88**	**64.41**	**149.46**	**4,635.13**	**41.69**	**118.67**

Credit Risk and Currency Risk

(₹ in crores)

Particulars	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
Year ended March 31, 2023						
Derivative Asset	2,157.03	172.37	-	-	2,157.03	172.37
Derivative Liabilities	3,217.26	33.14	-	-	3,217.26	33.14
Year ended March 31, 2022						
Derivative Asset	1,382.50	64.41	-	-	1,382.50	64.41
Derivative Liabilities	3,007.38	149.46	-	-	3,007.38	149.46
Year ended March 31, 2021						
Derivative Asset	687.00	41.69	-	-	687.00	41.69
Derivative Liabilities	3,948.13	118.67	-	-	3,948.13	118.67

6.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

6.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark plus Margin. The Company has hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' interest rate swap.

The Company uses Cross Currency Swap Contracts and Forward Exchange Contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognised directly in the "Cash Flow Hedge Reserve" under Other Comprehensive Income and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/interest rate swaps are identical to the hedged risk components.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Notional amount	5,374.29	4,389.88	4,635.13
Carrying amount	139.23	(85.05)	76.98
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year (Profit/ (Loss))	-	-	-

(₹ in crores)

Impact of hedging item	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Change in fair value (Profit/ (Loss))	-	-	-
Cash flow hedge reserve (Profit/ (Loss))	0.10	-	-
Cost of hedging	-	-	-

(₹ in crores)

Effect of Cash flow hedge	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total hedging gain / (loss) recognised in OCI	22.16	(10.57)	(21.78)
Ineffectiveness recognised in profit/ (loss)	0.10	-	-

Note 7. Receivables **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Trade Receivables			
Receivables considered good - Secured	60.80	134.50	156.46
Receivables considered good - Unsecured *	4.88	6.04	2.91
Receivables - credit impaired	1.66	0.00	0.30
Total- Gross	**67.34**	**140.54**	**159.67**
Less: Impairment loss allowance	(0.83)	(0.00)	(0.29)
Total- Net	**66.51**	**140.54**	**159.37**
(ii) Other Receivables			
Receivables considered good - Unsecured	151.96	15.80	0.51

* Including receivables from Subsidiaries Companies (refer note 42.2)

Note 7.1 Trade Receivables Ageing Schedule (Gross) **(₹ in crores)**

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	65.55	0.03	0.09	-	-	**65.68**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	1.66	-	-	**1.66**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**65.55**	**0.03**	**1.75**	**-**	**-**	**67.34**

(₹ in crores)

Particulars	As at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	140.41	0.11	0.02	-	-	**140.54**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	0.00	-	**0.00**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**140.41**	**0.11**	**0.02**	**0.00**	**-**	**140.54**

(₹ in crores)

Particulars	As at March 31, 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	159.35	0.01	0.00	0.01	0.00	**159.38**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	0.01	0.00	0.28	-	**0.29**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**159.35**	**0.02**	**0.01**	**0.29**	**0.00**	**159.67**

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships in which any director is a partner or a director or a member.
2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 8. Loans

(₹ in crores)

Particulars	As at March 31, 2023		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	8,715.37	4,129.91	12,845.28
(ii) Non Convertible Debentures - for financing real estate projects	1,202.46	-	1,202.46
(iii) Inter corporate deposit	-	-	-
(iv) Related parties	0.14	-	0.14
(v) Others (Dues from Customers etc)	1,006.66	-	1,006.66
Total (A) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹91.64 crore and Stage 3 Interest ₹ 21.17 crore)	(470.07)	(35.13)	(505.20)
Total (A) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,429.76	3,882.62	12,312.38
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	48.06	-	48.06
(iv) Unsecured	2,446.81	247.29	2,694.10
Total (B) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance	(470.07)	(35.13)	(505.20)
Total (B) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	10,924.63	4,129.91	15,054.54
Total (C) (I) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance	(470.07)	(35.13)	(505.20)
Total (C) (I) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,454.56**	**4,094.78**	**14,549.34**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

(₹ in crores)

Particulars	As at March 31, 2022		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	8,108.28	2,799.74	10,908.02
(ii) Non Convertible Debentures - for financing real estate projects	1,716.84	-	1,716.84
(iii) Inter corporate deposit	-	-	-
(iv) Related parties	0.20	-	0.20
(v) Others (Dues from Customers etc)	854.31	-	854.31
Total (A) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 160.15 crores and Stage 3 Interest ₹ 39.76 crores)	(572.64)	(22.68)	(595.32)
Total (A) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,576.22	2,799.74	11,375.96
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	102.51	-	102.51
(iv) Unsecured	2,000.90	-	2,000.90
Total (B) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance	(572.64)	(22.68)	(595.32)
Total (B) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(C)			**-**
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	10,679.63	2,799.74	13,479.37
Total (C) (I) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance	(572.64)	(22.68)	(595.32)
Total (C) (I) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,106.99**	**2,777.06**	**12,884.05**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

(₹ in crores)

Particulars	As at March 31, 2021		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
Loans			
(A)			
(i) Term Loans	9,454.97	2,913.94	12,368.91
(ii) Non Convertible Debentures - for financing real estate projects	2,271.34	-	2,271.34
(iii) Inter corporate deposit (refer note 42.2)	484.21	-	484.21
(iv) Others (Dues from Customers etc)	1,302.81		1,302.81
Total (A) - Gross	**13,513.33**	**2,913.94**	**16,427.27**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 208.71 crore and Stage 3 Interest ₹ 56.09 crore)	(809.50)	(23.47)	(832.97)
Total (A) - Net	**12,703.83**	**2,890.47**	**15,594.30**
(B)			-
(i) Secured by tangible assets (refer note 8.1 and 8.2)	11,294.35	2,596.28	13,890.62
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	147.81	-	147.81
(iv) Unsecured	2,071.17	317.67	2,388.84
Total (B) - Gross	**13,513.33**	**2,913.94**	**16,427.27**
Less: Impairment loss allowance	(809.50)	(23.47)	(832.97)
Total (B) - Net	**12,703.83**	**2,890.47**	**15,594.30**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	13,513.33	2,913.94	16,427.27
Total (C) (I) - Gross	**13,513.33**	**2,913.94**	**16,427.27**
Less: Impairment loss allowance	(809.50)	(23.47)	(832.97)
Total (C) (I) - Net	**12,703.83**	**2,890.47**	**15,594.30**
(II) Loans outside India (C) (II)	-	-	-
Less: Impairment loss allowance	-	-	-
Total (C) (II)- Net	-	-	-
Total C (I) and C (II)	**12,703.83**	**2,890.47**	**15,594.30**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 218.77 crores (March 31, 2022 - ₹ 200.32 crores, March 31, 2021 - ₹ 266.48 crores) in respect of which the creation of security is under process.

Note 9. Investments

(₹ in crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	971.24	-	971.24
Security receipts	1,049.24	-	1,049.24
Government Securities	5.04	-	5.04
Bonds	138.09	-	138.09
Preference Shares	38.17	-	38.17
Equity instruments:			
in subsidiaries	-	1,907.81	1,907.81
Total (A) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (A) - Net	**1,871.88**	**1,907.81**	**3,779.69**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,201.78	1,907.81	4,109.59
Total (B) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (B) - Net	**1,871.88**	**1,907.81**	**3,779.69**

(₹ in crores)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	955.22	-	955.22
Security receipts	445.39	-	445.39
Equity instruments:			
in subsidiaries	-	1,410.33	1,410.33
Total (A) - Gross	**1,400.61**	**1,410.33**	**2,810.94**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total (A) - Net	**1,038.52**	**1,410.33**	**2,448.85**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	1,400.61	1,410.33	2,810.94
Total (B) - Gross	**1,400.61**	**1,410.33**	**2,810.94**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total (B) - Net	**1,038.52**	**1,410.33**	**2,448.85**

(₹ in crores)

Particulars	As at March 31, 2021		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	11.82	-	11.82
Alternate investment funds	7.11	-	7.11
Equity instruments:			
in subsidiaries	-	1,185.33	1,185.33
Total (A) - Gross	**18.93**	**1,185.33**	**1,204.26**
Less: Impairment loss allowance	-	-	-
Total (A) - Net	**18.93**	**1,185.33**	**1,204.26**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	18.93	1,185.33	1,204.26
Total (B) - Gross	**18.93**	**1,185.33**	**1,204.26**
Less: Impairment loss allowance	-	-	-
Total (B) - Net	**18.93**	**1,185.33**	**1,204.26**

Note 9.1 Investment details script wise

Particulars	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)
Mutual funds			**0.00**			**0.00**			**11.82**
IIFL Focused Equity Fund-Direct Plan-Growth	-	-	-	-	-	-	4,562,418.45	10.00	11.82
Nippon India Mutual Fund ETF Liquid Bees	36.71	1,000.00	0.00	35.20	1,000.00	0.00	-	-	-
Alternate investment fund			**971.24**			**955.22**			**7.11**
Phi Capital Growth Fund-I	339.12	100,000.00	8.59	306.78	100,000.00	10.06	298.40	100,000	4.31
Indiareit Apartment Fund - Class B	11.29	100,000.00	0.08	20.01	100,000.00	0.24	22.63	100,000	0.36
IIFL Income Opportunities Fund- Special Situation - Class B	-	-	-	-	-	-	932,923.14	3.9963	0.20
IIFL Income Opportunities Fund- Special Situation - Class S	-	-	-	-	-	-	10,278,484.68	3.9963	2.24
IIFL One Value Fund Series B - Class B	474,523,611.28	10.00	504.77	474,523,611.28	10.00	489.50	-	-	-
IIFL One Value Fund Series B - Class C	363,464,973.29	10.00	436.88	415,940,426.88	10.00	445.94	-	-	-
Faering Capital Growth Fund III	15,500.00	1,000.00	1.40	15,500.00	1,000.00	1.50	-	-	-
IIFL Securities Capital Enhancer Fund - Class S	13,418,161.87	10.00	15.45	3,999,800.01	10.00	4.03	-	-	-
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.00	0.00	1,999.90	10.03	0.00	-	-	-
IIFL One Opportunities FoF - Series 1	3,095,601.13	10.00	4.07	3,065,261.70	10.00	3.95	-	-	-
Security receipts			**1,049.24**			**445.39**			**-**
ACRE - 110 - Trust (Tranche I)	3,825,000.00	895.48	325.40	3,825,000.00	951.75	362.09	-	-	-
ACRE-110-Trust (Tranche II)	5,397,500.00	952.52	488.42	-	-	-	-	-	-
Arcil-SBPS-049-I- Trust	833,000.00	275.20	22.92	833,000.00	1,000.00	83.30	-	-	-
Phoenix Trust-FY23-20	2,125,000.00	1,000.00	212.50	-	-	-	-	-	-
Government securities			**5.04**			**-**			**-**
07.38 % GOVT. 50,000,000.00 Stock 2027	500,000.00	100	5.04	-	-	-	-	-	-
Bonds			**138.09**			**-**			**-**
Andhra Pradesh State Beverages Corporation Limited	200.00	250,000.00	5.00	-	-	-	-	-	-
Andhra Pradesh State Beverages Corporation Limited	1,331.00	1,000,000.00	133.09	-	-	-	-	-	-
Preference Shares			**38.17**			**-**			**-**
Open Financial Technologies Private Limited	201.00	100.00	38.17	-	-	-	-	-	-
Equity instruments (in subsidiaries)			**1,907.81**			**1,410.33**			**1,185.33**
IIFL Home Finance Limited	20,968,181.00	10.00	825.48	20,968,181.00	10.00	825.48	20,968,181.00	10.00	825.48
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	590,716,057.00	10.00	1,043.93	370,740,413.00	10.00	584.85	237,683,022.00	10.00	359.86
IIFL Open Fintech Private Limited	8,591,397.00	10.00	38.40	-	-	-	-	-	-
Total Gross			**4,109.59**			**2,810.94**			**1,204.26**

Note 10. Other Financial Assets (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)			
Security deposits	35.39	31.85	25.94
Deposit with Exchange	0.25	0.25	0.28
Interest strip asset on assignment	803.87	455.81	142.40
Staff advances	0.17	0.05	0.05
Insurance receivable	47.30	44.66	47.28
Less: Provision on Insurance receivable (refer note 10.1)	(30.21)	(22.01)	(12.93)
Other receivables	3.46	2.64	-
Accrued interest on investments	1.23	-	-
Other advances	5.56	5.57	0.07
(Unsecured, considered doubtful)			
Security deposits	0.06	0.32	0.28
Less : Provision on security deposits (refer note 10.2)	(0.06)	(0.32)	(0.28)
Total	**867.02**	**518.82**	**203.09**

Note 10.1 Provision on Insurance Receivable: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening	**22.01**	**12.93**	**5.99**
Addition	9.79	16.22	7.28
Reduction	(1.59)	(7.14)	(0.34)
Closing	**30.21**	**22.01**	**12.93**

Note 10.2 Provision on Security Deposits: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening	**0.32**	**0.28**	**0.49**
Addition	0.28	0.74	0.44
Reduction	(0.54)	(0.70)	(0.65)
Closing	**0.06**	**0.32**	**0.28**

Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities:

(₹ in crores)

Particulars	Opening balance (as on April 01, 2022)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	25.18	3.65	-	28.83
Provisions, allowances for doubtful receivables / loans	143.26	(17.51)	-	125.75
Compensated absences and retirement benefits	2.82	0.92	0.45	4.19
Deduction for provision for doubtful debts	5.57	-	-	5.57
Income amortisation (net)	(112.53)	(81.21)	-	(193.74)
Expenses deductible in future years	0.49	-	-	0.49
Carry-forward losses on investments	(15.17)	(14.53)	-	(29.70)
MTM on investment and derivative financial instruments	90.35	(9.41)	-	80.94
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Leases- Ind AS 116	7.64	(1.61)	-	6.03
Total	**158.50**	**(119.70)**	**(7.00)**	**31.80**

(₹ in crores)

Particulars	Opening balance (as on April 01, 2021)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	22.42	2.76	-	25.18
Provisions, allowances for doubtful receivables / loans	199.69	(56.43)	-	143.26
Compensated absences and retirement benefits	3.24	(0.18)	(0.24)	2.82
Deduction for Provision for Doubtful debts	-	5.57	-	5.57
Income amortisation (net)	(32.94)	(79.59)	-	(112.53)
Expenses deductible in future years	0.61	(0.12)	-	0.49
Carry-forward losses on investments	-	(15.17)	-	(15.17)
MTM on investment and derivative financial instruments	(0.54)	90.89	-	90.35
Cash flow hedge reserve	7.33	-	3.56	10.89
Leases- Ind AS 116	6.55	1.09	-	7.64
Total	**206.36**	**(51.18)**	**3.32**	**158.50**

(₹ in crores)

Particulars	Opening balance (as on April 01, 2020)	Recognised in profit and loss account *	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2021)
Deferred tax assets				
Property, plant and equipment	20.94	1.48	-	22.42
Provisions, allowances for doubtful receivables / loans	174.52	25.17	-	199.69
Compensated absences and retirement benefits	3.44	0.03	(0.23)	3.24
Income amortisation (net)	(14.99)	(17.95)	-	(32.94)
Expenses deductible in future years	0.48	0.12	-	0.61
Carry-forward losses on investments	12.12	(12.12)	-	-
MTM on investment and derivative financial instruments	3.11	(3.64)	-	(0.53)
Cash flow hedge reserve	-	-	7.33	7.33
Leases- Ind AS 116	3.19	3.36	-	6.55
Total	**202.81**	**(3.55)**	**7.10**	**206.36**

* Includes prior period amount of ₹ 20.29 crores.

Note 12. Investment Property (At Cost) **(₹ in crores)**

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2022	**155.55**	**138.15**	**293.70**
Additions during the year	-	-	-
Deductions/ adjustments during the year	-	-	-
As at March 31, 2023	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2023	**155.55**	**138.15**	**293.70**
"Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)"	192.15	150.65	342.80

*Distress value of above flats is ₹ 158.23 crores.

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2021	**155.55**	**112.18**	**267.73**
Additions during the year	-	25.97	**25.97**
Deductions/ adjustments during the year	-	-	-
As at March 31, 2022	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	(5.19)	(5.19)
Net carrying value as at March 31, 2022	**155.55**	**132.96**	**288.51**
"Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)"	175.94	132.96	308.90

*Distress value of above flats is ₹ 157.90 crores.

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2020	**155.55**	**105.87**	**261.43**
Additions during the year	-	6.31	**6.31**
As at March 31, 2021	**155.55**	**112.18**	**267.74**
II. Accumulated Depreciation			-
Less : Impairment loss allowance	-	(3.73)	(3.73)
Net carrying value as at March 31, 2021	**155.55**	**108.45**	**264.00**
"Fair value as on March 31, 2021 (Fair value hierarchy : Level 3)"	171.01	108.45	279.46

*Distress value of above flats is ₹ 159.61 crores.

Note 12.1: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	**126.29**	**1.15**	**24.20**	**24.56**	**39.82**	**39.38**	**255.40**
Additions during the year	35.57	-	6.58	-	12.41	11.45	**66.01**
Deductions/ adjustments	(2.25)	-	(0.10)	-	(1.15)	(2.11)	**(5.61)**
As at March 31, 2023	**159.61**	**1.15**	**30.68**	**24.56**	**51.08**	**48.72**	**315.80**
Depreciation							
As at April 1, 2022	56.76	1.14	7.80	7.06	21.00	26.82	**120.58**
Depreciation for the year	27.41	0.01	4.97	1.47	9.57	7.96	**51.39**
Deductions/ adjustments	(1.89)	-	(0.09)	(0.05)	(0.92)	(1.01)	**(3.96)**
Up to March 31, 2023	**82.28**	**1.15**	**12.68**	**8.48**	**29.65**	**33.77**	**168.01**
Net block as at March 31, 2023	**77.33**	**(0.00)**	**18.00**	**16.08**	**21.43**	**14.95**	**147.79**

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	**80.81**	**1.15**	**7.57**	**35.93**	**27.47**	**28.41**	**181.34**
Additions during the year	47.12	-	16.77	-	13.29	14.90	**92.08**
Deductions/ adjustments	(1.64)	-	(0.14)	(11.37)	(0.94)	(3.93)	**(18.02)**
As at March 31, 2022	**126.29**	**1.15**	**24.20**	**24.56**	**39.82**	**39.38**	**255.40**
Depreciation							
As at April 1, 2021	**36.51**	**0.94**	**4.61**	**8.46**	**13.56**	**21.72**	**85.80**
Depreciation for the year	21.53	0.20	3.31	2.12	8.16	8.11	**43.42**
Deductions/ adjustments	(1.28)	-	(0.12)	(3.52)	(0.72)	(3.01)	**(8.64)**
Up to March 31, 2022	**56.76**	**1.14**	**7.80**	**7.06**	**21.00**	**26.82**	**120.58**
Net block as at March 31, 2022	**69.53**	**0.01**	**16.40**	**17.50**	**18.82**	**12.56**	**134.82**

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2020	66.00	1.15	10.22	35.93	19.59	29.61	**162.51**
Additions during the year	16.91	-	1.10	-	4.58	2.88	**25.47**
Deductions/ adjustments	(2.10)	-	(3.75)	-	3.30	(4.08)	**(6.64)**
As at March 31, 2021	**80.81**	**1.15**	**7.57**	**35.93**	**27.47**	**28.41**	**181.34**
Depreciation							
As at April 1, 2020	24.45	0.74	5.06	6.35	8.44	16.27	**61.31**
Depreciation for the year	12.78	0.20	0.97	2.12	4.96	8.68	**29.71**
Deductions/ adjustments	(0.72)	-	(1.43)	-	0.16	(3.23)	**(5.22)**
Up to March 31, 2021	**36.51**	**0.94**	**4.61**	**8.46**	**13.56**	**21.72**	**85.80**
Net block as at March 31, 2021	**44.30**	**0.21**	**2.96**	**27.47**	**13.90**	**6.69**	**95.54**

Note 14. Capital-Work-in Progress (CWIP)

Ageing schedule

(₹ in crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	27.30	0.04	0.06	-	27.40
Projects temporarily suspended	-	-	-	-	-

(₹ in crores)

Particulars	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.14	0.50	-	-	5.64
Projects temporarily suspended	-	-	-	-	-

(₹ in crores)

Particulars	As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.24	0.23	0.04	0.05	6.56
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 15. Leases

As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**297.01**	**0.24**	**297.25**
Addition during the year	124.03	-	124.03
Deduction/Adjustment	(21.43)	-	(21.43)
Depreciation during the year	(71.46)	(0.16)	(71.62)
Closing Balance as at March 31, 2023	**328.15**	**0.08**	**328.23**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**278.95**	**0.44**	**279.39**
Addition during the year	86.12	-	86.12
Deduction/Adjustment	(6.03)	-	(6.03)
Depreciation during the year	(62.03)	(0.20)	(62.23)
Closing Balance as at March 31, 2022	**297.01**	**0.24**	**297.25**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2020	**247.84**	**0.82**	**248.66**
Addition during the year	98.78	0.06	98.84
Deduction/Adjustment	(8.82)	(0.11)	(8.93)
Depreciation during the year	(58.85)	(0.32)	(59.17)
Closing Balance as at March 31, 2021	**278.95**	**0.44**	**279.40**

b) Break up value of the Current and Non - Current Finance Lease Obligations:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	79.42	68.05	48.08
Non-current lease liabilities	272.80	259.57	257.35
Total	**352.22**	**327.62**	**305.43**

c) Movement in Finance Lease Obligations:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**327.35**	**0.27**	**327.62**
Addition during the year	121.96	-	121.96
Deduction/Adjustment	(24.46)	-	(24.46)
Finance cost accrued during the period	29.95	0.02	29.97
Payment of lease liabilities	(102.67)	(0.20)	(102.87)
Closing Balance as at March 31, 2023	**352.13**	**0.09**	**352.22**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**304.94**	**0.48**	**305.42**
Addition during the year	86.12	-	86.12
Deduction/Adjustment	(6.35)	-	(6.35)
Finance cost accrued during the period	28.53	0.04	28.57
Payment of lease liabilities	(85.89)	(0.25)	(86.14)
Closing Balance as at March 31, 2022	**327.35**	**0.27**	**327.62**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2020	**260.48**	**0.85**	**261.33**
Addition during the year	98.78	0.06	98.84
Deduction/Adjustment	(9.24)	(0.12)	(9.36)
Finance cost accrued during the period	24.53	0.06	24.59
Payment of lease liabilities	(69.61)	(0.37)	(69.98)
Closing Balance as at March 31, 2021	**304.94**	**0.48**	**305.42**

d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis: **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than one year	103.11	91.72	71.23
One to two years	83.19	81.66	69.80
Two to five years	165.55	160.34	154.83
More than five years	101.13	84.44	112.18
Total	**452.98**	**418.16**	**408.03**

e) Rental expense recorded for short-term leases was ₹ 2.91 crore (March 31, 2022 - ₹ 2.46 crore, March 31, 2021 - ₹ 0.78 crore)

f) Amounts recognised in profit or loss **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	29.97	28.57	24.59
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.29	0.28
Depreciation for the year	71.62	62.23	59.17
Total	**101.80**	**91.09**	**84.04**

g) Amounts recognised in the statement of cash flows **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	102.87	86.14	69.98

Note 16. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2022	**7.98**
Additions during the year	2.84
Deductions /Adjustments	-
As at March 31, 2023	**10.82**
Amortisation	
As at April 1, 2022	**6.06**
Amortisation during the year	1.81
Up to March 31, 2023	**7.87**
Net block as at March 31, 2023	**2.95**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2021	**6.21**
Additions during the year	1.77
Deductions /Adjustments	-
As at March 31, 2022	**7.98**
Amortisations	
As at April 1, 2021	**5.29**
Amortisation during the year	0.77
Up to March 31, 2022	**6.06**
Net block as at March 31, 2022	**1.92**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2020	**3.92**
Additions during the year	2.28
Deductions /Adjustments	-
As at March 31, 2021	**6.21**
Amortisations	
As at April 1, 2020	**3.28**
Amortisation during the year	2.01
Up to March 31, 2021	**5.29**
Net block as at March 31, 2021	**0.92**

Note 17. Other Non-financial Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Prepaid expenses	126.14	47.75	10.97
Receivable from securitisation trust	80.00	236.50	231.21
Advances for operational expenses*	41.31	41.07	50.10
Deposits with government	1.98	1.97	1.89
GST input	11.00	5.20	15.94
Advance towards gratuity (refer note 33.2)	-	1.08	0.23
Other assets	0.07	0.15	0.14
Total	**260.50**	**333.72**	**310.49**

* Includes foreign currency payments amounting to ₹ 9.25 crores (March 31, 2022 - ₹ 9.07 crores, March 31, 2021 - ₹ 9.07 crores)

Note 18. Assets Held For Sale

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets held for sale	7.85	7.84	-

Assets held for sale is towards a Company owned property (Building) which it intends to sell in the near future. The property is pending sale beyond one year due to approvals pending from the relevant government authorities.

Note 19. Payables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(I)Trade payables			
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises			
Outstanding dues of creditors	25.92	16.61	11.53
Accrued salaries and benefits	1.49	2.32	2.26
Provision for expenses	94.38	61.39	51.88
Other trade payables *	11.59	5.85	0.76
Total (I)	**133.38**	**86.17**	**66.42**
(II)Other payables			
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	9.91	-
Total (II)	**-**	**9.91**	**-**

* Including payable to Subsidiaries Companies (refer note 42.2)

Note 19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in crores)

Particulars	2022-23	2021-22	2020-21
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

Note 19.2 Trade Payables Ageing Schedule

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
As at March 31, 2023		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	94.38	38.44	0.55	0.00	0.01	**133.38**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**94.38**	**38.44**	**0.55**	**0.00**	**0.01**	**133.38**

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
As at March 31, 2022		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	61.39	24.73	0.03	0.02	-	**86.17**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**61.39**	**24.73**	**0.03**	**0.02**	**-**	**86.17**

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
As at March 31, 2021		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	51.88	13.24	0.51	0.03	0.77	**66.42**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**51.88**	**13.24**	**0.51**	**0.03**	**0.77**	**66.42**

Note 20. Debt Securities (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Non Convertible Debentures* (refer note 20.1) - Secured	5,033.29	4,948.36	5,180.93
Less : Unamortised debenture issue expenses	(10.75)	(26.66)	(26.62)
Less : Unexpired discount on NCD	(0.07)	(1.57)	(3.63)
(ii) Interest accrued but not due	171.62	185.16	194.00
Total (A)	**5,194.09**	**5,105.28**	**5,344.67**
Debt securities in India	2,882.99	2,584.55	2,469.89
Debt securities outside India	2,311.10	2,520.73	2,874.78
Total (B)	**5,194.09**	**5,105.28**	**5,344.67**

* The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ Nil { As at March 31, 2022 ₹ 762.88 Crore (from September 07, 2022), As at March 31, 2021 ₹ 722.40 Crore (from May 07, 2022) }

Note 20.1 - Terms of repayment

Residual Maturity	As at March 31, 2023 Rate of Interest / Yield	As at March 31, 2023 Amount (₹ in crores)	As at March 31, 2022 Rate of Interest / Yield	As at March 31, 2022 Amount (₹ in crores)	As at March 31, 2021 Rate of Interest / Yield	As at March 31, 2021 Amount (₹ in crores)
Non Convertible Debentures (Secured)						
Fixed:		**4,662.53**		**4,615.37**		**4,957.36**
More than 5 years	8.33% - 9.45%	1,130.00	8.33 % -8.60%	570.00	-	-
3-5 Years	8.42% - 9.00%	596.99	8.42 % -8.75%	283.33	-	-
1-3 Years	8.50% -8.75%	276.93	8.00% - 11.03%	3,237.24	8.00% - 11.09%	3,719.68
Less than 1 year	8.50% - 11.03%	2,658.60	8.00% - 9.85%	524.80	7.70% - 10.20%	1,237.68
Floating:		**115.00**		**-**		**-**
1-3 Years	8.25%	115.00	-	-	-	-
Zero Coupon:		**255.77**		**332.99**		**223.57**
3-5 Years	8.75%	27.19	8.75%	29.31	-	-
1-3 Years	8.00% -8.50%	157.27	8.00% - 8.50%	228.74	9.50% - 9.85%	80.55
Less than 1 year	8.25%	71.30	9.50% - 9.85%	74.94	8.75% - 9.50%	143.01
TOTAL		**5,033.29**		**4,948.36**		**5,180.93**

Note 20.2 - Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	2,251.39	2,453.40	2,807.42
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	100.00	-	-
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	-	100.00	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	307.21	-	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	71.30	71.43	-
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.53	-
9.75% Secured Rated Listed Redeemable Non Convertible Debentures. Series III. Maturity Date - 07/02/2024	9.75%	-	170.42	172.92
10.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series IV. Maturity Date - 07/02/2024	10.20%	-	111.80	113.39
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	-	-
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	-	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00	-
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	93.88	94.08	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	57.27	57.31	-
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	-	-
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	-	-
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	-	-
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	-	-
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	146.22	147.25	-
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	135.72	136.08	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	27.19	29.31	-
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	-	-
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	-	-
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	158.27	-	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00	-
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00	-
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00	-
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	-	-
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	-	-
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.50%	-	260.50	260.50
9.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.60%	-	36.69	36.44
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series II - Category II,III & IV. Maturity Date - 07/05/2022	9.60%	-	42.24	43.71
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series D10. Date Of Maturity 17/05/2022	8.00%	-	100.00	100.00
8.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D11. Date Of Maturity 26/05/2022	8.00%	-	25.00	25.00
Market Linked Secured Rated Listed Redeemable Non-Convertible Debentures. Series D3 Option II. Date Of Maturity 27/09/2022	9.50%	-	21.93	25.45
9.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series II. Date Of Maturity 06/12/2022	9.50%	-	33.17	34.32
Zero coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series III. Date Of Maturity 06/12/2022	9.85%	-	10.77	11.39
9.85% Secured Rated Listed Redeemable Non-Convertible Debentures. Series IV. Date Of Maturity 06/12/2022	9.85%	-	64.44	64.70

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
9.85% Secured Rated Listed Redeemable Non Convertible Debenture Series D4. Date Of Maturity 17/01/2023	9.85%	-	5.00	5.00
8.00% Secured Redeemable Non-Convertible Debentures. Series C6. Date of Maturity 29/04/2021	8.00%	-	-	250.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series C8. Date of Maturity 30/04/2021	8.75%	-	-	10.00
Zero Coupon Secured Listed Rated Redeemable Non Convertible Debentures. Series C10. Date of Maturity 25/05/2021	9.25%	-	-	26.00
Zero Coupon Secured Non Convertible Debentures - Nifty 50 Index MLD 2021. D3 Option I. Date of Maturity-27/09/2021	9.50%	-	-	107.01
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 03/11/2021	10.20%	-	-	287.50
8.00% 10 Year G-SEC Rate Linked Secured Rated Listed Redeemable Non Convertible Debenture Series D8. Date of maturity 01/12/2021	8.00%	-	-	75.18
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D6. Date of Maturity 07/01/2022	8.00%	-	-	200.00
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D7. Date of maturity 18/02/2022	8.00%	-	-	100.00
7.70% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D12. Date of maturity 24/03/2022	7.70%	-	-	100.00
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D9. Date of maturity 30/03/2022	8.00%	-	-	225.00
TOTAL		**5,033.29**	**4,948.36**	**5,180.93**

* Includes hedging cost

Note 21. Borrowings (Other than Debt securities) (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A)			
(a) Term loan (refer note 21.1)			
(i) From banks and financial institution (refer note (a) and (b))	8,148.15	6,731.36	4,054.26
(ii) From others (refer note (c))	1,232.55	757.93	731.10
Less : Prepaid expenses	(48.11)	(29.01)	(25.56)
(b) Other loans (refer note 21.2)			
(i) Cash credit/ overdraft (refer note (a))	620.75	320.09	543.31
(ii) Securitisation liability	564.26	1,989.22	3,913.82
Less : Prepaid expenses	(4.16)	(11.79)	(10.41)
(c) Interest accrued but not due	13.46	13.28	11.47
Total (A)	**10,526.89**	**9,771.07**	**9,217.98**
(B)			
Borrowings in India	8,066.03	8,632.64	8,487.25
Borrowings outside India (refer note (b),(c),(d))	2,460.86	1,138.42	730.73
Total (B)	**10,526.89**	**9,771.07**	**9,217.98**

Notes:

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

(b) During the year ended March 31, 2023, the Company had borrowed ₹ 395.28 crore (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(c) During the year ended March 31, 2023, the Company had also borrowed ₹ 822.00 crore (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitised asset.

(d) During the year ended March 31, 2022, the Company borrowed ₹ 379.25 crore (equivalent to USD 50 million) through the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio.

Note 21. 1 - Terms of Repayment of Term Loans

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2021 Rate of Interest/ Yield	Amount (₹ in crores)
(i) From Banks and Financial Institution						
Floating:*		**5,080.16**		**4,911.36**		**4,054.26**
3 - 5 Years	8.00% - 9.75%	768.39	7.95% - 9.00%	588.05	8.50% - 10.30%	837.74
1 - 3 Years	8.00 % - 9.90%	2,425.14	7.70% - 9.80%	2,679.61	8.50% - 10.30%	1,944.53
Less than 1 year	8.00% - 10.20%	1,886.64	7.70% - 9.80%	1,643.70	6.21% - 10.30%	1,271.99
Fixed:		**3,067.98**		**1,820.00**		**-**
3 - 5 Years	9.70%	263.35	8.45% - 9.75%	357.79	-	-
1 - 3 Years	8.45% - 9.70%	1,395.73	8.00% - 9.75%	981.88	-	-
Less than 1 year	8.00% - 9.75%	1,408.90	8.00% - 9.75%	480.33	-	-
(ii) From Others						
Fixed:**		**1,232.55**		**757.93**		**731.10**
3 - 5 Years	-	-	-	-	8.62%	731.10
1 - 3 Years	8.44%	1,232.55	8.62%	757.93	-	-
Total		**9,380.70**		**7,489.29**		**4,785.36**

* The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 21. 2 - Terms of Repayment of Other Loans

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2021 Rate of Interest/ Yield	Amount (₹ in crores)
Floating:						
Cash credit/ overdraft : Less than 1 year ***	6.00% - 9.75%	620.75	7.60% - 8.45%	320.09	3.75% - 10.50%	543.31
Securitisation liability						
Fixed:		**564.26**		**1,989.22**		**3,303.14**
More than 5 years	-	-	-	-	-	-
3- 5 Years	-	-	-	-	10.00%	71.38
1-3 Years	-	-	7.25% - 7.95%	1,945.25	7.50% - 10.10%	2,843.05
Less than 1 year	7.72%	564.26	9.75% - 10.00%	43.97	7.72%	388.70
Project IRR		**-**		**-**		**610.68**
Less than 1 year	-	-	-	-	20.23% - 20.89%	610.68
Total		**1,185.01**		**2,309.31**		**4,457.12**

***The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 22. Subordinated Liabilities (₹ in crores)

Particulars	At Amortised Cost		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A)			
(i) Non Convertible Debentures- Unsecured (refer note 22.1)	1,586.17	1,326.78	1,640.75
Less: Unamortised debenture issue expenses	(18.20)	(22.04)	(29.50)
(ii) Interest accrued but not due	91.54	64.90	126.15
Total (A)	**1,659.51**	**1,369.64**	**1,737.40**
(B)			
Subordinated liabilities in India	1,312.20	1,022.55	1,390.53
Subordinated liabilities outside India	347.31	347.09	346.86
Total (B)	**1,659.51**	**1,369.64**	**1,737.40**

Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024){ As at March 31, 2022 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024)}

Note 22. 1 - Terms of Repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Non Convertible Debenture (Unsecured)						
Fixed		**1,462.24**		**1,202.85**		**1,187.85**
More than 5 years	9.00% - 10.50%	1,326.32	8.70% - 10.50%	1,123.93	8.70% - 10.50%	1,073.93
3- 5 Years	8.70%	100.00	10.00%	25.93	10.00%	25.93
1-3 Years	10.00%	25.93	12.10%	10.00	12.10% - 12.20%	53.00
Less than 1 year	12.10%	10.00	12.15% -12.20%	43.00	10.50% - 10.75%	35.00
Zero Coupon		**123.93**		**123.93**		**452.90**
More than 5 years	9.35% -10.03%	118.14	9.35% - 10.03%	118.14	9.35% - 10.03%	118.14
3- 5 Years	-	-	10.50%	5.78	10.50%	5.78
1-3 Years	10.50%	5.78	-	-	-	-
Less than 1 year	-	-	-	-	9.00%	328.97
Total		**1,586.17**		**1,326.78**		**1,640.75**

Note 22.2 - Non Convertible Debentures - Unsecured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity 24/05/2023	12.10%	10.00	10.00	10.00
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	25.93	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78	5.78
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	100.00	100.00	100.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	274.69	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	328.02	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	68.14	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00	325.00
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00	50.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	30.77	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	15.45	15.45	15.45
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	50.00	50.00	-
9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	236.70	-	-
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.69	-	-
12.15% Unsecured Redeemable Non-Convertible Debenture. Date Of Maturity 30/08/2022	12.15%	-	20.00	20.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date Of Maturity 04/11/2022	12.20%	-	23.00	23.00
10.75% Unsecured Redeemable Non Convertible Debentures. Series U01. Date of Maturity 10/09/2021	10.75%	-	-	20.00
10.50% Unsecured Redeemable Non Convertible Debentures. Series U02. Date of Maturity 16/09/2021	10.50%	-	-	15.00
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Series G1. Date Of Maturity 21/10/2021	9.00%	-	-	113.01
G-Sec Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Series G2. Date Of Maturity 22/11/2021	9.00%	-	-	215.96
TOTAL		**1,586.17**	**1,326.78**	**1,640.75**

Note 23. Other Financial Liabilities **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Payable on account of assignment/securitisation	842.62	1,747.55	1,445.40
Temporary overdrawn bank balances	8.84	0.38	12.82
Payables towards NCD	2.26	2.22	2.69
Unpaid dividends	0.46	0.52	0.55
Other payables (refer note 23.1)	40.15	34.06	19.15
Total	**894.33**	**1,784.73**	**1,480.61**

Note 23.1 During the year ₹ 0.26 crores (March 31, 2022 - ₹ 0.41 crores, March 31, 2021 - ₹ 0.32 crores) was transferred to Investor Education and Protection Fund.

Note 24. Provisions **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	38.57	22.82	19.63
Provision for leave encashment	11.04	9.56	8.29
Provision for gratuity (refer note 31.2)	1.43	-	-
ECL provision on sanctioned undisbursed loans	0.22	9.00	3.64
Total	**51.26**	**41.38**	**31.56**

Note 25. Other Non-Financial Liabilities **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income received in advance	0.04	0.04	2.82
Advances from customers	70.49	26.72	49.14
Statutory remittances	22.45	19.14	11.89
Total	**92.98**	**45.90**	**63.85**

Note 26: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital			
2,355,250,000 Equity Shares (March 31, 2022 and March 31, 2021 - 2,355,250,000) of ₹ 2 each	471.05	471.05	471.05
500,000,000 Preference Shares (March 31, 2022 and March 31, 2021 500,000,000) of ₹ 10 each	500.00	500.00	500.00
Total	**971.05**	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital			
380,430,389 Equity Shares (March 31, 2022 - 379,598,711 and March 31, 2021 - 378,840,676) of ₹ 2 each fully paid with voting rights	76.09	75.92	75.77
Total	**76.09**	**75.92**	**75.77**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares						
At the beginning of the year	379,598,711	75.92	378,840,676	75.77	378,340,922	75.67
Add: Shares issued during the year	831,678	0.17	758,035	0.15	499,754	0.10
Outstanding at the end of the year	**380,430,389**	**76.09**	**379,598,711**	**75.92**	**378,840,676**	**75.77**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2023, equity shareholders were paid an interim dividend of ₹ 4.00/- (March 31, 2022 - ₹ 3.50/- , March 31, 2021 - ₹ 3.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holdings	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up						
FIH Mauritius Investments Ltd.	84,641,445	22.25%	84,641,445	22.30%	84,641,445	22.34%
CDC Group PLC	-	-	29,501,587	7.77%	58,501,587	15.44%
Nirmal Bhanwarlal Jain	47,719,154	12.54%	47,719,154	12.57%	47,719,154	12.60%
HWIC Asia Fund Class A shares	-	0.00%	-	0.00%	28,362,530	7.49%
Smallcap World Fund, Inc	28,278,861	7.43%	19,671,937	5.18%	-	0.00%
Parajia Bharat Himatlal	19,720,000	5.18%	20,388,602	5.37%	19,695,000	5.20%

(v) Details of Shareholding of Promoters

As at March 31, 2023			
Name of the promoter	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	47,719,154	12.54%	-0.03%
Madhu N Jain	12,075,000	3.17%	-0.01%
Venkataraman Rajamani	10,984,432	2.89%	0.00%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.37%	0.00%
Aditi Athavankar	200,000	0.05%	0.00%
Ardent Impex Pvt Ltd	3,268,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	0.00%
Total	**94,547,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital.

As at March 31, 2022			
Name of the promoter	No. of Shares	% of total shares	% Change during the year
Nirmal Bhanwarlal Jain	47,719,154	12.57%	-0.03%
Madhu N Jain	12,075,000	3.18%	-0.01%
Venkataraman Rajamani	10,984,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.37%	-0.01%
Aditi Athavankar	200,000	0.05%	0.00%
Ardent Impex Pvt Ltd	3,268,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	0.00%
Total	**94,547,490**	**24.91%**	

As at March 31, 2021			
Name of the promoter	**No. of Shares**	**% of total shares**	**% Change during the year**
Nirmal Bhanwarlal Jain	47,719,154	12.60%	0.11%
Madhu N Jain	12,075,000	3.19%	Nil
Venkataraman Rajamani	10,984,432	2.90%	Nil
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family	10,000,000	2.64%	Nil
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.38%	Nil
Aditi Athavankar	200,000	0.05%	Nil
Ardent Impex Pvt Ltd	3,268,904	0.86%	-0.07%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	Nil
Total	**94,547,490**	**24.96%**	

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

Note 26.1: Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share Application Money	**-**	**-**	**-**
Capital Reserve	**83.89**	**83.89**	**83.89**
Securities Premium Reserve			
Opening Balance	1,845.03	1,840.16	1,834.44
Add: Share issue expenses	-	(8.34)	-
Add: Addition during the year	10.97	8.45	4.46
Add/(Less): Transfer to/ (from) reserves	6.07	4.76	1.26
Closing Balance	**1,862.06**	**1,845.03**	**1,840.16**
General Reserve			
Opening Balance	509.35	509.29	508.61
Add/(Less): Transfer to/ (from) reserves	1.09	0.06	0.68
Closing Balance	**510.44**	**509.35**	**509.29**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934			
Opening Balance	789.42	594.19	525.51
Add/(Less): Transfer to/ (from) reserves	161.11	195.23	68.68
Closing Balance	**950.53**	**789.42**	**594.19**
Capital Redemption Reserve	**230.11**	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**	**12.80**
Retained Earnings			
Opening Balance	898.60	481.17	320.82
Add: Profit for the year	805.49	745.48	342.57
Less: Interim dividend	(152.09)	(132.82)	(113.54)
Add/(Less): Transfer to/ (from) reserves	(161.11)	(195.23)	(68.68)
Closing Balance	**1,390.88**	**898.60**	**481.17**
Stock Compensation Reserve			
Opening Balance	14.18	15.91	17.41
Add: Addition during the year	2.65	3.10	0.44
Add/(Less): Transfer to/ (from) reserves	(7.16)	(4.82)	(1.94)
Closing Balance	**9.67**	**14.18**	**15.91**
Effective portion of Cash Flow Hedges			
Opening Balance	(32.35)	(21.78)	-
Add: Other comprehensive income/ (loss)	22.16	(10.57)	(21.78)
Closing Balance	**(10.19)**	**(32.35)**	**(21.78)**
Remeasurements of defined benefit			
Opening Balance	(0.05)	(0.77)	(1.44)
Add: Other comprehensive income/ (loss)	(1.34)	0.72	0.67
Closing Balance	**(1.39)**	**(0.05)**	**(0.77)**
Total	**5,038.82**	**4,350.98**	**3,744.96**

Note 27.1 Interest Income

(₹ in crores)

Particulars	FY 2022-23				FY 2021-22			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	2,789.77	-	563.48	3,353.25	2,960.57	-	473.45	3,434.01
Interest on investments	-	32.37	-	32.37	-	8.25	-	8.25
Interest on deposits with banks	80.94	-	-	80.94	60.18	-	-	60.18
Interest on inter corporate deposit	1.86	-	-	1.86	-	-	-	-
Total	**2,872.57**	**32.37**	**563.48**	**3,468.42**	**3,020.75**	**8.25**	**473.45**	**3,502.45**

(₹ in crores)

Particulars	FY 2020-21			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	2,424.93	-	550.80	2,975.73
Interest on investments	-	15.75	-	15.75
Interest on deposits with banks	53.09	-	-	53.09
Interest on inter corporate deposit	25.83	-	-	25.83
Total	**2,503.85**	**15.75**	**550.80**	**3,070.39**

Note 27.2 Dividend Income

The Company received dividend income amounting to ₹ 87.58 crore (March 31, 2022 - ₹ 62.91 crore, March 31, 2021 - ₹ 70.19 crore). Dividend received from subsidiary companies ₹ 87.58 crore (March 31, 2022 - ₹ 62.91 crore, March 31, 2021 - ₹ 64.31 crore)

Note 28. Net Gain/ (Loss) on Fair Value Changes (₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Net gain/ (loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
- Investments	91.82	150.74	133.69
Total net gain/(loss) on fair value changes	**91.82**	**150.74**	**133.69**
Fair value changes			
- Realised	29.74	72.16	151.32
- Unrealised	62.08	78.58	(17.63)
Total net gain/(loss) on fair value changes	**91.82**	**150.74**	**133.69**

Note 29. Other Income (₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Interest on income tax refund	25.53	2.85	-
Profit on sale of fixed assets	3.08	0.36	0.29
Gain/(loss) on cancellation of forwards, swaps and options	-	-	17.50
Miscellaneous income	1.90	23.74	21.15
Total	**30.51**	**26.94**	**38.94**

Note 30. Finance Costs (₹ in crores)

Particulars	On Financial liabilities measured at Amortised Cost		
	FY 2022-23	FY 2021-22	FY 2020-21
Interest on debt securities*	456.95	623.85	580.39
Interest on borrowings other than debt securities*	752.99	761.81	730.16
Interest on subordinated liabilites	144.00	140.89	131.35
Interest on inter corporate deposit	1.07	9.01	46.62
Interest expense on lease - INDAS 116	29.96	28.57	24.59
Other borrowing cost *	70.99	51.48	41.88
Total	**1,455.96**	**1,615.61**	**1,554.98**

* Includes foreign currency expenses incurred amounting to ₹ 403.18 crore (March 31, 2022 - ₹ 251.54 crore, March 31, 2021 - ₹ 201.44 crore)

Note 31. Net (Gain)/ Loss on Derecognition of Financial Instruments under Amortised Cost Category

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
(i) Net gain on derecognition of financial instruments under amortised cost category			
Interest strip on assignment of loans	(348.06)	(313.41)	(65.13)
(ii) Net loss on derecognition of financial instruments under amortised cost category			
Bad debts written off (net)	355.15	723.83	568.65
Total	**7.09**	**410.42**	**503.53**

Note 32. Impairment on Financial Instruments (₹ in crores)

Particulars	FY 2022-23			FY 2021-22		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(67.85)	(12.46)	(80.31)	(215.17)	(0.79)	(215.96)
Other financial assets	10.69	-	10.69	9.03	-	9.03
Total	**(57.16)**	**(12.46)**	**(69.62)**	**(206.14)**	**(0.79)**	**(206.93)**

(₹ in crores)

Particulars	FY 2020-21		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	172.20	(3.09)	169.11
Other financial assets	7.31	-	7.31
Total	**179.51**	**(3.09)**	**176.42**

Note 33. Employee Benefit Expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Salaries	602.65	463.85	362.12
Contribution to provident and other funds (refer note 33.1)	35.26	30.19	23.68
Leave encashment	4.83	3.44	4.34
Gratuity (refer note 33.2)	3.92	3.29	3.50
Staff welfare expenses*	23.58	17.18	11.73
Share based payments	2.14	1.95	1.75
Total	**672.38**	**519.90**	**407.11**

* Includes foreign currency expenses incurred amounting to ₹ Nil (March 31, 2022 - ₹ 0.01 crore, March 31, 2021 - Nil)

33.1 Defined contribution plans

The Company has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Contribution to Provident fund	13.25	10.91	12.24
Contribution to Employee State Insurance Corporation	3.68	3.52	3.22
Contribution to Labour welfare fund	0.09	0.08	0.06
Contribution to employee pension scheme	17.89	15.48	7.88
Contribution to National Pension Scheme	0.35	0.20	0.28
Total	**35.26**	**30.19**	**23.68**

33.2 Gratuity disclosure statement

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Type of benefit	Gratuity	Gratuity	Gratuity
Country	India	India	India
Reporting currency	INR	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Funded	Funded	Funded
Starting period	01-Apr-22	01-Apr-21	01-Apr-20
Date of reporting	31-Mar-23	31-Mar-22	31-Mar-21
Period of reporting	12 Months	12 Months	12 Months

Assumptions (current year)			
Expected return on plan assets	7.44%	6.96%	6.44%
Rate of discounting	7.44%	6.96%	6.44%
Rate of salary increase	6.00%	6.00%	6.00%
Rate of employee turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28% p.a. & thereafter 2% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.	N.A.

(₹ in crores)

Table showing change in the present value of projected benefit obligation	FY 2022-23	FY 2021-22	FY 2020-21
Present value of benefit obligation at the beginning of the year	16.71	15.73	14.57
Interest cost	1.16	1.01	0.88
Current service cost	3.97	3.31	3.35
Past service cost	-	-	-
Liability transferred in/ acquisitions	0.07	0.20	0.53
(Liability transferred out/ divestments)	(0.11)	(0.24)	(0.95)
(Gains)/ losses on curtailment	-	-	-
(Liabilities extinguished on settlement)	-	-	-
(Benefit paid directly by the employer)	-	(0.00)	(0.82)
(Benefit paid from the fund)	(2.77)	(2.31)	(1.02)
The effect of changes in foreign exchange rates	-	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(0.01)	(0.21)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.42)	(1.46)	(1.01)
Actuarial (gains)/losses on obligations - due to experience	2.88	0.48	0.43
Present value of benefit obligation at the end of the year	20.49	16.71	15.73

(₹ in crores)

Table showing change in the Fair Value of Plan Assets	FY 2022-23	FY 2021-22	FY 2020-21
Fair value of plan assets at the beginning of the year	17.78	15.97	12.10
Interest income	1.24	1.03	0.73
Contributions by the employer	3.14	3.13	4.06
Expected contributions by the employees	-	-	-
Assets transferred in/ acquisitions	-	-	-
(Assets transferred out/ divestments)	-	-	-
(Benefit paid from the fund)	(2.77)	(2.31)	(1.02)
(Assets distributed on settlements)	-	-	-
Effects of asset ceiling	-	-	-
The effect of changes in foreign exchange rates	-	-	-
Return on plan assets, excluding interest income	(0.32)	(0.03)	0.10
Fair value of plan assets at the end of the year	19.06	17.78	15.97

(₹ in crores)

Actual Return on Plan Assets	FY 2022-23	FY 2021-22	FY 2020-21
Interest Income	1.24	1.03	0.73
Return on Plan Assets, Excluding Interest Income	(0.32)	(0.03)	0.10
Actual Return on Plan Assets	0.92	1.00	0.83

(₹ in crores)

Amount recognised in the Balance Sheet	FY 2022-23	FY 2021-22	FY 2020-21
(Present value of benefit obligation at the end of the year)	(20.49)	(16.71)	(15.73)
Fair value of plan assets at the end of the year	19.06	17.78	15.97
Funded status (surplus/ (deficit))	(1.43)	1.07	0.24
Net (liability)/asset recognised in the Balance Sheet	(1.43)	1.07	0.24

(₹ in crores)

Net interest cost for current year	FY 2022-23	FY 2021-22	FY 2020-21
Present value of benefit obligation at the beginning of the year	16.71	15.73	14.57
(Fair value of plan assets at the beginning of the year)	(17.78)	(15.97)	(12.10)
Net liability/(asset) at the beginning	(1.07)	(0.23)	2.47
Interest cost	1.16	1.01	0.88
(Interest income)	(1.24)	(1.03)	(0.73)
Net interest cost for current year	(0.07)	(0.02)	0.15

(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for current year	FY 2022-23	FY 2021-22	FY 2020-21
Current service cost	3.97	3.31	3.35
Net interest cost	(0.07)	(0.02)	0.15
Past service cost	-	-	-
(Expected contributions by the employees)	-	-	-
(Gains)/losses on curtailments and settlements	-	-	-
Net effect of changes in foreign exchange rates	-	-	-
Expenses recognised	3.90	3.29	3.50

(₹ in crores)

Expenses recognised in OCI for current year	FY 2022-23	FY 2021-22	FY 2020-21
Actuarial (gains)/ losses on obligation for the year	1.47	(0.99)	(0.80)
Return on plan assets, excluding interest income	0.32	0.03	(0.10)
Change in asset ceiling	-	-	-
Net (income)/ expense for the year recognised in OCI	1.79	(0.96)	(0.90)

(₹ in crores)

Balance Sheet reconciliation	FY 2022-23	FY 2021-22	FY 2020-21
Opening net liability	(1.07)	(0.23)	2.47
Expenses recognised in Statement of Profit or Loss	3.90	3.29	3.50
Expenses recognised in OCI	1.79	(0.96)	(0.90)
Net liability/(asset) transfer in	0.07	0.20	0.53
Net (liability)/asset transfer out	(0.11)	(0.24)	(0.96)
(Benefit paid directly by the employer)	-	(0.00)	(0.82)
(Employer's contribution)	(3.14)	(3.13)	(4.06)
Net liability/(asset) recognised in the Balance Sheet	1.43	(1.07)	(0.24)

(₹ in crores)

Category of Assets	FY 2022-23	FY 2021-22	FY 2020-21
Government of India Assets	-	-	-
State Government Securities	-	-	-
Special Deposits Scheme	-	-	-
Debt Instruments	-	-	-
Corporate Bonds	-	-	-
Cash And Cash Equivalents	-	-	-
Insurance fund	19.06	17.78	15.97
Asset-Backed Securities	-	-	-
Structured Debt	-	-	-
Other	-	-	-
Total	**19.06**	**17.78**	**15.97**

(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for next year	FY 2022-23	FY 2021-22	FY 2020-21
Current service cost	4.27	3.97	3.31
Net interest cost	0.11	(0.07)	(0.02)
(Expected contributions by the employees)	-	-	-
Expenses recognised	4.38	3.90	3.29

(₹ in crores)

Maturity analysis of the benefit payments: From the Fund	FY 2022-23	FY 2021-22	FY 2020-21
Projected benefits payable in future years from the date of reporting			
1st following year	2.67	0.35	1.16
2nd following year	0.47	0.38	0.31
3rd following year	0.51	0.46	0.36
4th following year	0.56	0.48	0.42
5th following year	0.82	0.52	0.44
Sum of years 6 To 10	4.37	3.84	3.17
Sum of years 11 and above	64.24	56.95	46.34

(₹ in crores)

Sensitivity analysis	FY 2022-23	FY 2021-22	FY 2020-21
Defined Benefit Obligation on Current Assumptions	20.49	16.71	15.74
Delta effect of +1% change in rate of discounting	(2.66)	(2.39)	(2.18)
Delta effect of -1% change in rate of discounting	2.87	2.96	2.71
Delta effect of +1% change in rate of salary increase	3.10	2.82	2.54
Delta effect of -1% change in rate of salary increase	(2.55)	(2.33)	(2.09)
Delta effect of +1% change in rate of employee turnover	0.37	0.18	0.03
Delta effect of -1% change in rate of employee turnover	(0.46)	(0.24)	(0.06)

The sensitivity analysis 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 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 method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan.

Note 34. Other Expenses **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Advertisement and marketing expenses*	62.39	40.86	28.37
Direct operating expenses	100.05	48.09	10.01
Bank charges	3.62	9.46	4.11
Commission to non whole-time directors	0.32	0.33	0.04
Communication costs	8.07	7.59	6.24
Electricity	18.03	12.23	8.97
Exchange and statutory charges	3.19	3.41	0.59
Legal & professional fees*	101.84	61.63	33.63
Directors sitting fees	1.11	0.54	0.58
Office expenses	11.16	12.68	10.09
Postage & courier	3.56	4.78	2.83
Printing & stationary	4.31	4.56	3.02
Rates & taxes	1.16	1.22	0.18
Rent	2.91	2.46	0.78
Repairs & maintenance			
- Computer	1.66	1.23	1.06
- Others*	13.16	12.88	6.57
Remuneration to auditors			
- Audit fees	0.55	0.45	0.45
- Certification / other services **	0.35	0.05	0.04
- Out of pocket expenses	0.04	0.01	-
Software charges*	19.03	22.61	11.13
Travelling & conveyance*	22.31	13.69	5.34
Corporate social responsibility expenses (refer note 43)	8.70	8.20	4.71
Miscellaneous expenses*	0.53	0.25	0.44
Insurance premium	14.46	20.23	23.62
Security expenses	104.82	90.95	79.26
Total	**507.33**	**380.39**	**242.08**

*Includes below expenses incurred in foreign currency on accrual basis

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Advertisement and marketing expenses	0.17	-	0.14
Travelling & conveyance	0.19	0.03	-
Repairs & Maintenance: Others	-	0.03	-
Miscellaneous expenses	0.03	-	-
Software charges	0.14	0.06	0.09
Legal & professional fees	1.14	1.39	0.18

** During the year the Company has paid ₹ 0.25 crore (March 31, 2022 - ₹ 0.21 crore, March 31, 2021 - ₹ 0.23 crore) to the auditors towards certification required for Public Issue of Non Convertible Debentures and the same has been amortised over the tenure of the borrowings.

Note 35. Exceptional Items

During the previous year ended March 31, 2021, the Company had transferred 66,061,285 number of fully paid equity shares of ₹ 10/- each constituting of 25% equity shares held by the Company in IIFL Samasta Finance Limited (Formerly Samsata Microfinance Limited), a subsidiary Company, to IIFL Home Finance Limited, a Wholly-owned subsidiary Company, at fair value of ₹ 20 per share. The Profit on sale aggregating to ₹ 53.05 crore had been disclosed as an exceptional item.

Note 36. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2022-23	FY 2021-22	FY 2020-21
Current tax expense			
Current year	117.53	171.28	97.28
Changes in estimates related to prior years	-	(0.57)	4.38
Deferred tax expense			
Origination and reversal of temporary differences	119.70	51.18	(16.75)
Total	**237.23**	**221.89**	**84.92**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2022-23			FY 2021-22		
	Amount	Tax expense	Net of tax	Amount	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(1.79)	0.45	(1.34)	0.96	(0.24)	0.72
Cash flow hedge reserve	29.61	(7.45)	22.16	(14.13)	3.56	(10.58)
	27.83	**(7.00)**	**20.82**	**(13.17)**	**3.32**	**(9.86)**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2020-21		
	Amount	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	0.90	(0.23)	0.67
Cash flow hedge reserve	(29.10)	7.32	(21.78)

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2022-23	FY 2021-22	FY 2020-21
Profit before tax	**1,042.72**	**967.37**	**427.50**
Tax using the Company's domestic tax rate (25.17%)	262.43	243.47	107.59
Tax effect of:			
Non-deductible expenses	2.77	2.35	1.19
Tax-exempt income- Others (includes deduction under section 80JJAA)	(5.81)	(4.60)	(3.74)
Tax-exempt income- Dividend	(22.04)	(15.83)	(17.67)
Income taxed at different rates	(0.82)	(4.08)	(6.87)
Adjustments for current tax for prior periods	-	(0.57)	4.38
De-Recognition of previously recognised deductible temporary differences	0.69	1.15	0.03
Total income tax expense	**237.23**	**221.89**	**84.92**
Effective tax rate	**22.75%**	**22.94%**	**19.86%**

Note 37. Earnings Per Share

Basic and Diluted Earnings Per Share ("EPS") computed in accordance with INDAS 33 "Earnings per share"

Particulars		FY 2022-23	FY 2021-22	FY 2020-21
Face value of equity shares (in ₹) fully paid up		2.00	2.00	2.00
BASIC				
Profit after tax as per statement of Profit and Loss (₹ in crores)		805.49	745.48	342.57
Profit after tax attributable to equity share holders (₹ in crores)	A	805.49	745.48	342.57
Weighted average number of equity shares outstanding	B	379,880,425	379,194,372	378,417,476
Basic EPS (In ₹)	**A/B**	**21.20**	**19.66**	**9.05**
DILUTED				
Weighted average number of equity shares for computation of basic EPS		379,880,425	379,194,372	378,417,476
Add: Potential equity shares on account conversion of Employees Stock Options		3,015,015	2,254,850	806,252
Weighted average number of equity shares for computation of diluted EPS	C	382,895,439	381,449,222	379,223,728
Diluted EPS (In ₹)	**A/C**	**21.04**	**19.54**	**9.03**

Note 38. Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Risk Management Structure

The Company has established multi-level risk governance for monitoring and control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

Risk Management Practices

The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

It has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardise credit underwriting and improve sourcing quality in the long run.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to RMC at periodic intervals.

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Company's central Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

Note: 38A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises primarily from financial assets such as loans, trade receivables, investments, derivative financial instruments, and other receivables.

Credit Quality Analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in crores)

	As at March 31, 2023				
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	1,762.39	1,762.39
Bank balance other than above	-	-	-	1,407.07	1,407.07
Receivables					
(i) Trade receivables	-	-	1.66	65.68	67.34
(ii) Other receivables	-	-	-	151.96	151.96
Loans*	9,519.40	728.11	202.49	-	10,450.00
Investments**	-	-	-	1,907.81	1,907.81
Other financial assets	-	-	-	897.29	897.29

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

(₹ in crores)

	As at March 31, 2022				
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	4,356.94	4,356.94
Bank Balance other than above	-	-	-	1,251.87	1,251.87
Receivables					
(i) Trade receivables	-	-	0.00	140.53	140.54
(ii) Other receivables	-	-	-	15.80	15.80
Loans*	9,240.59	781.68	406.21	-	10,428.48
Investments**	-	-	-	1,410.33	1,410.33
Other Financial assets	-	-	-	541.15	541.15

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

(₹ in crores)

Particulars	As at March 31, 2021				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	2,051.87	2,051.87
Bank Balance other than above	-	-	-	1,540.63	1,540.63
Receivables	-	-	-	-	-
(i) Trade receivables	-	-	0.30	159.08	159.37
(ii) Other receivables	-	-	-	0.51	0.51
Loans*	10,225.01	2,588.88	408.04	-	13,221.94
Investments**	-	-	-	1,185.33	1,185.33
Other Financial assets	-	-	-	221.17	221.17

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

Financial Assets Measured Using Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

38A.2. Collateral Held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

38A.3. Loss Allowance and Exposure At Default

The following table shows movement of the loss allowance on loans and advances:

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-22	**300.60**	**51.64**	**48.64**	**3.52**	**160.15**	**39.76**	**509.40**	**94.92**
New loans disbursed during the year	164.50	11.30	5.91	1.41	37.53	7.33	207.94	20.04
Loans closed/ written off during the year	(126.37)	(31.70)	(35.68)	(2.84)	(149.00)	(35.04)	(311.05)	(69.58)
Movement in provision without change in asset staging	5.87	12.68	(3.46)	(0.15)	0.71	0.59	3.12	13.12
Movement in provision due to change in asset staging	(13.47)	(0.90)	0.88	0.21	42.25	8.53	29.66	7.84
Closing ECL Mar-23	**331.13**	**43.02**	**16.29**	**2.15**	**91.64**	**21.17**	**439.08**	**66.34**

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	354.51	59.91	107.03	50.36	208.71	56.09	670.25	166.36
New loans disbursed during the year	169.72	18.65	4.43	1.23	12.11	2.09	186.27	21.97
Loans closed/ written off during the year	(222.02)	(39.78)	(67.32)	(45.15)	(144.52)	(29.43)	(433.87)	(114.36)
Movement in provision without change in asset staging	14.86	15.23	19.49	1.03	(6.94)	2.49	27.42	18.75
Movement in provision due to change in asset staging	(16.47)	(2.37)	(14.99)	(3.95)	90.79	8.52	59.33	2.20
Closing ECL Mar-22	**300.60**	**51.64**	**48.64**	**3.52**	**160.15**	**39.76**	**509.40**	**94.92**

(₹ in crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-20	**224.07**	**29.34**	**45.74**	**14.95**	**297.31**	**131.82**	**567.12**	**176.11**
New loans disbursed during the year	75.19	8.82	41.21	40.86	14.65	3.26	131.04	52.94
Loans closed/ written off during the year	(42.12)	(4.49)	(23.26)	(3.69)	(225.07)	(114.78)	(290.46)	(122.96)
Movement in provision without change in asset staging	124.32	27.82	4.23	(6.33)	(3.14)	6.51	125.42	27.99
Movement in provision due to change in asset staging	(26.95)	(1.58)	39.11	4.58	124.96	29.28	137.13	32.28
Closing ECL Mar-21	**354.51**	**59.91**	**107.03**	**50.37**	**208.71**	**56.09**	**670.25**	**166.37**

The following table shows movement of the Exposure At Default ("EAD")

(₹ in crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	**39.75**	**12,625.07**	**1,383.79**
New loans disbursed during the year	10,061.98	189.98	420.56	26.02	94.01	7.33	10,576.54	223.34
Loans closed/ written off during the year	(6,930.03)	(456.40)	(553.19)	(26.66)	(344.74)	(35.04)	(7,827.96)	(518.11)
Movement in EAD without change in asset staging	(1,108.32)	(473.45)	(40.37)	(24.77)	(2.77)	0.59	(1,151.46)	(497.64)
Movement in EAD due to change in asset staging	(359.84)	(32.19)	117.15	4.91	68.38	8.53	(174.30)	(18.75)
Closing EAD Mar-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	**21.16**	**14,047.88**	**572.63**

(₹ in crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	**11,947.97**	**1,344.59**	**2,340.33**	**188.84**	**351.95**	**56.09**	**14,640.25**	**1,589.52**
New loans disbursed during the year	8,664.33	829.75	278.12	15.22	45.84	2.09	8,988.29	847.06
Loans closed/written off during the year	(7,707.93)	(977.00)	(1,638.52)	(138.74)	(231.78)	(29.43)	(9,578.23)	(1,145.17)
Movement in EAD without change in asset staging	(1,069.34)	122.90	(27.43)	(1.70)	(6.91)	2.49	(1,103.68)	123.69
Movement in EAD due to change in asset staging	(323.90)	(33.18)	(205.00)	(6.64)	207.34	8.51	(321.56)	(31.31)
Closing EAD Mar-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	**39.75**	**12,625.07**	**1,383.79**

(₹ in crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2020	**12,193.28**	**1,908.59**	**513.12**	**134.42**	**413.04**	**131.83**	**13,119.45**	**2,174.84**
New loans disbursed during the year	7,479.25	210.24	1,506.24	100.98	50.22	3.26	9,035.71	314.47
Loans closed/written off during the year	(5,377.83)	(769.97)	(376.33)	(98.17)	(305.00)	(114.78)	(6,059.16)	(982.92)
Movement in EAD without change in asset staging	(947.69)	(24.18)	(12.00)	(15.21)	(4.93)	6.50	(964.63)	(32.88)
Movement in EAD due to change in asset staging	(1,399.04)	19.91	709.30	66.82	198.62	29.28	(491.12)	116.01
Closing EAD Mar-2021	**11,947.97**	**1,344.59**	**2,340.33**	**188.84**	**351.95**	**56.09**	**14,640.25**	**1,589.52**

38A.4. Write Off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹ 355.15 crore (March 31,2022 ₹ 723.83 crore, March 31,2021 ₹568.65 crore)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain/ loss based on discounted cash flow basis in the below table:

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Value of modified assets at the time of modification	534.05	1,886.36	2,579.62
Value of modified assets outstanding at end of year	528.39	1,881.56	2,557.48
Modification gain/ (loss)	(5.66)	(4.80)	(22.14)

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on December 29, 2022)

38A.6. Credit Risk Grading of Loans

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, an asset is reviewed at a frequency determined based on the risk it carries at the review date.

For effective risk management, the company monitors its portfolio, based on product, underlying security and credit risk characteristics.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

Credit Grading Details (₹ in crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	13,689.93	728.11	202.49	14,620.53
March 31, 2022	12,798.20	804.48	406.20	14,008.87
March 31, 2021	13,292.55	2,529.17	408.04	16,229.76

38A.7. Concentration of Credit Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

38B Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of Financial Liabilities

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	33.14	28.40	0.96	-	3.78	-	-
Trade payables	133.38	131.69	0.47	0.65	0.56	0.01	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	452.98	26.86	26.34	49.91	149.56	99.18	101.13
Debt securities	5,194.09	2,425.16	11.03	433.91	565.59	628.40	1,130.00
Borrowings (other than debt securities)	10,526.89	1,456.02	801.20	1,562.44	5,548.97	1,158.26	-
Subordinated liabilities	1,659.51	40.40	13.80	4.93	34.18	100.00	1,466.20
Other financial liabilities	894.33	883.24	0.21	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**19,479.26**	**5,576.71**	**854.01**	**2,059.25**	**6,306.11**	**1,985.85**	**2,697.33**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	149.46	3.06	-	3.17	143.24		-
Trade payables	86.17	83.67	0.19	1.29	0.04	0.98	-
Other payables	9.91	9.91	-	-	-	-	-
Finance lease obligation*	418.16	23.22	22.92	45.58	139.28	102.72	84.44
Debt securities	5,105.28	606.43	28.45	139.47	3,447.11	313.82	570.00
Borrowings (other than debt securities)	9,771.07	578.53	626.64	1,770.25	5,884.02	911.64	-
Subordinated liabilities	1,369.64	30.64	21.43	28.20	10.00	33.40	1,245.97
Other financial liabilities	1,784.73	1,758.47	-	-	-	26.02	-
Financial guarantee contracts	845.50	845.50	-	-	-	-	-
Total	**19,539.92**	**3,939.41**	**699.63**	**1,987.96**	**9,623.68**	**1,388.59**	**1,900.41**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2021	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	118.67	-	21.29	-	97.38	-	-
Trade payables	66.42	66.42	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	408.03	18.03	17.80	35.40	129.28	95.34	112.18
Debt securities	5,344.67	393.31	143.13	1,002.46	3,805.77	-	-
Borrowings (other than debt securities)	9,217.98	1,195.51	1,540.46	2,025.24	2,862.68	1,594.10	-
Subordinated liabilities	1,737.40	25.67	36.44	413.82	53.00	32.69	1,175.77
Other financial liabilities	1,485.47	1,480.56	-	-	4.91	-	-
Financial guarantee contracts	1,225.54	1,225.54	-	-	-	-	-
Total	**19,604.19**	**4,405.05**	**1,759.12**	**3,476.92**	**6,953.02**	**1,722.13**	**1,287.95**

* The amount represent undiscounted cash flows

Note : Borrowings includes cash credit facilities which has been shown in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

(ii) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	719.65	1,452.25	455.65
- Expiring beyond one year (bank loans)	-	-	-

38C Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

38C.1 Interest Rate Risk

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Floating rate borrowings	5,815.92	5,231.46	4,597.57
Fixed rate borrowings	11,369.26	10,842.28	10,852.29
Project IRR	-	-	610.68
Total borrowings	**17,185.18**	**16,073.74**	**16,060.53**

The Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.19%	5,815.92	33.84%	8.64%	5,231.46	32.55%
Net exposure to cash flow interest rate risk		**5,815.92**			**5,231.46**	

(₹ in crores)

Particulars	As at March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	8.63%	4,597.57	28.63%
Net exposure to cash flow interest rate risk		**4,597.57**	

Sensitivity

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant):

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Interest rates – increase by 50 basis points	(21.76)	(19.57)	(17.20)	-	-	-
Interest rates – decrease by 50 basis points	21.76	19.57	17.20	-	-	-

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

38C.2. Exposure to Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT).

As at March 31, 2023 **(₹ in crores)**

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	172.37	-	-	-	-	-
Foreign currency liabilities (in INR)*	33.14	-	-	-	-	-
Net Assets/(Liabilities)	**139.23**	-	-	-	-	-

As at March 31, 2022 **(₹ in crores)**

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	64.41	-	-	-	-	-
Foreign currency liabilities (in INR)*	149.46	-	-	-	-	-
Net Assets/(Liabilities)	**(85.05)**	-	-	-	-	-

As at March 31, 2021 **(₹ in millions)**

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	41.69	-	-	-	-	-
Foreign currency liabilities (in INR)*	118.67	-	-	-	-	-
Net Assets/(Liabilities)	**(76.98)**	-	-	-	-	-

* Fully hedged by forward contract, future contract and Cross Currency Interest Rate Swaps.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in crores)

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
USD sensitivity*						
INR/ USD - increase by 5%	-	-	-	(182.45)	(134.33)	(136.80)
INR/ USD - decrease by 5%	-	-	-	182.45	134.33	136.80

* Holding all other variables constant,the sensitivity on profit and loss is due to the timing differences of the maturity of the forward exchange contract. On the date of maturity of the forward exchange contract, the sensitivity of profit and loss to changes in the exchange rates will be nil.

38C.3. Price Risk

(i) Exposure

The Company's exposure to assets having price risk is as under (Net) **(₹ in crores)**

Particulars	Equity Shares (Other than Subsidiary)	Preference share	Mutual Funds / Alternate investment funds/ Others	Bonds/ Govt. Securities	Security Receipts	Total
Market value as on March 31, 2023	-	38.17	971.24	143.13	719.33	**1,871.87**
Market value as on March 31, 2022	-	-	955.22	-	83.30	**1,038.52**
Market value as on March 31, 2021	-	-	18.92	-	-	**18.92**

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

(ii) Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

Particulars	Impact on profit after tax			Impact on other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Increase 5%	70.04	38.86	0.71	-	-	-
Decrease 5%	(70.04)	(38.86)	(0.71)	-	-	-

38D.Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using capital adequacy ratio as prescribed by the Reserve Bank Of India.

38E. Fair Values of Financial Instruments

Financial Instruments by Category **(₹ in crores)**

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	1,762.39
Bank Balance other than above	-	-	1,407.07
Derivative financial instruments	-	172.37	-
Receivables			
(i) Trade receivables	-	-	66.51
(ii) Other receivables	-	-	151.96
Loans	-	4,094.78	10,454.56
Investments	1,871.88	-	1,907.81
Other financial assets	-	-	867.02
Total financial assets	**1,871.88**	**4,267.15**	**16,617.32**
Financial liabilities			
Derivative financial instruments	-	33.14	-
Trade payables	-	-	133.38
Other payables	-	-	-
Finance lease obligation	-	-	352.22
Debt securities	-	-	5,194.09
Borrowings (other than debt securities)	-	-	10,526.89
Subordinated liabilities	-	-	1,659.51
Other financial liabilities	-	-	894.33
Total financial liabilities	**-**	**33.14**	**18,760.42**

(₹ in crores)

Particulars	As at March 31, 2022		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	4,356.94
Bank Balance other than above	-	-	1,251.87
Derivative financial instruments	-	64.41	-
Receivables	-	-	
(i) Trade receivables	-	-	140.54
(ii) Other receivables	-	-	15.80
Loans	-	2,777.06	10,106.99
Investments	1,038.52	-	1,410.33
Other financial assets	-	-	518.82
Total financial assets	**1,038.52**	**2,841.47**	**17,801.28**
Financial liabilities			
Derivative financial instruments	-	149.46	-
Trade payables	-	-	86.17
Other payables	-	-	9.91
Finance lease obligation	-	-	327.62
Debt securities	-	-	5,105.28
Borrowings (other than debt securities)	-	-	9,771.07
Subordinated liabilities	-	-	1,369.64
Other financial liabilities	-	-	1,784.73
Total financial liabilities	**-**	**149.46**	**18,454.42**

(₹ in crores)

Particulars	As at March 31, 2021		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	2,051.87
Bank Balance other than above	-	-	1,540.63
Derivative financial instruments	-	41.69	-
Receivables			
(i) Trade receivables	-	-	159.37
(ii) Other receivables	-	-	0.51
Loans	-	2,890.47	12,703.82
Investments	18.92	-	1,185.33
Other financial assets	-	-	207.97
Total financial assets	**18.92**	**2,932.16**	**17,849.50**
Financial liabilities			
Derivative financial instruments	-	118.67	-
Trade payables	-	-	66.42
Other payables	-	-	-
Finance lease obligation	-	-	305.42
Debt securities	-	-	5,344.67
Borrowings (other than debt securities)	-	-	9,217.98
Subordinated liabilities	-	-	1,737.40
Other financial liabilities	-	-	1,485.47
Total financial liabilities	**-**	**118.67**	**18,157.36**

38E. 1. Financial Instruments Measured At Fair Value – Fair Value Hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

38E.2. Valuation Methodologies Of Financial Instruments Measured At Fair Value

- Quoted equity/ debt instruments are measured based on the last traded price in the recognised stock exchange and are classified as level 1.
- Quoted Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds and unquoted Mutual Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Government Securities are valued based on the closing price published by FBIL and are classified as level 2.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
- Security receipts are measured as Level 3 basis rating given by independent Rating agencies to the Asset Reconstruction Companies on this secuity receipts.

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2023					
Financial assets					
Forward rate agreements and interest rate swaps	-	172.37	-	172.37	172.37
Loans - classified under FVTOCI	-	-	4,094.78	4,094.78	4,094.78
Investments	**0.00**	**181.30**	**1,690.57**	**1,871.87**	**1,871.87**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	971.24	971.24	971.24
(ii) Security receipts (Net)	-	-	719.33	719.33	719.33
(iii) Debt securities	-	*138.09*	-	*138.09*	*138.09*
(iv) Govt. Securities	-	*5.04*	-	*5.04*	*5.04*
(v) Preference shares	-	*38.17*	-	*38.17*	*38.17*
Total financial assets	**0.00**	**353.67**	**5,785.35**	**6,139.02**	**6,139.02**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	33.14	-	33.14	33.14
Total financial liabilities	-	**33.14**	-	**33.14**	**33.14**

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2022					
Financial assets					
Forward rate agreements and interest rate swaps	-	64.41	-	64.41	64.41
Loans - classified under FVTOCI	-	-	2,777.06	2,777.06	2,777.06
Investments	**0.00**	**-**	**1,038.52**	**1,038.52**	**1,038.52**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	955.22	955.22	955.22
(ii) Security receipts (Net)	-	-	83.30	*83.30*	*83.30*
Total financial assets	**0.00**	**64.41**	**3,815.58**	**3,879.99**	**3,879.99**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	149.46	-	*149.46*	*149.46*
Total financial liabilities	-	**149.46**	-	**149.46**	**149.46**

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2021					
Financial assets					
Forward rate agreements and interest rate swaps	-	41.69	-	41.69	41.69
Loans - classified under FVTOCI	-	-	2,890.47	2,890.48	2,890.48
Investments	**11.82**	**-**	**7.11**	**18.92**	**18.92**
(i) Mutual funds/ Alternate investment fund / Others	11.82	-	7.11	18.92	18.92
(ii) Government securities	-	-	-	-	-
(iii) Debt securities	-	-	-	-	-
(iv) Equity	-	-	-	-	-
Total financial assets	**11.82**	**41.69**	**2,897.58**	**2,951.09**	**2,951.09**
Financial liabilities	-	-	-	-	-
Forward rate agreements and interest rate swaps	-	118.67	-	*118.67*	*118.67*
Total financial liabilities	-	**118.67**	-	**118.67**	**118.67**

38E.3. 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 Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents,other financial assets and other financial liabilities and trade payables.

Loans, Debts, Borrowings And Subordinated Debts

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total Fair value	Carrying value	Valuation hierarchy
As at March 31, 2023			
Financial assets			
Cash and cash equivalents	1,762.39	1,762.39	-
Bank Balance other than included above	1,407.07	1,407.07	-
Receivables			
(i) Trade receivables	66.51	66.51	-
(ii) Other receivables	151.96	151.96	-
Loans	10,402.97	10,454.56	Level 3
Investment in subsidiaries*	1,907.81	1,907.81	-
Other financial assets	867.02	867.02	-
Total financial assets	**16,565.73**	**16,617.32**	
Financial Liabilities			
Trade payables	133.38	133.38	-
Other payables	-	-	-
Debt securities **	4,904.93	5,194.09	Level 3
Borrowings (other than debt securities)	10,526.89	10,526.89	Level 3
Subordinated liabilities	1,690.23	1,659.51	Level 3
Other financial liabilities	894.33	894.33	-
Total financial liabilities	**18,149.76**	**18,408.20**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed.

** For Secured Medium Term Notes book value has been considered as fair value.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total Fair value	Carrying value	Valuation hierarchy
As at March 31, 2022			
Financial assets			
Cash and cash equivalents	4,356.94	4,356.94	-
Bank Balance other than included above	1,251.87	1,251.87	-
Receivables	-		
(i) Trade receivables	140.54	140.54	-
(ii) Other receivables	15.80	15.80	-
Loans	9,883.95	10,106.99	Level 3
Investment in subsidiaries*	1,410.33	1,410.33	-
Other financial assets	518.82	518.82	-
Total financial assets	**17,578.25**	**17,801.29**	
Financial Liabilities			
Trade payables	86.17	86.17	-
Other payables	9.91	9.91	-
Debt securities**	5,007.87	5,105.28	Level 3
Borrowings (other than debt securities)	9,245.21	9,771.07	Level 3
Subordinated liabilities	1,404.53	1,369.64	Level 3
Other financial liabilities	1,784.73	1,784.73	-
Total financial liabilities	**17,538.42**	**18,126.80**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed
** For Secured Medium Term Notes book value has been considered as fair value.

(₹ in crores)

Assets and liabilities which are measured at amortised cost	Total Fair value	Carrying value	Valuation hierarchy
As at March 31, 2021			
Financial assets			
Cash and cash equivalents	2,051.87	2,051.87	-
Bank Balance other than included above	1,540.63	1,540.63	-
Receivables	-	-	
(i) Trade receivables	159.38	159.38	-
(ii) Other receivables	0.51	0.51	-
Loans	12,447.98	12,703.82	Level 3
Investment in subsidiaries*	1,185.33	1,185.33	-
Other financial assets	207.97	207.97	-
Total financial assets	**17,593.67**	**17,849.51**	
Financial Liabilities			
Trade payables	66.42	66.42	-
Other payables	-	-	-
Debt securities**	5,376.08	5,344.68	Level 3
Borrowings (other than debt securities)	9,219.27	9,217.98	Level 3
Subordinated liabilities	1,796.45	1,737.40	Level 3
Other financial liabilities	1,485.47	1,485.47	-
Total financial liabilities	**17,943.69**	**17,851.95**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed
** For Secured Medium Term Notes book value has been considered as fair value.

38.E.4 Movements In Level 3 Financial Instruments Measured At Fair Value :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2022	**2,777.06**	**955.22**	**83.30**
Issuances	11,380.87	79.82	753.33
Sale of financial instrument classified as level 3 at the beginning of the financial year	(10,063.15)	(143.44)	(95.39)
Total gain/ (loss) recognised in profit and loss	-	79.64	(21.91)
Balances as at March 31, 2023	**4,094.78**	**971.24**	**719.33**
Unrealised gain /(loss) related to balances held at the end of financial year	-	148.21	(21.91)

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2021	**2,890.47**	**7.11**	**-**
Issuances	8,593.21	1,052.64	103.71
Sale of financial instrument classified as level 3 at the beginning of the financial year	(8,706.63)	(174.05)	(20.41)
Total gain/ (loss) recognised in profit and loss	-	69.51	-
Balances as at March 31, 2022	**2,777.06**	**955.22**	**83.30**
Unrealised gain/ losses related to balances held at the end of financial year	-	68.57	-

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2020	**2,824.81**	**5.00**	**98.85**
Issuances	6,146.46	1.24	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(6,080.79)	(0.01)	(145.00)
Total gain/ (loss) recognised in profit and loss	-	0.87	46.15
Balances as at March 31, 2021	**2,890.48**	**7.11**	**-**
Unrealised gain/ losses related to balances held at the end of financial year	-	(0.95)	-

38F. Transferred Financial Assets That Are Derecognised In Their Entirety

During the year ended March 31, 2022, the Company sold loans measured at FVTOCI through assignment deals. The Company derognised the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Financial assets derecognised during the year	10,063.15	8,706.63	6,080.79
Gain from derecognition	471.33	410.71	167.46

38G. Transferred Financial Assets That Are Recognised In Their Entirety:

The Company uses securitisation as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	564.26	1,989.22	3,913.82
Carrying amount of associated liabilities	564.26	1,989.22	3,913.82
Fair value of assets	564.26	1,988.81	3,915.10
Fair value of associated liabilities	564.26	1,988.81	3,915.10
Net position at Fair value	-	-	-

Note 39. Capital, Other Commitments And Contingent Liabilities At Balance Sheet Date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
In respect of Income tax demands (refer note (a) and (b))	72.23	66.31	48.65
In respect of GST/Service tax demands (including interest accrued and refer note (c))	65.65	83.17	61.75
In respect of Profession tax demands (refer note (d))	0.16	0.16	0.16
In respect of Bank guarantees given (refer note (e))	584.94	845.50	1,225.54
In respect of Stamp Duty (refer note (f))	16.66	16.66	-
In respect of Legal cases	0.98	-	-

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 64.06 crores (March 31, 2022 - ₹ 41.77 crores, March 31, 2021 - ₹ 23.39 crores).

(c) Amount paid under protest with respect to service tax demand ₹ 1.89 crores (March 31, 2022 ₹ 1.89 crores, March 31,2021 ₹ 1.89 crores) and with respect to GST demand ₹ 0.12 crores (March 31, 2022 - ₹ 0.02 crores, March 31, 2021 - Nil).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crores (March 31, 2022 - ₹ 0.05 crores, March 31, 2021 - ₹ 0.05 crores).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Company had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

(g) Apart from the above, Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

Commitments Not Provided For:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Commitments related to loans sanctioned but undrawn	40.66	793.55	91.36
Estimated amount of contracts remaining to be executed on capital account	18.36	18.75	32.54
Commitments related to Alternate Investment Funds	9.77	20.59	2.02

Note 40. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2008	As at March 2022 ESOP 2008
Number of Option outstanding	936,947	1,147,105
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.
Grant Price (₹ Per Share)	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00, ₹ 252.00 and ₹ 271.40

Particulars	As at March 2021 ESOP 2008
Number of Option outstanding	331,525
Method of accounting	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise Period	Seven years from the date of grant
Grant Date	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017 and 04-Sep-2020
Grant Price (₹ Per Share)	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71 and ₹ 126.64

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**1,147,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	200,000	341.65-350.00	343.74	-
Expired/forfeited during the year	267,233	82.02- 252.00	215.90	-
Exercised during the year	142,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**936,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

b) (ii) Movement of options during year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	925,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**1,147,105**	**82.02-271.40**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**177,105**	**82.02-271.40**	**92.54**	**1.14**

b) (iii) Movement of options during year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**434,937**	**61.40-218.71**	**87.76**	**2.89**
Granted during the year	50,000	126.64	126.64	-
Expired/forfeited during the year	27,315	82.02-218.71	132.06	-
Expired during the year				
Exercised during the year	126,097	61.40-82.73	77.95	-
Outstanding as on March 31, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Exercisable as on March 31, 2021	**276,725**	**82.02-218.71**	**85.58**	**1.96**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	15-Oct-22	26-Aug-22	22-Dec-21	19-Aug-21
Stock price (₹)	350.00	341.65	271.40	252.00
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	7.37%	7.02%	5.81%	5.77%
Exercise price (₹)	350.00	341.65	271.40	252.00
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	45.31	42.15	35.40	35.40

Particulars	ESOP 2008			
	06-May-21	04-Sep-20	29-Apr-17	08-Mar-16
Stock price (₹)	252.00	87.85	218.71	82.02
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66%	6.56%	6.66%	7.47%
Exercise price (₹)	252.00	126.64	218.71	82.02
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	21.10	201.65	76.59

Particulars	ESOP 2008
	02-Mar-15
Stock price (₹)	85.66
Volatility	10.00%
Risk-free Rate	7.65%
Exercise price (₹)	82.73
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	13.31

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2020	As at March 2022 ESOP 2020
Number of Option outstanding	2,705,444	3,572,033
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

Particulars	As at March 2021
Number of Option outstanding	4,433,233
Method of accounting	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise Period	Seven years from the date of grant
Grant Date	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**3,572,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	177,836	106.67- 182.22	238.57	-
Exercised during the year	688,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**2,705,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**2,062,979**	**106.67- 182.22**	**218.51**	**2.35**

(b) (ii) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**4,433,233**	**61.48-182.22**	**150.40**	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	198,225	177.04-182.22	177.37	-
Exercised during the year	662,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**3,572,033**	**61.48-182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**2,031,205**	**61.48-182.22**	**150.73**	**3.05**

(b) (iii) Movement of options during the year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**8,265,678**	**61.48 -182.22**	**157.65**	**5.15**
Granted during the year	-	-	-	-
Expired/forfeited during the year	3,458,788	61.48-182.22	173.65	-
Exercised during the year	373,657	61.48-182.22	95.69	-
Outstanding as on March 31, 2021	**4,433,233**	**61.48-182.22**	**150.40**	**4.06**
Exercisable as on March 31, 2021	**2,001,004**	**61.48-182.22**	**132.44**	**3.57**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	ESOP 2020		
	02-May-18	08-Feb-17	02-Dec-15
Stock price (₹)	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%	6.82%
Exercise price (₹)	142.22	106.67	61.48
Time to Maturity (Years)	4.84	3.87	2.33
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78	37.90

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 (“the Effective date” or the “Date of Modification”) has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

Note 41. Additional Dislcoure Requirements

(i) Relationship With Struck off Companies
The Company has not entererd into any transactions with strike off companies.

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)
There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:
The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not

(iv) Utilisation of Borrowed Funds and Share Premium
(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income
The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property
The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings
(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2023 & 2022.

(ix) Wilful Defaulter
The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Company
Title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(xi) Disclosure on Loans and Advances
The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(xii) Ratios

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital to risk-weighted assets ratio (CRAR)	20.38%	23.85%	25.40%
Tier I CRAR	12.85%	16.02%	17.51%
Tier II CRAR	7.53%	7.83%	7.89%
Liquidity Coverage Ratio for the quarter ended March 31	193.50%	116.59%	102.76%

Note 42. List of Related Parties

Nature of relationship	Name of party *
Direct subsidiaries	IIFL Home Finance Limited
	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
	Clara Developers Private Limited (Upto July 26, 2020)
	IIFL Open Fintech Private Limited(w.e.f. May 17,2022)
Other related parties	IIFL Securities Limited
	IIFL Management Services Limited
	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
	IIFL Wealth Management Limited
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	India Infoline Foundation
	India Infoline Employee Trust
	IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Wealth Finance Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	IIHFL Sales Limited (w.e.f September 28, 2021)
	5paisa Capital Limited
	5paisa P2P Limited
Key managerial personnel	Mr.Nirmal Jain
	Mr.R. Venkataraman
	Mr.Rajesh Rajak (w.e.f. March 12, 2020 upto Oct 31,2022)
	Mr. Kapish Jain (w.e.f November 01,2022)
	Mrs. Sneha Patwardhan
	Mr. Sumit Bali (upto June 30, 2020)
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian) (w.e.f September 06, 2021)
	Mrs. Aditi Athavankar (Spouse of Mr.R. Venkataraman)

* The above list includes related parties with whom transactions have been carried out during the year.

Note 42.1 Significant transactions with related parties (₹ in Crores)

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Interest income				
IIFL Securities Limited	Other related parties	5.13	4.75	0.13
IIFL Home Finance Limited	Direct subsidiaries	-	20.16	2.84
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	2.04	7.10
IIFL Management Services Limited	Other related parties	-	0.01	-
5paisa Capital Limited	Other related parties	3.47	5.07	11.82
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	1.03	7.45	6.77
Mr. Shankar Subramanian	Key managerial personnel and their relatives	0.04	0.02	-
Interest expense				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.00	8.94	8.45
IIFL Home Finance Limited	Direct subsidiaries	1.07	-	33.36
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	-	-	4.37
IIFL Management Services Limited	Other related parties	0.14	0.54	-
IIFL Securities Limited	Other related parties	1.59	0.48	0.45
IIFL Wealth Finance Limited	Other related parties	0.01	-	-
Referral fees income				
IIFL Home Finance Limited	Direct subsidiaries	-	0.04	0.13
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)	Other related parties	10.85	-	-
Trademark License Fee				
IIFL Securities Limited	Other related parties	-	-	0.01
Donation paid				
India Infoline Foundation	Other related parties	8.70	8.20	4.71
Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees/other charges				
IIFL Securities Limited	Other related parties	7.06	22.57	-
5paisa Capital Limited	Other related parties	-	-	0.07
360 ONE WAM LIMITED (Formerly known as IIFL Wealth	Other related parties	6.77	3.55	12.13
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)	Other related parties	0.07	-	-
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	56.72	7.21	-
IIFL Home Finance Limited	Direct subsidiaries	0.25	1.56	0.65
IIFL Open Fintech Private Limited	Direct subsidiaries	0.58	-	-
Mr. Shankar Subramanian	Key managerial personnel and their relatives	0.00	0.00	-
Rent expenses				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	2.11	1.92	1.75
Commission/ brokerage expense				
IIFL Securities Limited	Other related parties	0.50	0.09	0.02
Remuneration paid				
Mr.Nirmal Jain	Key managerial personnel	10.20	8.67	8.00
Mr. Sumit Bali (upto June 30, 2020)	Key managerial personnel	-	-	0.54
Mr.Kapish Jain	Key managerial personnel	0.88	-	-
Mrs. Sneha Patwardhan	Key managerial personnel	0.74	0.58	0.28
Mr.Rajesh Rajak (w.e.f Mar 12,2020 upto October 31,2022)	Key managerial personnel	1.82	1.33	1.07
Equity dividend received				
IIFL Home Finance Limited	Direct subsidiaries	83.87	62.90	52.42
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	3.71	-	11.88

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Equity dividend paid				
India Infoline Employee Trust Limited	Other related parties	0.03	0.03	0.02
ICD/loan taken**				
IIFL Home Finance Limited	Direct subsidiaries	300.00	421.00	8,238.71
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	-	-	345.00
IIFL Securities Limited	Other related parties	-	200.00	2,208.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	4,250.60	5,106.15
ICD/loan returned**				
IIFL Home Finance Limited	Direct subsidiaries	300.00	421.00	8,238.71
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	-	-	395.00
IIFL Securities Limited	Other related parties	-	200.00	2,208.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	4,250.60	5,106.15
ICD/loan given**				
IIFL Securities Limited	Other related parties	1,065.00	1,739.00	404.00
IIFL Management Services Limited	Other related parties	-	50.00	-
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	2,663.50	1,896.35
IIFL Home Finance Limited	Direct subsidiaries	-	3,284.40	1,195.00
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	100.00	550.00	948.00
5paisa Capital Limited	Other related parties	700.00	600.00	2,813.00
ICD/loan received back**				
IIFL Securities Limited	Other related parties	1,065.00	1,739.00	404.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	2,663.50	2,072.20
IIFL Management Services Limited	Other related parties	-	50.00	-
IIFL Home Finance Limited	Direct subsidiaries	-	3,284.40	1,195.00
5paisa Capital Limited	Other related parties	700.00	600.00	2,913.00
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	100.00	550.00	948.00
Mr. Shankar Subramanian	Key managerial personnel and their relatives	0.06	-	-
Investment in subsidiaries				
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	200.00	225.00	67.50
IIFL Open Fintech Private Limited	Direct subsidiaries	38.40	-	-
Purchase of investment				
IIFL Home Finance Limited	Direct subsidiaries	259.08	-	-
Sale of investment				
IIFL Home Finance Limited	Direct subsidiaries	-	144.00	182.12
IIFL Wealth Finance Limited	Other related parties	-	-	201.11
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	Other related parties	9.50	9.24	7.98
5paisa Capital Limited	Other related parties	0.04	0.04	-
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	-	-	0.41
IIFL Home Finance Limited	Direct subsidiaries	1.37	0.91	0.56
IIFL Management Services Limited	Other related parties	0.41	0.18	0.40
IIHFL Sales Limited	Other related parties	0.07	-	-
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	1.97	1.48	1.17

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Allocation / reimbursement of expenses paid others				
IIFL Securities Limited	Other related parties	0.70	1.97	1.01
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	-	0.00	0.01
5paisa P2P Limited	Other related parties	-	0.00	0.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.09	0.20	0.32
IIFL Home Finance Limited	Direct subsidiaries	0.74	0.26	1.31
5paisa Capital Limited	Other related parties	0.22	0.31	0.29
IIFL Management Services Limited	Other related parties	0.00	0.03	0.04
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	-	0.66	-
IIFL Open Fintech Private Limited	Direct subsidiaries	0.01	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	Other related parties	0.04	0.02	-
IIHFL Sales Limited	Other related parties	0.03	0.00	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	0.00	0.00	0.05
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.08	0.09	0.40
IIFL Management Services Limited	Other related parties	0.13	0.03	0.03
IIFL Securities Limited	Other related parties	2.88	2.75	2.82
IIFL Home Finance Limited	Direct subsidiaries	6.58	4.76	3.02
IIFL Open Fintech Private Limited	Direct subsidiaries	0.00	-	-
5paisa Capital Limited	Other related parties	1.55	0.87	0.44
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	0.03	-	-
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	-	-	0.02
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	Other related parties	0.11	0.01	-
IIHFL Sales Limited	Other related parties	1.23	0.21	-
Allocation / reimbursement of expenses received others				
5paisa Capital Limited	Other related parties	0.20	0.10	0.09
5paisa P2P Limited	Other related parties	0.00	-	0.01
IIFL Securities Limited	Other related parties	0.78	0.73	0.62
IIFL Home Finance Limited	Direct subsidiaries	0.88	1.72	3.23
IIFL Management Services Limited	Other related parties	0.10	0.00	0.09
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.01	0.10	0.13
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	0.01	0.05	0.02
IIFL Asset Management Limited	Other related parties	-	-	0.06
India Infoline Foundation	Other related parties	0.00	-	-
IIFL Open Fintech Private Limited	Direct subsidiaries	0.01	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	Other related parties	0.04	0.03	-
IIHFL Sales Limited	Other related parties	0.00	0.00	-
Security deposit paid towards rent				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.02	0.04	-
Security deposit returned				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.01	-	-
Assignment/Securitisation transactions paid on behalf				
IIFL Home Finance Limited	Direct subsidiaries	63.35	90.14	90.22
Non convertible debenture issued				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	-	100.00
IIFL Securities Limited	Other related parties	-	50.00	75.18
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	6.10	-	-

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Non convertible debenture redeemed/bought back				
IIFL Management Services Limited	Other related parties	-	10.81	-
IIFL Wealth Finance Limited	Other related parties	-	-	81.35
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	-	22.21
Repayment towards Borrowing				
IIFL Management Services Limited	Other related parties	0.12	5.27	-
IIFL Securities Limited	Other related parties	-	4.09	-

Note 42.2 Closing balances with related parties

Other payable				
5paisa Capital Limited	Other related parties	0.02	0.17	0.21
5paisa P2P Limited	Other related parties	-	-	0.00
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	-	-	0.03
IIFL Securities Limited	Other related parties	-	1.26	0.27
IIFL Management Services Limited	Other related parties	0.11	-	-
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.14	0.06	-
IIFL Open Fintech Private Limited	Direct subsidiaries	0.61	-	-
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	1.52	3.84	0.17
IIHFL Sales Limited	Other related parties	0.07	-	-
IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited)	Direct subsidiaries	7.18	2.50	-
Other receivable				
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	Other related parties	0.00	0.02	-
IIFL Securities Limited	Other related parties	0.69	-	-
IIFL Management Services Limited	Other related parties	-	0.00	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	Other related parties	2.97	0.04	-
IIHFL Sales Limited	Other related parties	-	0.11	-
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	-	0.19
IIFL Home Finance Limited	Direct subsidiaries	-	0.13	0.79
Security deposit receivable				
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	0.93	0.92	0.87
Corporate guarantee given				
IIFL Home Finance Limited	Direct subsidiaries	584.94	845.50	1225.54
Outstanding non convertible debenture issued				
IIFL Management Services Limited	Other related parties	-	-	2.22
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	6.10	-	-
IIFL Securities Limited	Other related parties	-	44.30	4.09
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	0.00	-
Interest accrued on non convertible debenture issued				
IIFL Management Services Limited	Other related parties	-	-	0.35
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	Other related parties	3.10	-	-
IIFL Securities Limited	Other related parties	-	1.97	0.19
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	Other related parties	-	0.00	-
Loan receivable				
Mr. Shankar Subramanian	Key managerial personnel and their relatives	0.15	0.20	-

Nature of transaction	Relationship	FY 2022-23	FY 2021-22	FY 2020-21
Gratuity payable *				
Mr.Nirmal Jain	Key managerial personnel	0.15	0.15	0.14
Mr.Kapish Jain	Key managerial personnel	0.01	-	-
Mrs. Sneha Patwardhan	Key managerial personnel	0.01	0.01	0.00
Mr.Rajesh Rajak (w.e.f Mar 12,2020 upto October 31,2022)	Key managerial personnel	-	0.02	0.01
Leave encashment payable *				
Mr.Nirmal Jain	Key managerial personnel	0.89	0.64	0.46
Mr.Kapish Jain	Key managerial personnel	0.02	-	-
Mrs. Sneha Patwardhan	Key managerial personnel	0.02	0.02	0.01
Mr.Rajesh Rajak (w.e.f Mar 12,2020 upto October 31,2022)	Key managerial personnel	-	0.01	0.02

* Based on actuarial valuation report
**ICD Transactions are including Intraday
Wherever amount is less than ₹ 0.01 crores,shown as ₹ 0.00

Note 43. Corporate Social Responsibility:

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
(a) Amount required to be spent	8.70	8.20	4.71
(b) Amount of expenditure incurred	8.70	5.74	4.71
(c) Shortfall at the end of the year	-	2.46	-
(d) Total of previous years shortfall	-	-	-
(e) Nature of CSR activities	Promoting Education and Healthcare,		

Reason for shortfall: The Company during the year had contributed towards the ongoing projects to IIFL Foundation Limited and which remained unspent as on March 31, 2022 resulting in shortfall.The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2022-23.

The Company contributes its CSR requirement to IIFL Foundation Limited, a group Company.

Note 44.1 Maturity Analysis Of Assets And Liabilities As At March 31, 2023 **(₹ in crores)**

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	1,762.39	-	1,762.39
(b)	Bank balance other than (a) above	1,331.08	75.99	1,407.07
(c)	Derivative financial instruments	44.00	128.37	172.37
(d)	Receivables			
	(i) Trade receivables	65.59	0.92	66.51
	(ii) Other receivables	151.96	-	151.96
(e)	Loans	10,109.56	4,439.78	14,549.34
(f)	Investments	143.13	3,636.56	3,779.69
(g)	Other financial assets	464.84	402.18	867.02
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	225.77	225.77
(b)	Deferred tax assets (net)	-	31.80	31.80
(c)	Investment property	-	293.70	293.70
(d)	Property, plant and equipment	-	147.79	147.79
(e)	Capital work-in-progress	27.30	0.10	27.40
(f)	Right of-use assets	-	328.23	328.23
(g)	Other intangible assets	-	2.95	2.95
(h)	Other non-financial assets	191.40	69.10	260.50
(i)	Assets held for sale	7.85	-	7.85
	Total Assets	**14,299.10**	**9,783.24**	**24,082.34**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	29.36	3.78	33.14
(b)	Payables			
	(I)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	132.81	0.57	133.38
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	79.42	272.80	352.22
(d)	Debt securities	2,870.10	2,323.99	5,194.09
(e)	Borrowings (other than debt securities)	3,819.67	6,707.22	10,526.89
(f)	Subordinated liabilities	59.13	1,600.38	1,659.51
(g)	Other financial liabilities	894.33	-	894.33
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29.63	-	29.63
(b)	Provisions	42.56	8.70	51.26
(c)	Other non-financial liabilities	92.98	-	92.98
[3]	**Equity**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	5,038.82	5,038.82
	Total Liabilities and Equity	**8,049.99**	**16,032.35**	**24,082.34**

Note 44.2 Maturity Analysis Of Assets And Liabilities As At March 31, 2022 **(₹ in crores)**

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4,356.94	-	4,356.94
(b)	Bank balance other than (a) above	1,001.60	250.27	1,251.87
(c)	Derivative financial instruments	-	64.41	64.41
(d)	Receivables			
	(i) Trade receivables	140.52	0.02	140.54
	(ii) Other receivables	15.80	-	15.80
(e)	Loans	7,906.80	4,977.25	12,884.05
(f)	Investments	0.00	2,448.85	2,448.85
(g)	Other financial assets	152.35	366.47	518.82
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	227.02	227.02
(b)	Deferred tax assets (net)	-	158.50	158.50
(c)	Investment property	-	288.51	288.51
(d)	Property, plant and equipment	-	134.82	134.82
(e)	Capital work-in-progress	5.14	0.50	5.64
(f)	Right of-use assets	-	297.25	297.25
(g)	Other intangible assets	-	1.92	1.92
(h)	Other non-financial assets	85.01	248.71	333.72
(i)	Assets held for sale	7.84	-	7.84
	Total Assets	**13,672.00**	**9,464.50**	**23,136.50**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6.22	143.24	149.46
(b)	Payables			
	(I)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	85.15	1.02	86.17
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.91	-	9.91
(c)	Finance lease obligation	68.04	259.58	327.62
(d)	Debt securities	774.35	4,330.93	5,105.28
(e)	Borrowings (other than debt securities)	2,975.42	6,795.65	9,771.07
(f)	Subordinated liabilities	80.27	1,289.37	1,369.64
(g)	Other financial liabilities	1,758.71	26.02	1,784.73
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	18.44	-	18.44
(b)	Provisions	34.28	7.10	41.38
(c)	Other non-financial liabilities	45.90	-	45.90
[3]	**Equity**			
(a)	Equity share capital	-	75.92	75.92
(b)	Other equity	-	4,350.98	4,350.98
	Total Liabilities and Equity	**5,856.69**	**17,279.81**	**23,136.50**

Note 44.3 Maturity Analysis Of Assets And Liabilities As At March 31, 2021 (₹ in crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	2,051.87	-	2,051.87
(b)	Bank balance other than (a) above	1,374.94	165.69	1,540.63
(c)	Derivative financial instruments	-	41.69	41.69
(d)	Receivables	-	-	-
	(i) Trade receivables	159.37	-	159.37
	(ii) Other receivables	0.51	-	0.51
(e)	Loans	11,026.87	4,567.43	15,594.30
(f)	Investments	-	1,204.26	1,204.26
(g)	Other financial assets	140.97	62.12	203.09
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	246.87	246.87
(b)	Deferred tax assets (net)	-	206.36	206.36
(c)	Investment property	-	264.00	264.00
(d)	Property, plant and equipment	-	95.54	95.54
(e)	Capital work-in-progress	-	6.56	6.56
(f)	Right of-use assets	-	279.39	279.39
(g)	Other intangible assets	-	0.92	0.92
(h)	Other non-financial assets	42.10	268.39	310.49
	Total Assets	**14,796.63**	**7,409.22**	**22,205.85**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	21.29	97.38	118.67
(b)	Payables			
	(I)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	66.42	-	66.42
	(II) Other payables	-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	48.07	257.35	305.42
(d)	Debt securities	1,531.82	3,812.85	5,344.67
(e)	Borrowings (other than debt securities)	4,744.23	4,473.76	9,217.98
(f)	Subordinated liabilities	469.39	1,268.01	1,737.40
(g)	Other financial liabilities	1,475.69	4.91	1,480.60
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	18.54	-	18.54
(b)	Provisions	25.32	6.24	31.56
(c)	Other non-financial liabilities	63.85	-	63.85
[3]	**Equity**			
(a)	Equity share capital	-	75.77	75.77
(b)	Other equity	-	3,744.96	3,744.96
	Total Liabilities and Equity	**8,464.61**	**13,741.24**	**22,205.85**

45. Disclosure as required under Annex XVI- RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 as may be amended from time to time and RBI/2022-23/26 - DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022:

(i) Capital Adequacy Ratio **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CRAR (%)	20.38%	23.85%	25.40%
CRAR - Tier I Capital (%)	12.85%	16.02%	17.51%
CRAR - Tier II Capital (%)	7.53%	7.83%	7.89%
Amount of subordinate debt raised as Tier- II capital	300.00	50.00	670.86
Amount raised by issue of perpetual debt instruments.	-	-	-

(ii) Disclosure of Investments **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Value of Investments			
Gross value of Investments*	**4,109.59**	**2,810.94**	**1,206.66**
(a) In India	4,109.59	2,810.94	1,206.66
(b) Outside India	-	-	-
Provision for depreciation/diminution	**329.90**	**362.09**	**2.40**
(a) In India	329.90	362.09	2.40
(b) Outside India	-	-	-
Net value of investments	**3,779.69**	**2,448.85**	**1,204.26**
(a) In India	3,779.69	2,448.85	1,204.26
(b) Outside India	-	-	-
Movement of provisions held towards depreciation on Investments			
Opening Balance	362.09	2.40	29.08
Add: Provision made during the year	-	362.09	-
Less : Write -off / write-back of excess provisions during the year	(32.19)	(2.40)	(26.68)
Closing balance	**329.90**	**362.09**	**2.40**

* Includes Mark to Market Gain of ₹ 108.63 crore (March 31, 2022 - ₹ 68.57 crore, March 31, 2021 - ₹ 8.28 crore)

(iii) Derivatives:

(a) Forward Rate Agreement / Interest Rate Swap **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
The notional principal of Forward/swap agreements	5,374.29	4,389.88	4,635.13
Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements.	172.37	64.41	41.69
Collateral required by the NBFC upon entering into swaps	-	-	-
Concentration of credit risk arising from the swaps	5,374.29	4,389.88	4,635.13
The fair value of swap book	139.23	(85.05)	(76.98)

(b) Exchange traded Interest Rate "IR" derivatives **(₹ in crores)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Notional principal amount of exchange traded IR derivatives undertaken			
- Forward Rate agreements	-	-	-
Total	**-**	**-**	**-**
Notional principal amount of exchange traded IR derivatives outstanding			
- Forward Rate agreements	-	-	-
Total	**-**	**-**	**-**
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-	-
Mark to market value of exchange traded IR derivative outstanding and not highly effective	-	-	-

(c) Disclosures on Risk Exposure in Derivatives:

(I) Qualitative disclosure:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved policies including limits. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also reviews stress testing.

The monitoring and measurement of risk in derivatives is carried out by the Risk Department. The Risk Department is independent of the Treasury Front office, back office and directly reports into the Chief Risk Officer.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored and measured daily. The Risk Department measures and reports Market Risk metrics like VaR, PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho, etc. The Credit Risk from the derivatives portfolio is also measured daily.

The Risk Department monitors these exposures against the set limits and also reviews profitability on a daily basis. MIS is sent to relevant teams on a periodic basis. Exception reports are also sent so that emerging risks are reviewed and managed on a timely basis. Stress testing is also performed on the Derivative portfolio.

c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/Interest Rate Futures and/or Equity Index/Stock Options/ Currency Options as the case may be ("Derivatives Portfolio") which are released on final settlement/squaring-up of underlying contracts are disclosed under the head "Other Current Assets".

"Equity Index/Stock Option/Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively which is amortised over the period of contract.

On final settlement or squaring up of contracts for Derivatives Portfolio, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Derivatives Portfolio before expiry, the premium, prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding Derivative portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Other Comprehensive Income.

(II) Quantitative Disclosure **(₹ in crores)**

Particulars	FY 2022-23		FY 2021-22		FY 2020-21	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principle Amount):						
- For hedging *	4,678.79	695.50	3,694.38	695.50	3,939.63	695.50
Marked to market positions:						
a) Asset	145.89	26.48	45.85	18.56	41.69	-
b) Liability	33.14	-	149.46	-	97.38	21.29
Credit Exposure	-	-	-	-	-	-
Unhedged Exposures	-	-	-	-	-	-

* The Company has opted for hedge accounting under IND AS 109 as stated under the significiant accounting policies.

(iv) Disclosures pertaining to securitisation transactions

The Company sells loans through securitisation and direct assignment.

(A) The information on securitisation done by the Company as an originator is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total number of loan assets under par structure	-	299,960	572,218
Total book value of loan assets	-	1,682.00	3,165.00
Sale consideration received	-	1,682.00	3,165.00

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
No. of SPVs sponsored by the company for securitisation transactions	2	12	20
Total amount of securitised assets as per the books of SPVs sponsored by the company	564.26	1,989.23	3,303.14
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	-	-	-
Other amount of Securtised assets as per the books of SPV sponsored by the company	-	-	610.68
a) Off - Balance Sheet Exposures			
First Loss	-	-	-
Others	-	-	60.29
b) On - Balance Sheet Exposures			
First Loss	52.80	226.73	309.68
Investment in PTC	-	-	-
Overcollateralization	80.00	236.50	231.21
Amount of exposures to securitisation transaction other than MRR	-	2.07	2.69
a) Off - Balance Sheet Exposures			
i) Exposures to own securitisations			
First Loss	-	-	-
Others	-	-	-
ii) Exposures to third party securitisations			
First Loss	-	-	-
Others	-	-	-
b) On - Balance Sheet Exposures			
i) Exposures to own securitisations			
First Loss	-	-	-
Others	-	-	-
ii) Exposures to third party securitisations			
First Loss	-	-	-
Others	-	-	-

(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total number of loan assets under par structure	1,110,696	1,187,478	1,083,460
Total book value of loan assets	10,063.15	8,706.63	6,080.79
Sale consideration received	10,063.15	8,706.63	6,080.79

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
No. of transactions assigned by the Company	68	34	22
Total amount outstanding	9,308.70	7,974.24	5,024.19
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	930.87	797.42	495.39
a) Off - Balance Sheet Exposures			
First Loss	-	-	-
Others	-	-	-
b) On - Balance Sheet Exposures			
First Loss	-	-	-
Investment in PTC	-	-	-
Exposures to own assigned transactions	-	-	-
Amount of exposures to assigned transaction other than MRR	-	-	-
a) Off - Balance Sheet Exposures			
i) Exposures to own assigned transactions			
First Loss	-	-	-
Others	-	-	-
ii) Exposures to third party assigned tranactions			
First Loss	-	-	-
Others	-	-	-
b) On - Balance Sheet Exposures			
i) Exposures to own assigned transactions			
First Loss	-	-	-
Others	-	-	-
ii) Exposures to third party assigned tranactions			
First Loss	-	-	-
Others	-	-	-

(v) Asset liability management maturity pattern

As at March 31, 2023 **(₹ in crores)**

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,761.23	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	77.02	85.10	110.77	24.23	638.21	0.28	-	-	935.61
Investments	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign currency borrowings)	2,836.81	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 505.20 crore

As at March 31, 2022 **(₹ in crores)**

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,424.28	1,437.51	1,191.25	2,152.62	1,678.42	3,437.94	551.64	156.09	12,029.74
Other Advances	106.62	116.83	152.37	378.56	68.83	-	-	31.09	854.31
Investments	-	-	-	-	19.78	83.30	935.44	1,410.33	2,448.85
Borrowings (Includes foreign currency borrowings)	194.27	545.75	475.55	676.52	1,937.92	9,341.23	1,258.77	1,815.99	16,245.99
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 595.32 crore

Note : EIR on borrowings has been considered in the last bucket.

As at March 31, 2021 **(₹ in crores)**

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,244.97	1,432.56	1,410.59	3,054.02	2,844.29	3,438.05	190.54	192.26	13,807.28
Other Advances	382.94	262.74	328.75	66.02	-	702.02	-	44.56	1,787.02
Investments	-	-	-	-	-	18.92	-	1,185.33	1,204.26
Borrowings (Includes foreign currency borrowings)	486.30	598.71	529.48	1,720.03	3,441.52	6,721.45	1,626.79	1,175.77	16,300.06
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 832.97 crore

(vi) Exposure to Real Estate Sector **(₹ in crores)**

Category	March 31, 2023	March 31, 2022	March 31, 2021
a) Direct Exposure			
(i) Residential Mortgages			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,492.34	2,479.50	3,109.24
(ii) Commercial Real Estate			
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	519.19	708.02	539.72
Total Direct Exposure (A)	**2,011.53**	**3,187.52**	**3,648.95**
b) Indirect Exposure (B)	**1,410.42**	**1,670.97**	**2,051.02**
Total Exposure to Real Estate Sector (A+B)	**3,421.95**	**4,858.49**	**5,699.98**

Note: Exposure includes amount outstanding including principal and interest overdue but excluding sanctioned undisbursed amounts.

(vii) Exposure to Capital Market:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.00	0.00	11.82
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	441.57	529.42	269.70
(iii) Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	7.94	6.83	159.83
(iv) All exposures to Venture Capital Funds & Alternative Investment Funds **- Category - II**	971.25	955.22	7.11
Total Exposure to Capital Market	**1,420.76**	**1,491.47**	**448.46**

Note:
(a) Exposure includes amount outstanding including principal and interest overdue.
(b) The above excludes direct equity and debt investment in own subsidiary companies.

(viii) No penalty has been imposed during the year by RBI or other regulators.

(ix) Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies:

(₹ in crores)

Rating Agency	Product	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Amount	Rating assigned	Amount	Rating assigned	Amount	Rating assigned
CARE Ratings Limited	Non Convertible Debenture	537.50	CARE AA; Stable [Double A; Outlook: Stable]	825.00	CARE AA; Stable [Double A; Outlook: Stable]	825.00	CARE AA; Negative (Double A; Outlook: Negative)
CARE Ratings Limited	Long Term Bank Facilities	400.00	CARE AA; Stable [Double A; Outlook: Stable]	400.00	CARE AA; Stable [Double A; Outlook: Stable]	400.00	CARE AA; Negative (Double A; Outlook: Negative)
CARE Ratings Limited	Subordinate Debt	100.00	CARE AA; Stable [Double A; Outlook: Stable]	100.00	CARE AA; Stable [Double A; Outlook: Stable]	100.00	CARE AA; Negative (Double A; Outlook: Negative)
ICRA Limited	Non Convertible Debentures Programme	8,525.23	[ICRA]AA ;Stable; reaffirmed	8,866.27	[ICRA]AA ;Stable; reaffirmed	4,903.27	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Commercial Paper programme	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed
ICRA Limited	Subordinate Debt Programme	710.00	[ICRA]AA ;Stable; reaffirmed	745.00	[ICRA]AA ;Stable; reaffirmed	745.00	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Long Term Bank Lines	5,775.00	[ICRA]AA ;Stable; reaffirmed	5,775.00	[ICRA]AA ;Stable; reaffirmed	5,775.00	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Long Term Principle Protected Equity Linked Debenture Programme	500.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	500.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	500.00	PP-MLD[ICRA]AA (Negative) reaffirmed
ICRA Limited	Long Term Principle Protected Market Linked Debenture Programme	364.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	364.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	364.00	PP-MLD[ICRA]AA (Negative) reaffirmed
ICRA Limited	Commercial Paper programme (IPO financing)	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed
ICRA Limited	Non convertible debenture programme	5,000.00	[ICRA]AA ;Stable, assigned	NA	NA	4,249.00	[ICRA]AA (Negative); reaffirmed

Rating Agency	Product	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Amount	Rating assigned	Amount	Rating assigned	Amount	Rating assigned
CRISIL Limited	Non Convertible Debentures *	5,000.00	CRISIL AA/Stable reaffirmed	5,000.00	CRISIL AA/Stable reaffirmed	5,000.00	CRISIL AA/Stable reaffirmed
CRISIL Limited	Subordinate Debt	5.00	CRISIL AA/Stable reaffirmed	348.37	CRISIL AA/Stable reaffirmed	348.37	CRISIL AA/Stable reaffirmed
CRISIL Limited	Long Term Principal Protected Market Linked Debentures	1,100.00	CRISIL PP-MLD AAr/Stable reaffirmed	1,500.00	CRISIL PP-MLD AAr/Stable reaffirmed	1,500.00	CRISIL PP-MLD AAr/Stable reaffirmed
CRISIL Limited	Commercial Paper programme (IPO financing)	500.00	CRISIL A1+ reaffirmed	8,000.00	CRISIL A1+ reaffirmed	8,000.00	CRISIL A1+ reaffirmed
CRISIL Limited	Commercial Paper	8,500.00	CRISIL A1+ reaffirmed	8,500.00	CRISIL A1+ reaffirmed	8,500.00	CRISIL A1+ reaffirmed
CRISIL Limited	Total Bank Loan Facilities Rated (Long Term Rating)	4,000.00	CRISIL AA/Stable reaffirmed	2,000.00	CRISIL AA/Stable reaffirmed	2,000.00	CRISIL AA/Stable reaffirmed
CRISIL Limited	Non Convertible Debentures *	3,686.30	CRISIL AA/Stable reaffirmed	2,825.00	CRISIL AA/Stable reaffirmed	2,825.00	CRISIL AA/Stable
CRISIL Limited	Non Convertible Debentures *	1,513.84	CRISIL AA/Stable reaffirmed	2,402.00	CRISIL AA/Stable reaffirmed	2,402.00	CRISIL AA/Stable
Brickwork Ratings	NCDs (Public Issue)	1,513.84	BWR AA+ Negative reaffirmed	1,513.84	BWR AA+ Negative reaffirmed	5,000.00	BWR AA+ Negative reaffirmed with outlook Negative
Brickwork Ratings	Non Convertible Debentures	493.43	BWR AA+ Negative reaffirmed	842.26	BWR AA+ Negative reaffirmed	1,305.00	BWR AA+ Negative reaffirmed with outlook Negative
Brickwork Ratings	Secured Non Covertible Debentures	5.00	BWR AA+ Negative reaffirmed	5.00	BWR AA+ Negative reaffirmed	50.00	BWR AA+ Negative reaffirmed with outlook Negative
Brickwork Ratings	Unsecured Subordinated Non Covertible Debentures	NA	NA	NA	NA	35.00	BWR AA+ Negative reaffirmed with outlook Negative
Brickwork Ratings	NCDs (Public Issue proposed)	5,000.00	BWR AA+ Negative assigned	NA	NA	NA	NA
Moody's	Corporate family rating (CFR)	NA	B2 / Stable	NA	B2 / Stable	NA	B2 / Stable
Moody's	Long-term foreign- and local-currency senior secured ratings to USD 1 billion Medium Term Note (MTN) program	USD 1000 M	B2 / Stable	USD 1000 M	B2 / Stable	USD 1000 M	B2 / Stable
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	USD 1000 M	B+ / Affirmed	USD 1000 M	B+ / Affirmed	USD 1000 M	B+ / Stable
Fitch	Senior secured notes issued under USD 400 million bond	USD 400 M	B+ / Affirmed	USD 400 M	B+ / Affirmed	USD 400 M	B+ / Stable
Fitch	Long-Term Issuer Default Rating (IDR)	NA	B+	NA	B+	NA	NA

*Interchangeable between secured and subordinated debt.

B) i. There are no migration of credit ratings during the financial year 2022-23

B) ii. Details of migration of credit ratings during the previous year 2020-21 to 2021-22:

Rating Agency	Product	Rating assigned	Migration in ratings during the year
CARE Ratings Limited	Non Convertible Debenture	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
CARE Ratings Limited	Long Term Bank Facilities	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
CARE Ratings Limited	Subordinate Debt	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Subordinated Debt Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Long-term Bank Lines	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Long-term Principal Protected Equity Linked Debenture Programme	PP-MLD[ICRA]AA ; Stable	Change in outlook from PP-MLD[ICRA]AA (Negative) to PP-MLD[ICRA]AA (Stable)
ICRA	Long-term Principal protected Market Linked Debenture Programme	PP-MLD[ICRA]AA ; Stable	Change in outlook from PP-MLD[ICRA]AA (Negative) to PP-MLD[ICRA]AA (Stable)

B) iii. Details of migration of credit ratings during the previous year 2019-20 to 2020-21:

Rating Agency	Product	Rating assigned	Migration in ratings during the year
CARE Ratings Limited	Non Convertible Debenture	CARE AA; Negative (Double A; Outlook: Negative)	Change in outlook from CARE AA (stable) to CARE AA (Negative)
CARE Ratings Limited	Long Term Bank Facilities	CARE AA; Negative (Double A; Outlook: Negative)	Change in outlook from CARE AA (stable) to CARE AA (Negative)
CARE Ratings Limited	Subordinate Debt	CARE AA; Negative (Double A; Outlook: Negative)	Change in outlook from CARE AA (stable) to CARE AA (Negative)
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	B+ / Stable	Change in outlook from B+ / Negative Watch to B+ / Stable
Moody's	Long-term foreign- and local-currency senior secured ratings to USD 1 billion Medium Term Note (MTN) program.	B2 / Stable	Change in rating from Ba3 / Stable to B2 / Stable

(x) No registration has been obtained from other financial regulators.
(xi) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2023, March 31, 2022 & March 31, 2021 following are having Nil disclosure:

a. Draw down from reserves.
b. Overseas assets (for those with joint ventures and subsidiaries abroad).
c. Off- Balance Sheet SPVs sponsored.
d. Financing of parent company products.
e. Postponement of revenue recognition.
f. Auditors have not expressed modified opinion on the audited financial statements.
g. Items of income & expenditure of exceptional nature.
h. Breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the Company including incidence/s of default.
i. Divergence in asset classification and provisioning above a certain threshold to be decided by the RBI.

(xii) The Company during the year ended has not exceeded single borrower limit (SGL)/ group borrower limit (GBL) while performing its lending operations.

(xiii) Remuneration paid to Non Executive Directors: (₹ in crores)

Name of the Director	FY 2022-23	FY 2021-22	FY 2020-21
Mr. Arun Kumar Purwar	0.28	0.22	0.09
Mrs. Geeta Mathur	0.26	0.24	0.14
Mr. Nilesh Vikamsey	0.25	0.24	0.16
Mr. Ramakrishnan Subramanian (*w.e.f September 06, 2021)*	0.25	0.07	-
Mr. Vibhore Sharma (*w.e.f July 01, 2021) (upto August 31, 2022)*	0.06	0.10	-
Mr. Vijay Kumar Chopra	0.21	0.25	0.15
Total	**1.31**	**1.12**	**0.54**

(xiv) Details of Provisions and Contingencies (₹ in crores)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Provision for depreciation on investment	(32.19)	359.69	(26.68)
Provision towards non performing advances	(68.51)	(48.56)	(88.61)
Other Provision and Contingencies:			
Bad debts written off/(back)	355.15	723.83	568.65
Provision for Contingencies/Other financial assets	10.69	9.03	7.31
Provision for Standard Assets	(11.80)	(167.40)	257.72
Total	**253.34**	**876.59**	**718.39**
Provision made towards Income Tax	237.23	221.89	84.92

(xv). Details Of Concentration Of Advances, Exposures & NPA:

a) Concentration of Advances

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	2,077.63	2,360.29	2,831.81
Outstanding Advances	14,047.88	12,625.07	14,640.25
Percentage of advances to twenty largest borrowers to total advances	14.79%	18.70%	19.34%

b) Concentration of Exposures

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	2,185.30	3,447.50	3,376.85
Percentage of exposure to twenty largest borrowers / customers to total exposure	15.41%	24.40%	21.61%

c) Concentration of NPAs

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total exposure to top four NPA accounts	10.68	124.01	53.76

d) i. Details Of Sectorwise NPA:

(₹ in crores)

Particulars	% of NPAs to total advances in that sector					
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
	As at March 31, 2023			As at March 31, 2022		
1. Agriculture & allied activities	-	-	0.00%	-	-	0.00%
2. Industry						
a. Micro & Small - SME **	1,238.39	43.92	3.55%	879.20	129.87	14.77%
3. Services						
a. Commercial & Residential Real Estate	2,009.12	10.44	0.52%	3,497.71	123.11	3.52%
4. Personal Loans						
a. Loans against Gold Jewellery	8,329.51	66.68	0.80%	7,852.15	67.76	0.86%
b. Advances to Individuals against share, bonds, etc.	449.52	-	0.00%	551.21	-	0.00%
c. Loan against property	729.88	7.74	1.06%	-	-	0.00%
d. Others	1,142.53	50.75	4.44%	949.08	43.88	4.62%
5. Other loans*	280.79	1.79	0.64%	399.05	1.82	0.46%

* Other loans include all loans that cannot be classified under any of the other sectors.

** Higher GNPA in Micro & Small SME Sector as on 31st March 2022 is mainly due to two factors one being impact of the Covid restructured book which was under stress and second is on account of new RBI guidelines for NPA classification dated 12th November 2021

d) Details Of Sectorwise NPA:

Particulars	% of NPAs to total advances in that sector As at March 31, 2021
Agriculture & allied activities	0.00%
MSME	11.09%
Corporate borrowers	1.23%
Services	0.00%
Unsecured personal loans	6.97%
Auto Loans	0.00%
Other loans*	1.19%

* Other loans include all loans that cannot be classified under any of the other sectors.

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Net NPAs to Net Advances (%)	0.64%	1.63%	0.98%
(ii) Movement of NPAs (Gross)			
(a) Opening balance*	406.21	408.04	544.87
(b) Addition during the year	178.25	274.02	281.38
(c) Reduction during the year	(381.96)	(275.86)	(418.21)
(d) Closing balance*	202.49	406.21	408.04

* Includes Interest of ₹ 21.17 crores (March 31, 2022 - ₹ 39.76 crores, March 31, 2021 - ₹ 56.09 crores)

(iii) Movement of Net NPAs			
(a) Opening balance	206.30	143.25	115.73
(b) Addition during the year	82.61	160.51	109.24
(c) Reduction during the year	(199.22)	(97.46)	(81.73)
(d) Closing balance	89.69	206.30	143.25

(iv) Movement of provision for NPAs (excluding provision on standard assets)			
(a) Opening balance**	199.91	264.80	429.14
(b) Addition during the year	95.64	113.51	172.14
(c) Reduction during the year	(182.74)	(178.40)	(336.49)
(d) Closing balance**	112.81	199.91	264.80

** Includes Interest of ₹ 21.17 crores (March 31, 2022 - ₹ 39.76 crores, March 31, 2021 - ₹ 56.09 crores)

Note: The above has been computed basis EAD for credit impaired advances.

(xvii). Disclosure of Complaints:

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
i. Number of complaints pending at the beginning of year	172	54	5
ii. Number of complaints received during the year	10,213	14,096	1,007
iii. Number of complaints redressed during the year	10,335	13,978	1,001
iv. Number of complaints pending at the end of the year	50	172	11

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Number of maintainable complaints received by the NBFC from Office of Ombudsman	595	578	NA
a. number of complaints resolved in favour of the NBFC by Office of Ombudsman	591	578	NA
b. number of complaints resolved through conciliation/mediation / advisories issued by Office of Ombudsman	2	0	NA
c. number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	2	0	NA
d. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0	NA

Top five grounds[1] of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	of the above number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
	Current Year				
Waiver/Refund	62	4081	-20.59%	14	-
CIBIL Updation	0	2196	2453.49%	1	-
Payments	8	757	-38.15%	6	-
Collections	8	670	-55.33%	7	-
Branch Experience	5	566	54.64%	11	-
Others	89	1943	-66.39%	11	-
Total	**172**	**10,213**		**50**	**-**
	Previous Year (2021-22)				
Waiver/Refund	28	5139	31.90%	62	-
CIBIL Updation	1	86	86.96%	0	-
Payments	0	1224	4433.33%	8	-
Collections	3	1500	167.86%	8	-
Branch Experience	0	366	65.61%	5	-
Others	22	5781	127.51%	89	-
Total	**54**	**14,096**		**172**	**-**

Note:

(i) The above includes not only complaints but also queries received from the customers for the various grounds as mentioned above.

(ii) CIBIL updation includes 2096 queries/complaints in FY 2022-23 (FY-2021-22 and FY-2020-21 - Nil) received from the customers onboarded by Fintech Partners.

(xviii) Disclosure of restructured accounts:

Details for FY 2022-23

(₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2022 (opening figures)*	No. of borrowers	-	-	-	-	-	3,209	451	6	980	4,646	4,646
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	350.20
		Provision thereon	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	108.17
2	Fresh restructuring during the year 2022-2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	4	(3)	1	(2)	-	-
		Amount outstanding	-	-	-	-	-	0.05	(0.05)	0.01	(0.01)	-	-
		Provision thereon	-	-	-	-	-	0.01	(0.01)	0.01	(0.01)	(0.00)	(0.00)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(12.34)	(0.21)	-	(0.02)	(12.57)	(12.57)
		Provision thereon	-	-	-	-	-	(0.47)	0.34	-	(0.01)	(0.14)	(0.14)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2022 and hence need not be shown as restructured standard advances at the beginning of the next FY 2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	(205)	26	3	176	-	-
		Amount outstanding	-	-	-	-	-	(9.07)	2.59	0.43	6.04	-	-
		Provision thereon	-	-	-	-	-	(1.49)	0.33	0.05	1.12	(0.00)	(0.00)
7	Fully recovered / Write-offs of restructured accounts during the FY 2022-2023	No. of borrowers	-	-	-	-	-	(2,662)	(424)	(6)	(937)	(4,029)	(4,029)
		Amount outstanding	-	-	-	-	-	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)	(309.18)
		Provision thereon	-	-	-	-	-	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)	(97.88)
8	Restructured Accounts as on March 31 of the FY 2023(closing figures*)	No. of borrowers	-	-	-	-	-	346	50	4	217	617	617
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	28.46
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	10.15

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]PD & LGD rate of last year has been considered for calculation

[2]For accounts which have transitioned from one asset category to another, Mar'22 provision has been considered for previous asset category and Mar'23 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

No. of Accounts Restructured	Amount (₹ in crores)
346	20.57

Details for FY 2021-22 **(₹ in crores)**

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubt-ful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2021 (opening figures)*	No. of borrowers	-	-	-	-	-	4,062	12	23	708	4,805	4,805
		Amount outstanding	-	-	-	-	-	232.32	0.55	17.74	26.61	277.21	277.21
		Provision thereon	-	-	-	-	-	21.40	0.43	8.80	22.50	53.13	53.13
2	Fresh restructuring during the year 2021-2022	No. of borrowers	-	-	-	-	-	867	105	-	115	1,087.00	1,087
		Amount outstanding	-	-	-	-	-	47.20	85.21	-	5.10	137.52	137.52
		Provision thereon	-	-	-	-	-	7.46	38.44	-	4.16	50.06	50.06
3	Upgradations to restructured standard category during the FY 2021-2022[1]	No. of borrowers	-	-	-	-	-	60	8	(2)	(66)	-	-
		Amount outstanding	-	-	-	-	-	3.58	0.42	(0.34)	(3.19)	0.48	0.48
		Provision thereon	-	-	-	-	-	0.62	0.16	(0.16)	(2.65)	(2.03)	(2.03)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	13.62	-	(0.00)	0.03	13.64	13.64
		Provision thereon	-	-	-	-	-	15.64	-	0.01	(0.23)	15.42	15.42
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2021 and hence need not be shown as restructured standard advances at the beginning of the next FY 2022	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2021-2022[1]	No. of borrowers	-	-	-	-	-	(931)	334	-	597	-	-
		Amount outstanding	-	-	-	-	-	(46.65)	23.34	-	25.91	2.60	2.60
		Provision thereon	-	-	-	-	-	(4.22)	4.64	-	20.67	21.08	21.08
7	Fully recovered / Write-offs of restructured accounts during the FY 2021-2022	No. of borrowers	-	-	-	-	-	(849)	(8)	(15)	(374)	(1,246)	(1,246)
		Amount outstanding	-	-	-	-	-	(46.62)	(0.40)	(16.99)	(17.25)	(81.25)	(81.25)
		Provision thereon	-	-	-	-	-	(6.01)	(0.31)	(8.43)	(14.74)	(29.49)	(29.49)
8	Restructured Accounts as on March 31 of the FY 2022(closing figures*)	No. of borrowers	-	-	-	-	-	3,209	451	6	980	4,646	4,646
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	350.20
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	108.17

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]PD & LGD rate of last year has been considered for calculation

[2]For accounts which have transitioned from one asset category to another, Mar'21 provision has been considered for previous asset category and Mar'22 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019

No. of Accounts Restructured	Amount (₹ in crores)
3209	203.46

Details for 2020-21 (₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2020 (opening figures)*	No. of borrowers	-	-	-	-	-	470	97	20	828	1,415	1,415
		Amount outstanding	-	-	-	-	-	21.97	7.33	15.00	35.29	79.58	79.58
		Provision thereon	-	-	-	-	-	1.69	5.03	7.49	29.80	44.02	44.02
2	Fresh restructuring during the year 2020-2021	No. of borrowers	-	-	-	-	-	3,953	6	-	234	4,193.00	4,193
		Amount outstanding	-	-	-	-	-	225.97	0.32	-	13.24	239.53	239.53
		Provision thereon	-	-	-	-	-	20.77	0.24	-	11.18	32.20	32.20
3	Upgradations to restructured standard category during the FY 2020-2021	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4	Increase / Decrease in existing restructured accounts1	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(0.57)	(0.03)	(0.15)	(0.19)	(0.94)	(0.94)
		Provision thereon	-	-	-	-	-	(0.05)	(0.03)	(0.07)	(0.15)	(0.30)	(0.30)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2020-20212	No. of borrowers	-	-	-	-	-	(183)	(34)	8	209	-	-
		Amount outstanding	-	-	-	-	-	(6.78)	(4.11)	4.49	5.65	(0.76)	(0.76)
		Provision thereon	-	-	-	-	-	(0.63)	(2.31)	2.37	5.11	4.54	4.54
7	Fully recovered / Write-offs of restructured accounts during the FY 2020-2021	No. of borrowers	-	-	-	-	-	(178)	(57)	(5)	(563)	(803)	(803)
		Amount outstanding	-	-	-	-	-	(8.27)	(2.96)	(1.60)	(27.38)	(40.20)	(40.20)
		Provision thereon	-	-	-	-	-	(0.39)	(2.50)	(1.00)	(23.45)	(27.33)	(27.33)
8	Restructured Accounts as on March 31 of the FY 2021(closing figures)*	No. of borrowers	-	-	-	-	-	4,062	12	23	708	4,805	4,805
		Amount outstanding	-	-	-	-	-	232.32	0.55	17.74	26.60	277.21	277.21
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	21.40	0.43	8.80	22.50	53.13	53.13

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).
1PD & LGD rate of last year has been considered for calculation
2For accounts which have transitioned from one asset category to another, Mar'20 provision has been considered for previous asset category and Mar'21 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019

No. of Accounts Restructured	Amount (₹ in crores)
3004	166.01

(xix) Asset Classification (₹ in crores)

Particulars	FY	Outstanding Balance	Provision
Standard Assets	2022-23	14,377.42	392.62
	2021-22	(12,822.01)	(404.42)
	2020-21	(15,821.72)	(571.82)
Sub-Standard Assets	2022-23	181.12	94.36
	2021-22	(285.21)	(127.04)
	2020-21	(316.81)	(194.85)
Doubtful Assets	2022-23	14.44	11.51
	2021-22	(120.99)	(72.87)
	2020-21	(91.23)	(69.94)
Loss Assets	2022-23	6.93	6.93
	2021-22	-	-
	2020-21	-	-

Note:

a. ECL provisioning for Stage 1,2 & SICR of ₹ 392.62 crores (March 31, 2022 - ₹ 404.42 crores, March 31, 2021 - ₹ 571.82) consists of interest accrued but not due and Interest overdue of ₹ 42.99 crores (March 31, 2022 - ₹ 46.16 crores, March 31, 2021 - ₹ 66.06).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets Classification & Provisioning, there is no requirement to create Impairement allowance.

d. Figures in bracket represent previous year's figures.

(xx) Particulars as per RBI Directions as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid: (₹ in crores)

Particulars	March 31, 2023				March 31, 2022				March 31, 2021			
	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total
Liability side:												
a) Debentures												
Secured	2,771.48	111.51	-	2,882.99	2,475.10	109.46	-	2,584.55	2,346.88	109.76	-	2,456.64
Unsecured (other than falling within the meaning of public deposits)	1,567.97	91.54	-	1,659.51	1,304.74	64.90	-	1,369.64	1,611.25	126.15	-	1,737.40
(b) Deferred credits	-	-	-	-	-	-	-	-	-	-	-	-
(c) (i)Term loans from Banks	8,513.20	6.96	-	8,520.16	6,706.39	7.83	-	6,714.22	4,028.70	5.47	-	4,034.16
(ii)Term loans from Financial Institutions	819.39	6.50	-	825.88	753.89	5.39	-	759.28	731.10	5.39	-	736.49
(ii)Secured Medium Term Notes	2,250.99	60.11	-	2,311.10	2,445.03	75.70	-	2,520.73	2,803.80	84.24	-	2,888.04
(d) Inter–corporate loans and borrowings	-	-	-	-	-	-	-	-	-	-	-	-
(e) Commercial Paper	-	-	-	-	0.00	-	-	0.00	-	-	-	-
(f) Other Loans (Overdraft)	620.75	-	-	620.75	320.09	0.05	-	320.14	543.31	0.62	-	543.92
(g) Securitisation	560.10	-	-	560.10	1,977.42	-	-	1,977.42	3,903.41	-	-	3,903.41
Total	**17,103.87**	**276.62**	**-**	**17,380.49**	**15,982.66**	**263.33**	**-**	**16,245.99**	**15,968.43**	**331.62**	**-**	**16,300.05**

2. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets side (Gross Value)			
(a) Secured	12,360.44	11,478.47	14,038.43
(b) Unsecured	2,694.10	2,000.90	2,388.84
Total	**15,054.54**	**13,479.37**	**16,427.27**

Note: The above include overdue principal.

3. Break- up of leased assets and stock on hire and other assets counting towards AFC activities: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Lease assets including lease rentals under sundry debtors			
(a) Financial lease	-	-	-
(b) Operating lease	-	-	-
(ii) Stock on hire including hire charges under sundry debtors			
(a) Assets on hire	-	-	-
(b) Repossessed Assets	-	-	-
(iii) Other Loans counting towards AFC activities			
(a) Loans where assets have been repossessed	-	-	-
(b) Loans other than (a) above	-	-	-

4. Break–up of Investments (Net of Provisions): (₹ in crores)

Particulars	As at March 31,2023	As at March 31,2022	As at March 31,2021
Current Investments :			
1 Quoted :			
(i) Shares:			
(a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	138.09	-	-
(iii) Units of mutual funds	0.00	0.00	-
(iv) Government Securities	5.04	-	-
(v) Others (Certificate of Deposits)	-	-	-
2 Unquoted:			
(i) Shares:			
(a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of mutual funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others	-	-	-
Total (A)	**143.13**	**0.00**	**-**
Long Term Investments :			
1 Quoted:			
(i) Shares:			
(a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of mutual funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-
2 Unquoted:			
(i) Shares:			
(a) Equity of subsidiary companies	1,907.81	1,410.33	1,185.33
(b) Preference of subsidiary companies	-	-	-
(c) Preference of other companies	38.17	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of mutual funds	-	-	11.82
(iv) Government Securities	-	-	-
(v) Others			
(a) Security Receipts	1,049.24	83.30	-
(b) Alternative Investment Funds	641.33	955.22	7.11
Total (B)	**3,636.56**	**2,448.85**	**1,204.26**
Grand Total (A+B)	**3,779.69**	**2,448.85**	**1,204.26**

5. Borrower Group-wise Classification of all assets financed as in (2) and (3) above:

(₹ in crores)

Category	As at March 31,2023			As at March 31,2022			As at March 31,2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties	**-**	**0.14**	**0.14**	**-**	**0.20**	**0.20**	**-**	**-**	**-**
a) Subsidiaries	-	-	-	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-	-	-	-
c) Other related parties	-	0.14	0.14	-	0.20	0.20	-	-	-
2. Other than related parties	12,360.44	2,693.96	15,054.40	11,478.47	2,000.69	13,479.17	14,038.43	2,388.84	16,427.27
Total	**12,360.44**	**2,694.10**	**15,054.54**	**11,478.47**	**2,000.90**	**13,479.37**	**14,038.43**	**2,388.84**	**16,427.27**

*Including ICD, Interest etc of ₹ 1,006.66 crores (March 31, 2022 - ₹ 854.31 crores, March 31, 2021 - ₹ 1,787.02 crores)

6. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :

(₹ in crores)

Category	As at March 31,2023		As at March 31,2022		As at March 31,2021	
	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties						
a) Subsidiaries*	1,907.81	1,907.81	1,410.33	1,410.33	1,185.33	1,185.33
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2 Other than related parties	1,871.88	1,871.88	1,038.52	1,038.52	18.92	18.92
Total	**3,779.69**	**3,779.69**	**2,448.85**	**2,448.85**	**1,204.26**	**1,204.26**

* Includes Investments in equity shares of subsidiaries carried at cost and fair value is not disclosed

7. Other Information:

(₹ in crores)

Particulars	As at March 31,2023	As at March 31,2022	As at March 31,2021
(i) Gross Non-Performing Assets			
(a) Related parties	-	-	-
(b) Other than related parties*	202.49	406.21	408.04
(ii) Net Non-Performing Assets			
(a) Related parties	-	-	-
(b) Other than related parties	89.69	206.30	143.25
(iii) Assets acquired in satisfaction of debt (Fair Value)	164.40	138.43	138.43

* Includes Interest of ₹ 21.17 crores (March 31, 2022 - ₹ 39.76 crores, March 31, 2021 - ₹ 56.09 crores)

(xxi) Particulars as per RBI Directions for auction details (As required in terms of paragraph 27 (4)(d) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

Particulars	March 31,2023	March 31,2022	March 31,2021
Number of gold loan accounts	82,080	309,450	57,058
Outstanding amount (₹ crores)	438.35	2,114.90	309.90
Amount recovered in auction (₹ crores)	449.16	2,087.52	308.33

None of the group companies have participated in the above auctions. The above details have been compiled by the Management and relied upon by the auditors.

46. Unhedged Foreign Currency Exposure:
The unhedged foreign currency exposure as on March 31, 2023 is Nil (March 31, 2022 - Nil, March 31, 2021 - Nil).

47. Gold Loan Portfolio
As on March 31, 2023 the gold loan portfolio comprises 34.59 % (March 31, 2022 - 32.61 %, March 31, 2021 - 39.16%) of the total assets of the Company.

48. Segment Reporting
The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

49. Shared services
The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

50. Fraud
During the year under review, the Company had come across frauds totaling to ₹ 4.24 Crores (March 31, 2022 - ₹ 11.88 Crores, March 31, 2021 - ₹ 13.89 crores) in respect of its lending operations. Out of the above, frauds amounting to ₹ 0.27 Crores (March 31, 2022 - ₹ 1.39 Crores, March 31, 2021 - ₹ 1.23 crores) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

51. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in crores)

Name of Related Party	Outstanding as on March 31, 2023	Maximum Outstanding during the year
5paisa Capital Limited	-	400.00
IIFL Securities Limited	-	400.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	100.00

(₹ in crores)

Name of Related Party	Outstanding as on March 31, 2022	Maximum Outstanding during the year
5paisa Capital Limited	-	350.00
IIFL Management Services Limited	-	50.00
IIFL Home Finance Limited	-	779.00
IIFL Securities Limited		540.00
IIFL Facilities Services Limited	-	462.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	350.00

(₹ in crores)

Name of Related Party	Outstanding as on March 31, 2021	Maximum Outstanding during the year
5paisa Capital Limited	-	335.00
IIFL Home Finance Limited	-	226.00
IIFL Securities Limited (Formerly India Infoline Limited)	-	80.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	-	664.00
Samasta Microfinance Limited	-	370.00

52. Disclosure pursuant to SEBI Circular no. SEBI/HO/DDHS/P/CIR/2021/613 August 10, 2021 dated August 10, 2021 (updated as on April 13, 2022) for fund raising by issuance of debt securities by large entities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Outstanding borrowing	17,380.49	16,245.99	16,300.05
Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd

(₹ in crores)

Details of the borrowings	FY 2022-23	FY 2021-22	FY 2020-21
i. 2 years block period	FY 2022-2023 and FY 2023-2024	FY 2021-2022 and FY 2022-2023	NA
ii. Incremental borrowing done (a)	4,273.11	5,212.99	3,496.04
iii. Mandatory borrowing to be done through issuance of debt securities	1,068.28	1,303.25	874.01
iv. Actual borrowings done through debt securities in FY (c)	1,473.11	1,562.99	1,596.04
v. Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil	Nil	Nil
vi. Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A.	N.A	N.A

53. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings): **(₹ in crores)**

Number of Significant Counterparties	Amount*	% of Total Deposits	% of Total Liabilities
FY 2022-23			
14	9,761	NA	51.46%
FY 2021-22			
(16)	(8,006)	(NA)	(42.79%)
FY 2020-21			
(24)	(10,069)	(NA)	(54.75%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(ii) Top 20 large deposits N.A (N.A) (N.A)

(iii) Top 10 borrowings:

Particulars	FY	Amount *	% of Total Borrowings
Top 10 Borrowings (₹ in crores)	FY-22-23	8,797.40	50.62%
	FY-21-22	(6,515.71)	(40.11%)
	FY-20-21	(6,236.31)	(38.26%)

* The above table excludes details of benefeciary holders of the secured medium term note bonds

(iv) Funding Concentration based on significant instrument/product:

(₹ in crores)

Name of the instrument/product	FY	Amount	% of Total Liabilities
Non Convertible Debentures	FY-22-23	6,853.60	36.13%
	FY-21-22	(6,474.92)	(34.61%)
	FY-20-21	(7,082.07)	(38.51%)
Term Loans	FY-22-23	9,346.05	49.27%
	FY-21-22	(7,473.55)	(39.95%)
	FY-20-21	(4,771.27)	(25.94%)
Securitisation	FY-22-23	560.10	2.95%
	FY-21-22	(1,977.42)	(10.57%)
	FY-20-21	(3,903.41)	(21.23%)
Commercial Paper	FY-22-23	-	-
	FY-21-22	-	-
	FY-20-21	-	-
Cash Credit / Overdraft Facilties	FY-22-23	620.75	3.27%
	FY-21-22	(320.09)	(1.71%)
	FY-20-21	(543.31)	(2.95%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(v) Stock Ratios:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Commercial papers as a % of total liabilities	Nil	Nil	Nil
Commercial papers as a % of total assets	Nil	Nil	Nil
Commercial papers as a % of total public funds	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil	Nil
Other short-term liabilities* as a % of total liabilities	6.86%	10.83%	9.37%
Other short-term liabilities* as a % of total assets	5.40%	8.76%	7.76%
*Other short-term liabilities as a % of total public funds	7.49%	12.47%	10.58%

* Short Term liabilities means total of current liabilities as per note 44.1, 44.2 & 44.3 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

Note: Figures in bracket represent previous year’s figures.

54. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020:

As on March 31, 2023 **(₹ in crores)**

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	13,174.92	474.39	**13,649.31**	331.15	43.02	**374.17**	13,275.14	54.74	**319.42**
	Stage 2	691.63	36.47	**728.11**	16.30	2.15	**18.45**	709.66	2.77	**15.68**
Subtotal		**13,866.55**	**510.86**	**14,377.42**	**347.45**	**45.17**	**392.62**	**13,984.80**	**57.51**	**335.11**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	165.05	16.07	**181.12**	78.29	16.07	**94.36**	86.76	19.39	**74.97**
Doubtful										
Upto 1 Year	Stage 3	4.31	0.66	**4.97**	2.43	0.66	**3.09**	1.88	2.43	**0.66**
1 to 3 years	Stage 3	2.69	0.80	**3.49**	2.09	0.80	**2.89**	0.60	2.03	**0.87**
More than 3 years	Stage 3	3.15	2.83	**5.98**	2.70	2.83	**5.53**	0.45	2.50	**3.03**
Doubtful (Sub- Total -(B))		**10.15**	**4.29**	**14.44**	**7.23**	**4.29**	**11.51**	**2.93**	**6.96**	**4.55**
Loss (Sub- Total -(C))	Stage 3	6.13	0.81	6.93	6.13	0.81	**6.93**	-	6.13	0.81
Subtotal of NPA (Sub- Total -(A+B+C))		**181.33**	**21.17**	**202.49**	**91.64**	**21.17**	**112.81**	**89.69**	**32.47**	**80.33**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 2	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 3	-	-	**-**	-	-	**-**	-	-	**-**
Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	Stage 1	13,174.92	474.39	**13,649.31**	331.15	43.02	**374.17**	13,275.14	54.74	**319.42**
	Stage 2	691.63	36.47	**728.11**	16.30	2.15	**18.45**	709.66	2.77	**15.68**
	Stage 3	181.33	21.17	**202.49**	91.64	21.17	**112.81**	89.69	32.47	**80.33**
	Total	**14,047.88**	**532.03**	**14,579.91**	**439.08**	**66.34**	**505.42**	**14,074.48**	**89.98**	**415.44**

As on March 31, 2022 **(₹ in crores)**

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as per required under Ind AS 109 (4)			Net Carrying Amount	Provision Required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
		Principal	Others	Total	Principal	Others	Total	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Standard	Stage 1	11,511.13	529.19	**12,040.33**	300.61	51.64	**352.25**	11,688.08	82.30	**269.95**
	Stage 2	747.48	34.20	**781.68**	48.65	3.52	**52.17**	729.52	2.99	**49.18**
Subtotal		**12,258.62**	**563.39**	**12,822.01**	**349.25**	**55.16**	**404.42**	**12,417.59**	**85.29**	**319.13**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	272.51	12.70	**285.21**	114.33	12.70	**127.04**	158.17	30.45	**96.59**
Doubtful										
Upto 1 Year	Stage 3	77.36	20.62	**97.98**	32.65	20.62	**53.27**	44.71	16.82	**36.44**
1 to 3 years	Stage 3	14.38	3.01	**17.40**	11.11	3.01	**14.13**	3.27	5.34	**8.79**
More than 3 years	Stage 3	2.20	3.42	**5.62**	2.05	3.43	**5.48**	0.14	2.12	**3.36**
Doubtful (Sub- Total -(B))		**93.94**	**27.06**	**120.99**	**45.81**	**27.06**	**72.87**	**48.12**	**24.27**	**48.60**
Loss (Sub- Total -(C))	Stage 3	-	-	**-**	-	-	**-**	**-**	-	**-**
Subtotal of NPA (Sub- Total -(A+B+C))		**366.44**	**39.76**	**406.20**	**160.15**	**39.76**	**199.91**	**206.29**	**54.73**	**145.18**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 2	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 3	-	-	**-**	-	-	**-**	-	-	**-**
Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-								
Total	Stage 1	11,511.13	529.19	**12,040.33**	300.61	51.64	**352.25**	11,688.08	82.30	**269.95**
	Stage 2	747.48	34.20	**781.68**	48.65	3.52	**52.17**	729.52	2.99	**49.18**
	Stage 3	366.44	39.76	**406.20**	160.15	39.76	**199.91**	206.29	54.73	**145.18**
	Total	**12,625.06**	**603.15**	**13,228.21**	**509.40**	**94.92**	**604.33**	**12,623.89**	**140.01**	**464.32**

As on March 31, 2021 **(₹ in crores)**

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as per required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	11,947.97	704.13	**12,652.10**	354.51	52.82	**407.33**	12,244.77	82.69	**324.64**
	Stage 2	2,340.33	188.84	**2,529.17**	107.03	13.24	**120.27**	2,408.89	9.36	**110.91**
Subtotal		**14,288.30**	**892.97**	**15,181.27**	**461.54**	**66.06**	**527.60**	**14,653.66**	**92.05**	**435.55**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	279.43	37.38	**316.81**	157.48	37.38	**194.85**	121.96	29.53	**165.33**
Doubtful										
Upto 1 Year	Stage 3	46.56	9.77	**56.34**	36.66	9.77	**46.43**	9.91	12.81	**33.62**
1 to 3 years	Stage 3	22.42	5.68	**28.10**	11.98	5.68	**17.65**	10.45	12.80	**4.86**
More than 3 years	Stage 3	3.54	3.26	**6.80**	2.59	3.26	**5.85**	0.94	3.53	**2.33**
Doubtful (Sub- Total -(B))		**72.52**	**18.71**	**91.23**	**51.23**	**18.71**	**69.94**	**21.29**	**29.13**	**40.81**
Loss (Sub- Total -(C))	Stage 3	-	-	-	-	-	**-**	-	-	-
Subtotal of NPA (Sub- Total -(A+B+C))		**351.95**	**56.09**	**408.04**	**208.70**	**56.09**	**264.79**	**143.25**	**58.66**	**206.14**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	640.46	**640.46**	-	7.09	**7.09**	633.37	-	**7.09**
	Stage 2	-	-	**-**	-	37.12	**37.12**	(37.12)	-	**37.12**
	Stage 3	-	-	**-**	-	-	**-**	-	-	**-**
Subtotal		-	**640.46**	**640.46**	**-**	**44.21**	**44.21**	**596.25**	**-**	**44.21**
Total	Stage 1	11,947.97	1,344.59	**13,292.56**	354.51	59.91	**414.42**	12,878.14	82.69	**331.73**
	Stage 2	2,340.33	188.84	**2,529.17**	107.03	50.37	**157.40**	2,371.77	9.36	**148.04**
	Stage 3	351.95	56.09	**408.04**	208.70	56.09	**264.79**	143.25	58.66	**206.14**
	Total	**14,640.25**	**1,589.51**	**16,229.77**	**670.24**	**166.36**	**836.61**	**15,393.16**	**150.71**	**685.90**

55. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated Nov 04, 2019:
Liquidity Risk Management Framework

As on March 31, 2023 **(₹ in crores)**

Sr. No.	Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**1,354.90**	**1,354.90**	**806.09**	**806.09**	**1,111.46**	**1,111.46**	**1,596.15**	**1,596.15**
	Cash and Bank Balance	1,131.52	1,131.52	298.76	298.76	686.62	686.62	1,484.71	1,484.71
	Unencumbered Fixed Deposits	73.62	73.62	352.03	352.03	124.89	124.89	111.43	111.43
	Investments	149.76	149.76	155.30	155.30	299.95	299.95	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	15.65	18.00	20.87	24.00	-	-
4	Secured wholesale funding	461.24	530.42	175.44	201.75	203.73	234.29	320.87	369.00
5	Additional requirements, of which:								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	412.64	474.54	461.13	530.30	608.92	700.26	713.61	820.65
6	Other contractual funding obligations	1,561.66	1,795.91	1,130.72	1,300.33	1,223.74	1,407.30	1,177.65	1,354.29
8	**Total Cash outflows**	**2,435.54**	**2,800.87**	**1,782.94**	**2,050.38**	**2,057.26**	**2,365.85**	**2,212.13**	**2,543.94**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,885.47	1,414.10	1,130.97	848.23	1,038.19	778.64	900.21	675.16
11	Other cash inflows	1,022.54	766.91	1,181.02	885.76	1,321.13	990.85	1,683.08	1,262.31
12	**Total Cash Inflows**	**2,908.01**	**2,181.01**	**2,311.99**	**1,733.99**	**2,359.32**	**1,769.49**	**2,583.29**	**1,937.47**

			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		1,354.90		806.09		1,111.46		1,596.15
14	Total Net Cash Outflows		700.22		512.60		596.35		635.99
15	Liquidity Coverage Ratio(%)		193.50%		157.26%		186.38%		250.97%

As on March 31, 2022 **(₹ in crores)**

Sr. No.	Particulars	As at March 31, 2022		As at December 31, 2021		As at September 30, 2021		As at June 30, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**1,353.09**	**1,353.09**	**1,398.91**	**1,398.91**	**660.92**	**660.92**	**669.26**	**669.26**
	Cash and Bank Balance	1,037.52	1,037.52	1,187.65	1,187.65	618.14	618.14	331.03	331.03
	Unencumbered Fixed Deposits	315.58	315.58	211.26	211.26	42.78	42.78	338.22	338.22
		-	-	-	-	-	-	-	-
	Cash Outflows	-	-	-	-	-	-	-	-
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	32.61	37.50	484.24	556.88	-	-
4	Secured wholesale funding	272.58	313.47	261.88	301.17	112.34	129.19	218.03	250.73
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	649.39	746.80	376.21	432.65	219.10	251.97	99.64	114.58
6	Other contractual funding obligations	1,785.79	2,053.66	1,968.24	2,263.48	1,891.50	2,175.23	1,883.53	2,166.05
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**2,707.76**	**3,113.93**	**2,638.95**	**3,034.79**	**2,707.18**	**3,113.26**	**2,201.19**	**2,531.37**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,093.53	820.15	1,298.16	973.62	2,415.37	1,811.53	1,203.80	902.85
11	Other cash inflows	1,510.94	1,133.21	1,307.14	980.35	1,039.13	779.35	969.23	726.93
12	**Total Cash Inflows**	**2,604.47**	**1,953.35**	**2,605.29**	**1,953.97**	**3,454.50**	**2,590.87**	**2,173.03**	**1,629.77**

			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		1,353.09		1,398.91		660.92		669.26
14	Total Net Cash Outflows		1,160.58		1,080.82		778.31		901.60
15	Liquidity Coverage Ratio(%)		116.59%		129.43%		84.92%		74.23%

As on March 31, 2021 **(₹ in crores)**

Sr. No.	Particulars	As at March 31, 2021		As at December 31, 2020		As at September 30, 2020		As at June 30, 2020	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**1,258.96**	**1,258.96**	**957.44**	**949.64**	**421.17**	**398.02**	**837.33**	**814.82**
	Cash and Bank Balance	813.73	813.73	357.68	357.68	133.04	133.04	149.50	149.50
	Unencumbered Fixed Deposits	19.31	19.31	277.61	277.61	18.14	18.14	59.55	59.55
	Undrawn Sanctioned Limits	425.92	425.92	306.54	306.54	223.69	223.69	235.17	235.17
	Liquid Investments	-	-	15.61	7.81	46.31	23.16	393.11	370.61
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	419.66	482.61	-	-	170.00	195.50
4	Secured wholesale funding	1,569.43	1,804.85	138.54	159.32	287.38	330.48	435.86	501.24
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,307.07	1,503.14	1,114.31	1,281.45	685.73	788.59	296.90	341.44
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**2,876.51**	**3,307.98**	**1,672.52**	**1,923.39**	**973.11**	**1,119.08**	**902.76**	**1,038.18**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,777.16	2,082.87	1,445.48	1,084.11	1,197.71	898.28	536.20	402.15
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**Total Cash Inflows**	**2,777.16**	**2,082.87**	**1,445.48**	**1,084.11**	**1,197.71**	**898.28**	**536.20**	**402.15**

			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		1,258.96		949.64		398.02		814.82
14	Total Net Cash Outflows		1,225.11		839.28		279.77		636.02
15	Liquidity Coverage Ratio(%)		102.76%		113.15%		142.27%		128.11%

Qualitative Disclosure

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.
The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events,including those involving the loss or impairment of both unsecured and secured funding sources. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold.

HQLA comprises of unencumbered Bank Balances and Fixed Deposit,Cash in Hand, Liquid Investments after appropriate haircut. The Company maintains sufficient balance of Cash and Bank Balance and liquid Investments which can be easily liquidated in times of stress.
Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

56. Disclosure pursuant to (Securitisation of Standard Assets) Reserve Bank of India Circular no./Directions, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - September 24, 2021

(₹ in crores)

Sr. No.	Particulars	As on 31st March 2023	As on 31st March 2022	As on 31st March 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	2	12	20
2	Total amount of securitised assets as per books of the SPEs	564.26	1,989.23	3,303.14
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-	
	Other amount of Securtised assets as per the books of SPV sponsored by the company	-	-	610.68
	a) Off-balance sheet exposures			
	• First loss	-	-	
	• Others	-	-	60.29
	b) On-balance sheet exposures			
	• First loss	-	-	-
	• Others	-	-	-
4	**Amount of exposures to securitisation transactions other than MRR**	-	-	-
	a) Off-balance sheet exposures	-	-	-
	i) Exposure to own securitisations			
	• First loss	-	-	-
	• Others	-	-	-
	ii) Exposure to third party securitisations			
	• First loss	-	-	-
	• Others	-	-	-
	b) On-balance sheet exposures			
	i) Exposure to own securitisations			
	• First loss	52.80	226.73	309.68
	• Others	80.00	238.56	233.90
	ii) Exposure to third party securitisations			
	• First loss	-	-	-
	• Others	-	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	1,682.00	3,165.00
6	Outstanding value of services provided by way of post-securitisation asset servicing.	0.02	0.22	0.58
7	Performance of facility provided:-			
	Credit enhancement			
	(a) Amount paid	52.80	226.73	309.68
	(b) Repayment received	Nil	Nil	Nil
	(c) Outstanding amount	52.80	226.73	309.68
	% of total value of facility provided	6.60%	7.09%	6.06%
8	Average default rate of portfolios observed in the past.	Nil	Nil	Nil
9	Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil	Nil

57. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 on resolution framework for COVID-19-related stress:

As at March 31, 2023 **(₹ in crores)**

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	7.24	1.64	4.55	0.58	0.46
Corporate Loans *	200.49	7.61	155.84	16.99	20.06
of which, MSME's	189.36	7.02	150.00	16.03	16.32
Others	0.29	-	0.21	0.04	0.04
Total	**208.03**	**9.25**	**160.60**	**17.61**	**20.57**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2022 **(₹ in crores)**

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	4.59	1.72	1.13	0.44	7.24
Corporate Loans *	390.98	46.15	50.19	182.43	200.49
of which, MSME's	222.77	46.13	46.78	20.19	189.36
Others	0.53	0.08	-	0.28	0.29
Total	**396.10**	**47.95**	**51.32**	**183.15**	**208.03**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2021

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan **
Personal Loans	329	4.52	-	-	0.13
Corporate Loans *#	3,849	459.88	-	-	-0.66
of which, MSME's	3,823	224.56	-	-	20.09
Others	10	0.54	-	-	0.04
Total	**4,188**	**464.94**	**-**	**-**	**(0.50)**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
#Negative provision due to closure of loan accounts.
**Increase in provision is as on March 31, 2021 compared to the date of resolution

58. Disclosure pursuant to (Transfer of Loan Exposures) Reserve Bank of India Circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

(a) Details of transferred through assignment in respect of loans not in default:

Particulars	FY 2022-23
Count of Loan accounts assigned	1,110,696
Amount of loan accounts assigned (₹ in crores)	11,181.28
Weighted average maturity (in months)	18
Weighted average holding period (in months)	3
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All Assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil

(b) Details of stressed loans transferred during the year: **(₹ in crores)**

Particulars	As on 31st March 2023			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	6,391	9	-	-
Aggregate principal outstanding of loans transferred	245.90	631.38	-	-
Weighted average residual tenor of the loans transferred	0.71	2.18	-	-
Net book value of loans transferred (at the time of transfer)	134.14	761.49	-	-
Aggregate consideration	885.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transter	-	-	-	-

Note:- In addition to above, the company has transferred 6,359 additional loans which have been written off, having an amount outstanding of ₹ 150.5 Cr which were part of above consideration.

The company has not acquired any stressed loan during the year ended 31st Mar 2023.

(c) The Company has not acquired any stressed loan during the year and previous year.

(d) Details on recovery ratings assigned for Security Receipts (SR) as on 31st March, 2023:

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR2^*	75% - 100%	325.40
RR2^	75% - 100%	488.82
RR1^	100% - 150%	22.92
Unrated #	100% - 150%	212.50
Total		**1,049.64**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.
* Fully provided for

For FY-2021-22

(a) Details of transferred through assignment in respect of loans not in default:

Particulars	FY 2021-22
Count of Loan accounts assigned	1,187,478
Amount of loan accounts assigned (₹ in crores)	9,674.03
Weighted average maturity (in months)	18
Weighted average holding period (in months)	4
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All Assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil

(b) Details of stressed loans transferred during the year: **(₹ in crores)**

Particulars	As on 31st March 2022			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	2,938	1	-	-
Aggregate principal outstanding of loans transferred	299.26	45.00	-	-
Weighted average residual tenor of the loans transferred	2.15	2.75	-	-
Net book value of loans transferred (at the time of transfer)	249.99	59.71	-	-
Aggregate consideration	548.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transter	-	-	-	-

Note:- In addition to the above, the Company has transferred 6,332 additional loans which have been written off, having an amount outstanding of ₹ 1,234.27 crores which were part of above consideration.

(c) Details on recovery ratings assigned for Security Receipts (SR) as on 31st March, 2022:

Recovery Rating^	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR1*	100%-150%	362.09
Unrated #	-	83.30
Total	-	**445.39**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.
* Fully provided for

58. Intra-group Exposures

Particulars	FY 2022-23	FY 2021-22
Total amount of intra-group exposures	2,497.49	2,257.26
Total amount of top 20 intra-group exposures	2,497.49	2,257.26
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	17.61%	15.98%

60. Disclosure required under Part B of Section I of RBI circular RBI/2022-23/26 - DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 - "Related Party Disclosure" is covered under note no. 42.1, 42.2 and 42.3 of the notes to financial statements.

61. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020:

(₹ in crores)

Particulars	As at March 31, 2021
i) Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended *	1,410.31
ii) Respective amount where asset classification benefits is extended **	-
iii) Provision made during Q4FY2020 and Q1FY2021 in terms of paragraph 5 (as on June 30, 2020)	285.23
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	95.83
v) Residual provisions in terms of paragraph 6 of the circular	189.40

* Outstanding as on March 31, 2021 on account of all cases where moratorium benefit was extended by the Company up to August 31, 2020.

**There are Nil accounts where asset classification benefit is extended till March 31, 2021. Post the moratorium period, the movement of ageing has been at actuals.

62. Wherever amount is less than ₹ 0.01 crores, shown as ₹ 0.00.

63. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

Annexure - VI

Statement of Dividend

(₹ in crores)

Particulars		**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Equity Share Capital (Rs.in Crores)		76.09	75.92	75.77
Face Value Per Equity Share (Rs.)	(a)	2	2	2
Interim Dividend on Equity Shares (Rs per Equity Share)	(b)	4	3.5	3
Total interim dividend on Equity Shares (Rs.in Crores)		152.09	132.82	113.54
Dividend Declared Rate (In %)	(c=b/a)	200.00%	175.00%	150.00%
Dividend tax (gross) on interim dividend (Rs.in Crores)		-	-	-

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: May 30, 2023

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Tranche II Prospectus and hereinafter below, there have been no material developments since March 31, 2023, and there have risen no circumstances that materially or adversely affects the operations, cash flows or financial condition or profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

1. Allotment of Equity Shares upon exercise of ESOPs:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	No. of Shares	Equity Share Capital (₹)	Share Premium (₹)
May 27, 2023	47,650	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,04,78,039	76,09,56,078	49,87,525.50
May 27, 2023	80,580	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,05,58,619	76,11,17,238	1,41,04,723.20
May 27, 2023	632	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,05,59,251	76,11,18,502	1,13,899.04
May 27, 2023	10,039	2	252	Cash	Allotment upon exercise of the ESOPs	38,05,69,290	76,11,38,580	25,09,750.00
May 27, 2023	150	2	271.4	Cash	Allotment upon exercise of the ESOPs	38,05,69,440	76,11,38,880	40,410.00

2. Allotment of Non-Convertible Debentures:

Sr. No.	Debenture Name/ Series	ISIN	Amount outstanding (₹ in crores)	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenor (in Months)	Credit Rating
1.	Secured Redeemable Non-Convertible Debentures – Series D23	INE530B07328	125	April 06, 2023	April 15, 2024	8.50	12.1	CRISIL AA/Stable
2.	Unsecured Subordinated Redeemable Non-Convertible Debentures– Series D24	INE530B08151	35	May 08, 2023	May 08, 2033	9.20	120	CRISIL AA/Stable and ICRA AA/Stable

3. Upgradation of credit rating by Moody’s Investors Service:

Moody’s Investors Service, the credit rating agency, on April 06, 2023 has upgraded the rating of the Company assigned to the long term corporate family and foreign currency senior secured debt to B1 from B2 and foreign and local currency senior secured medium term note program to (P) B1 from (P) B2.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, on standalone basis as on March 31, 2023, are as follows:

(₹ in crore)

Sr. No.	Nature of Borrowings	Amount Outstanding	%
1	Secured borrowings	15,720.98	90.45%
2	Unsecured borrowings	1,659.51	9.55%
Total Borrowings		**17,380.49**	**100.00%**

A. Details of Secured Borrowings

Our Company's secured borrowings amounts to ₹ 15,720.98 crore as on March 31, 2023. on standalone basis. The details of the borrowings are set out below:

1. *Term Loans from Banks:*

(₹ in crore)

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
1	Bajaj Finance	February 28, 2022	100.00	63.89	3 year door to door tenure and repayment in 36 equal monthly instalments.	First pari passu charge by way of hypothecation of book debts and receivables of the company of the company with minimum asset cover of 1.15times the sanction amount.	Voluntary prepay the facility during the tenure of the facility with a prior notice of 30 days, failure to provide which shall attract a penalty of 2.0%.
2	Bajaj Finance	November 21, 2022	100.00	91.67	3 years door to door tenor and repayment in 36 equal monthly instalments	First pari passu charge on the present and future loan receivables (excluding capital market receivables) and book debts and other current assets of the Borrower by way of hypothecation with a minimum asset cover of 1.15x. of the principal amount and interest and other charges outstanding at	The Borrower may voluntary prepay the Facility in part or in whole at any-time during the tenure of the Facility, without any prepayment premium/charges with a prior notice of 30 days, failure to provide which shall attract a penalty of 2.0%.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
						any point of time during the currency of the loan. The loan receivables should constitute only principal outstanding of underlying hypothecated to BFL. No NPAs to form part of the receivables charged to BFL; any assets previously charged to BFL. The pool of receivables should not contain any asets on account of lending to company's associates/subsidiaries. Security cheque of the facility amount.	
3	Bandhan Bank	July 30, 2022	100.00	85.71	Repayable in equal quarterly instalments with 3 months of moratorium.	First pari passu charge by way of hypothecation of standard receivables of the company, both present and future, book debts, loans and advances to the extent of minimum 1.10 times of the loan outstanding.	2.00% on loan outstanding. However, in case of increase in interest spread, no prepayment penalty, if repaid within 15 days of intimation of increased spread.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
4	Bank of Baroda	June 19, 2018	1,250.00	124.80	Repayable in 20 quarterly instalments from the date of first disbursement and interest is to be served as and when applied.	First pari passu charge on receivables pertaining to non-capital market exposure with minimum security cover of 1.15 times the sanction amount throughout the tenure of the loan.	Nil if the prepaid lock in period of 12-month out of internally generated cash accruals or fresh equity infusion, after giving a 30 day advance intimation/notion to the bank. Otherwise, prepayment penalty @2% p. a. for the amount prepaid for residual tenor of loan.
5	Bank of India	December 27,2019	500.00	223.53	Repayment in 20 equal quarterly instalments of ₹ 25 crore each after moratorium period of 6 months from the date of first disbursement. Door to door tenor of 5 years and 6 months. First repayment will fall due after the first quarter post moratorium of 6 months.	First pari passu first charge by way of hypothecation of standard receivables (excluding capital market receivables) of the Company along with a minimum security cover of 1.25 times of the sanction amount. Security is to be created in favor of security trustee/lender. Only standard and performing receivables will be considered while calculating the security cover. The security will be created upfront by way of execution of bilateral documents between the borrower, the	No prepayment penalty is applicable, if the company prepays the loan anytime during the tenor of the loan through internal generated cash accrual and/or fresh equity infusion.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
						lender and trustee.	
6	Bank of Maharashtra	August 13, 2021	300.00	233.18	18 equal quarterly instalments of ₹ 16.667 crore from the end of moratorium period of 6 months. First instalment shall be due at the end of 9th month from the date of first disbursemen t. Interest Repayment as and when applied on monthly basis.	First pari passu charge by way of Hypothecation of standard receivables of the Company to be shared with existing and future Lenders with security cover of 1.10 times. The Security will be created upfront through Security Trustee.	Prepayment charged to be waived at the time of interest of reset date wherein the company can prepay the amount with 7 day notice through internally generated cash and / or fresh equity infusion. At the other instances, the prepayment charges at 0.50% per annum + applicable taxes on the amount prepaid from the date of payment till the next reset date will be applicable.
7	Canara Bank	Novembe r 10, 2020	500.00	312.50	Repayable in equal 8 half yearly instalments after the moratorium period of 9 months.	First pari passu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.11 times of the sanction amount.	No Prepayment if the company prepays through internally generated cash accruals or fresh equity infusion, otherwise 2%.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
8	Canara Bank	March 18, 2021	500.00	315.79	Repayable in 19 quarterly instalments after the moratorium of 3 months from the first drawdown of the loan. Interest to be paid on monthly basis as and when due.	First pari passu Charge by way of hypothecation of standard receivables of the company arising out of related transactions with Asset Cover of 1.11 times.	2% of the prepaid amount. No prepayment penalty, if the company prepays the loan at any time during the tenor of the loan through internally generated cash accrual and/or fresh equity infusion.
9	Canara Bank	June 27, 2022	250.00	223.68	Principle to be repaid in 19 quarterly instalments, after a moratorium of 3 months from the first drawdown.	First pari passu charge by way of hypothecation of standard receivables of the company arising out of onward lending of the loan amount with asset cover of 1.11 times.	2% of prepayment amount, nil if the company prepays the loan at any time during the tenor of the loan through internally generated cash accruals and/or equity infusion.
10	Canara Bank	March 27, 2023	250.00	250.00	Principal to be repaid in 9 half yearly equal instalments, after the moratorium of 6 months from the first drawdown.	First pari passu charge by way of Hypothecation on the standard receivables of the company through security arrangement. Asset cover of 1.11 times the loan amount at all times.	2% of the prepaid amount.
11	Canara Bank (Erstwhile Syndicate Bank)	May 15, 2018	150.00	37.50	Repayment in 8 equal half yearly instalments after moratorium period of 12 months from the dated of first disbursemen t.	First pari passu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.15 times of the sanction amount.	No prepayment penalty if the prepayment is made out of Equity infusion Internal Reserves or surplus, otherwise 2% penalty on the amount prepaid within 50% of tenor and 1% penalty on the amount prepaid

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
							beyond 50% of tenor.
12	Canara Bank (Erstwhile Syndicate Bank)	May 21, 2019	200.00	63.16	Repayment in 19 equal quarterly instalments after moratorium period of 3 months from the date of each disbursement.	First pari passu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.15 times of the sanction amount.	Prepayment charges to be waived at the time of reset, wherein the company can prepay amount within 30 day notice. Otherwise, applicable charge as 2% penalty on the amount prepaid within 50% of tenor and 1% penalty on the amount prepaid beyond 50% of tenor.
13	DCB Bank	September 09, 2021	50.00	16.66	Repayable in 6 equal quarterly instalment. Moratorium period is 6 months with total tenor of 24 months. Interest to be serviced at monthly rests.	First pari passu charge by way of Hypothecation on the receivables of the company through security arrangement. Asset cover of 1.10 times the loan amount at all times.	2% on outstanding prepayment, minimum ₹ 10,000.
14	DCB Bank	December 23, 2022	75.00	75.00	Loan to be repaid in 10 equal quarterly installments. Moratorium period: 6 months with total tenor of 36 months	First pari passu charge by way of Hypothecation on the receivables of the company through security arrangement. Asset cover of 1.10 times the loan amount at all times.	2% on outstanding / pre-paid amount, minimum ₹ 10,000 Nil if prepaid on interest reset date by giving one-month notice.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
15	HDFC Bank	December 29, 2021	100.00	37.50	Maximum tenor of 2 years. To be paid in equal quarterly instalments. Nil moratorium period.	First pari passu charge on standard receivables. Security cover of 1.10 times of loan outstanding through the tenor of the loan. Receivables will not include loans to related parties/ associate/ group entities.	Nil
16	HDFC Bank	September 19, 2022	200.00	150.00	Max tenor of 21 months, NIL moratorium and repayable in semi annual instralments at the end of 6, 12, 18 and 21 months	First pari passu charge on receivables, with a margin of 10% on eligible standard assets as per security trustee arrangement. Receivables will not include loans to related parties/associates/group entities arrangement.	-
17	IDBI Bank	December 29, 2021	50.00	44.42	Door to door tenure of 5 years (including 6 months moratorium) . Loan to be repaid in equal monthly instalments after a moratorium of 6 months. The average maturity of priority sector assets thus created by the NBFC should be co-terminus with	First pari passu charge by way of hypothecation on the standard loan book assets receivables of the company both present and future, book debts, loan and advances to the extent of minimum 1.10 times of the loan outstanding throughout the tenor of the loan. All book debts charged	Pre-payment premium at 1% p.a. of outstanding loan being prepaid, up to the maturity.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
					maturity of the bank loan.	should be standard. The security interest to be created in favor of security trustee.	
18	IDBI Bank	February 20, 2023	75.00	75.00	Door-to-door tenure of 4 years (including 3 months moratorium). Loan to be repaid in equal monthly instalments after a moratorium of 3 months.	First pari passu charge by way of hypothecation on the receivables of the company through security trustee arrangement to the extent of minimum 1.10 times of the loan outstanding throughout the tenor of the loan. Receivables charged to the bank should be standard only.	Prepayment premium at 1% pa of the outstanding loan being prepaid, upto the maturity.
19	IDFC First Bank	November 02, 2021	200.00	166.67	Tenor of 5 years. Repayable in quarterly instalments of 11.11 crore each after a moratorium period of 6 months	First pari passu Charge on standard receivables. Security cover of 1.10 times of amount to be maintained.	Facilities cannot be prepaid.
20	Indian Bank	December 05, 2020	300.00	169.55	Repayable in 5 years (inclusive of moratorium of 3 months) in 19 equal Quarterly instalments. Interest to be serviced as and when due.	First pari passu charge by way of hypothecation of book debts and receivables of the company with minimum asset cover of 1.10 times the sanction amount.	No Prepayment if the company prepays through internally generated cash accruals or fresh equity infusion.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
21	Indian Overseas Bank	March 29, 2022	100.00	87.37	Term loan of 100 crore shall be repayable in 8 half yearly instalments of ₹12.5 crore after a moratorium period of 6 months. Interest to be serviced as and when debited including holiday period. Total door to door tenor will be 4.50 (four and half) years.	First pari passu charge in favour of the security trustee on receivables of the compnay, both present and future, book debts, loans and advances with a security cover of 1.10 times except those receivables present and or future specifically and exclusively charged in favour of certain existing charge holders.	Nil prepayment charges with option to pre-pay the term loan at any time with 30 day notice; However prepayment in the first year (from the fate of disbursement) will attract applicable prepayment charges.
22	Karnataka Bank	Decembe r 30,2020	100.00	29.84	Repayment in 10 Quarterly instalment of ₹10 crore each after the holiday period of 4 months. Interest to be serviced on a monthly basis, as and when debited.	First pari passu charge by way of hypothecation of book debts and receivables of the company of the company with minimum asset cover of 1.10 times the sanction amount.	Pre-closure charges of 2% shall be charged only in case of takeover of liabilities by other banks.
23	Karnataka Bank	Decembe r 09, 2021	100.00	69.85	Repayable in 10 quarterly instalments of ₹ 10 crore each after a holiday period of 4 months. Interest to be serviced on a monthly basis, as and when debited.	First pari passu charge on standard book debts receivables with minimum security coverage of 1.10 times.	Nil

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
24	Karnataka bank	March 19, 2022	100.00	79.92	Repayable in 10 quarterly instalments of ₹ 10 crore each after a holiday period of 4 months. Interest to be serviced on a monthly basis, as and when debited.	Pari passu first charge on standard receivables book debts of the Company with minimum security coverage of 1.10 times.	Pre Closure foreclosure charges of 2% shall be charged only in case of takeover of liabilities by other banks. such charges will be calculated based on the balance outstanding.
25	Mudra	Decembe r 08, 2021	200.00	133.00	The loan shall be repayable by the Borrower in a period not exceeding 3 years in quarterly instalments, commencing after moratorium of 3 months from date of first disbursemen t.	First pari passu charge by way of hypothecation on book debts and receivables of the loans provided by the borrower to beneficiaries which are Standard assets in the Books of the Borrower as per extant RBI guidelines with a minimum asset cover of 1.20 times.	The Borrower shall not prepay the outstanding principal amount of loan in full or part thereof before the due dates except after obtaining prior approval of MUDRA in writing which may be granted subject to such conditions. MUDRA may deem fit to levy interest on residual period of repayment for loans i.e. upto 12 months 1 % of outstanding amount, for loans upto 13 - 24 months 2% of outstanding amount. for loans more than 24 months 3% of outstanding amount.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
26	NABARD	November 05, 2020	200.00	110.00	Repayable in 5 years quarterly instalment of 5% at each quarter.	First pari passu charge by way of hypothecation of book debts and receivables of the company of the company with minimum asset cover of 1.25 times the sanction amount.	The prepayment can only be initiated after minimum notice of 3 working days. Penalty of 2.5% P.A for each instalment due separately for the entire period (minimum 6 months) from the date of prepayment to the date on which the instalment is actually due for payment.
27	NABARD	July 05, 2021	300.00	210.00	Repayable in 5 years quarterly instalment of 5% at each quarter and last instalment as on last date June 30, 2026, is 10%.	First pari passu charge by way of hypothecation of book debts and receivables of the company of the company with minimum asset cover of 1.20 times the sanction amount.	Penalty of 2.5% p.a.for each instalment due separately for the entire period (minimum 6 months) from the date of prepayment to the date on which the instalment is actually due for payment. Prepayment can only be initiated after the notice of 3 working days.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
28	NABARD	February 22, 2022	1,000.00	720.00	Repayable upto 4 years in quarterly instalments and last instalment as on last date December 31, 2025 is 2%.	The Security assigned shall be 1.20 times of the amount of loan released. Shortfall in the value of securities, if any to be recouped by assigning additional securities to see that NABARD's dues are fully backed by sufficient security to the extent of minimum 1.20 times of the refinance outsnading.	The prepayment can only be initiated after minimum notice of 3 working days and the same will attract pre-payment charges as per the rate prevailing on the date of prepayment. The current rate pre-payment charges are 2.5% p.a. and will be chargeable for each instalment due separately for the entire period (minimum 6 months) from the date of pre-payment to the date on which the instalment is actually due for payment.
29	NABARD#	March 28, 2023	500.00	500.00	Repayable in upto 18 months - 3 years in quarterly instalments as per repayment schedule.	The exclusive security assigned shall be 1.20 times of the amount of loan released. All securities assigned should be performing standard assets only. Shortfall in the value of securities, if any to be recouped by assigning additional securities to see that NABARD's dues are fully backed by sufficient security to the	Prepayment of instalment may be done by giving 3 days clear notice and the same will attract prepayment charges as per the rates prevailing on the date of prepayment. The current prepayment rate is 2.5% for the residual period of the amount to be prepaid.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
						extent of minimum 1.20 times of the refinance outstanding.	
30	Punjab & Sind Bank	September 29, 2021	200.00	147.21	Repayable in 19 equal quarterly instalment of ₹ 10.53 crore starting after the moratorium period of 3 months from the date of first disbursement. Interest will be serviced as and when due.	First pari passu charge by way of hypothecation on the receivables of the Company through Security Trustee. (Security Coverage upto 1.11 Times).	If the company prepay the loan at any time during the tenor of the loan through internally generated cash accruals and or fresh equity infusion then there will be no prepayment penalty otherwise prepayment charges will be levied.
31	Punjab and Sind Bank	September 19, 2022	500.00	399.95	Repayable in 18 quarterly instalments of ₹ 22.22 crore each after 6 months moratorium from the date of first disbursement.	First pari passu charge by way of hypothecation of standard receivables of the company, both present and future, through security trustee arrangement with a security coverage of 1.11 times.	Nil prepayment charges if prepayment is made with prior notice of 30 days.
32	Punjab National Bank (Erst.Oriental Bank of Commerce	November 29, 2019	100.00	24.57	8 equal Half Yearly instalments at the end of the half year.	First pari passu charge by way of hypothecation on the standard receivable (except capital market) with a security cover of 1.10 times of the sanction amount.	If the company prepays the loan at any time during the tenor of the loan through internally generated cash and / or fresh equity infusion than there will be no repayment penalty. However, 15 days prior

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
							notice to be given by the company.
33	Punjab Sind Bank	September 19, 2022	500.00	99.97	Repayable in 18 quarterly instalments of ₹ 5.56 crore each after 6 months moratorium from the date of first disbursement.	First pari passu charge by way of hypothecation of standard receivables of the company, both present and future , through security trustee arrangement with a security coverage of 1.11 times.	Nil prepayment charges if prepayment is made with prior notice of 30 days.
34	Small Industries Development Bank of India (SIDBI)	March 01, 2018	500.00	50.00	25 crore Repayable in 20 quarterly instalment, commencing from 10th day of the month immediately after the expiry of 6 months from the date of first disbursement.	First pari passu charge by way of hypothecation of book debts and receivables of the company of the company with minimum asset cover of 1.10 times the sanction amount.	No prepayment of the outstanding principal amount of loan in full or part permitted before the due dates except after obtaining prior approval of SIDBI in writing which may be granted subject to such conditions as SIDBI may deem fit including levy of interest (currently 1-3%) on such prepayment.
35	State Bank of India	March 19, 2021	300.00	179.14	20 quarterly instalments of ₹15 crore each to be commenced after 3 months of first disbursement. Instalment will fall due on last day of quarter.	First pari passu Charge on receivables net of NPA, overdues and finance charges comprising receivables book debts present and future to the extent of 1.25 times.	2% of prepaid amount. No prepayment charges if (a) Payment at instance of lenders (b) Loans prepaid out of internal accruals equity infusion by promoters (c) Payment made

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
							out of cash sweep insurance proceeds.
36	State bank of India	March 24, 2022	600.00	395.15	12 quarterly instalments of ₹50 crore each to be commenced after 3 months of first disbursement. Instalment will fall due on last day of the quarter. Interest to be paid as and when due.	First pari passu charge by way of hypothecation of all receivables and loan assts of the company to the extent of 1.25 times excluding Capital market receivables.	2% pre-paid amount. Prepayment charges will not be levied: (a) In case of payment has been made out of cash sweep Insurance proceeds; (b) Payment at the instance of the lenders; c) Loans prepaid out of internal accruals equity infusion by promoters.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
37	State Bank of India	March 15, 2023	500.00	500.00	20 quarterly instalments of ₹ 25 crore each to be commenced after 3 months of the first disbursement. Instalment will fall due on last day of the quarter.	First pari passu charge by way of Hypothecation on standard receivables/loan assets pertaining to Gold Loan Segment. Company to submit certificate from Chartered Accountant at quarterly intervals confirming that term loan is covered by Stage-1 gold loan receivables with ACR of 1.25 times.	Prepayment penalty will be applicable in case term loan is prepaid within one year from last disbursement at 2% of the prepaid amount. Prepayment charges will not be levied on the following (1) Payment at the instance of lenders (2) in the instances where the bank has, strategically decided to exit from the exposure (3) Payment made from own sources
38	Union Bank	September 06, 2021	250.00	174.89	Repayable in 20 quarterly instalment from the date of 1st disbursement. Door to door tenor of 5 years.	First pari passu charge by way of hypothecation on the standard loan receivables (excluding real estate and capital market receivables.) of the company through security arrangement. The asset cover should be maintained at least 1.11 times of the loan amount at all times.	At 2% flat on the amount of term loan prepaid as on the date of closure of the account.Here, if any decision taken by the bank to change/ modify the terms and conditions stipulated in the original sanction copy including ROI, the company shall have the option to prepay the loan by giving the 30 days of such communication by giving 7 days prior notice to the bank.

Sr. No.	Lender's Name	Date of Original Sanction	Sanctioned Amount	Amount outstanding	Repayment schedule	Security*	Prepayment
39	Union Bank	January 18, 2023	250.00	249.92	20 Quarterly equal instalments with nil moratorium.	First pari passu charge by way of Hypothecation on the Standard assets of the company (excluding receivables pertaining to capital market and real estate exposure) through security arrangement. Asset cover of 1.10 times the loan amount at all times.	2% on outstanding / pre-paid amount, Wherever the prepayment is from internal accruals/own sources and/or interest rate reset date, no prepayemnt penalty may be levied if 30days notice period is submitted
			Total	**6,920.99**			
Adjustments for:							
+ / (-)			Accrued Interest	7.75			
+ / (-)			EIR	(24.05)			
+ / (-)			MTM	(1.14)			
			Borrowings as per Books	**6,903.55**			

* The above facilities are secured through creating of a first ranking pari passu charge in favour of Vistra ITCL Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.
[#] Facility is secured through exclusive charge on the assets/receivables assigned to NABARD through a separate Deed of Assignment of Book Debts.

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Additional interest of upto 5% per month on overdue portion of the amount for the period of default in case of any delay default in payment of principal or interest.

(b) Penalty of upto 2% per month in cases of pre-payment of the loan facility.

(c) Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating from any one of the RBI approved agency.

(d) Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements including non-submission of audited financials, book debt statement, end use certificates, diversion of funds, downgrading of external ratings etc.

(e) Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

(f) Delay in submission of monitoring documents (wherever applicable) including but limited to audited financials and Bank statements of other lenders- ₹ 10000/ per item per month for delayed period.

(g) Expiry of Working capital limits - 2% per annum on the outstanding amount of fund based credit facilities for the expiry period.

<u>Rescheduling:</u> None of the loan documents provides for rescheduling provision.

<u>Events of Default:</u> The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.

(b) Any representation and/or the statements made by the Company in the application being found to be incorrect and or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.

(c) Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.

(d) Company entering into any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.

(e) Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.

(f) Any order being made or a resolution being passed for the winding up of the Company.

(g) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.

(h) If any attachment, distress, execution or other process is initiated against the Company or any of the security provided by the Company is enforced.

(i) If the Company enters into amalgamation, reorganisation or reconstruction or there is a change of control of the Company without the prior consent of the lenders and/or debenture trustee in writing.

(j) The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.

(k) A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.

(l) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to either repay the said advance or to carry out the said proposal.

(m) Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.

(n) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 15 days.

(o) Certain loan agreements include financial covenants including maintenance of TOL/TOW ratio, limits on total GNPA, NNPA etc.

(p) In case on cross defaults on any indebtedness of the company

(q) Diversion of funds from the end utilization criteria as stipulated by the term loan agreements.

(r) Certain agreements provide for an event of default in case of revocation/ suspension or termination of license which has adverse effect on business of borrower

(s) Certain agreements provide for an event of default in case of filing of any claim with NCLT under Insolvency and bankruptcy laws resulting in appointment of resolution professional.

(t) Refusal to Lender from examining, inspecting and/or conducting an audit over the Borrower's books of accounts at any time.

(u) Any other events as may be stipulated in the Financing Documents. The Events of Defaults contained herein shall not be construed as exhaustive.

(v) Any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization {by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; enforcement of any security over any assets of the Borrower or any similar procedure or step is taken in any jurisdiction. The Borrower and any of its lenders make a reference and/or submits a proposal to make an application to any restructuring mechanism available to the Borrower under the applicable laws.

(w) The company disavows to take action to challenge validity of enforceability of financing department. Any Potential Event of Default with respect to any of the provisions, covenant, under the terms of the Facility Agreement or any other Financing Document, as the case may be), shall with lapse of time, or the non-fulfilment of any other requirement under the Facility Agreement, or both, shall amount to Event of Default.

(x) Occurrence of a material adverse event.

(y) Changes in control and nature of the business of the borrower.

(z) Jeopardisation of security

(aa) Misrepresentation by the borrower.

(bb) Financial EOD - CRAR<15%

(cc) Non-Financial EOD
   a. Downgrade in rating below the minimum stipulated rating
   b. Non-compliance with RBI norms
   c. Diversion of funds

2. Term loan in the form of external commercial borrowings

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount	Amount outstanding *(₹ in crore)*	Repayment schedule	Security*	Prepayment
1	Export Development Canada	July 30, 2019	$100 Million	687.00	Repay loan in full on Final Repayment Date.	First pari passu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.20 security coverage	-

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount	Amount outstanding *(₹ in crore)*	Repayment schedule	Security*	Prepayment
						ratio of the sanction amount.	
2	The Hongkong and Shanghai Banking Corporation Limited, Gift City Branch	March 22, 2022	$50 Millions	379.25	Bullet Repayment	First pari passu charge by way of hypothecation on the entire Borrower's Charged Assets, in favour of the Security Holder, in accordance with the Deed of Hypothecation. Security Coverage Ratio – upto 1 time 2. hypothecate and charge all rights, title, interest and benefit in an exclusive charge by way of hypothecation over the Borrower's fixed deposits to the extent of 35% of the value of ECB approx of ₹ 140.00 crore.	The Borrower may, by giving not less than 30 calendar days prior written notice to the Lender and subject to receipt of all necessary regulatory approvals to the extent required to make the prepayment, prepay the Loan on the last day of any Interest Period in whole or in part.
3	The Hongkong and Shanghai Banking Corporation Limited, Gift City Branch	August 02, 2022	$50 Millions	395.28	Outstanding amounts of the Loan together with all accrued Interest in one bullet repayment on May 20, 2023	1.First pari passu charge by way of hypothecation of all rights, titles, interest, benefits, claims, and demands, whatsoever of the Issuer in, to and in respect of, all present and future, receivables/assets, including Issuer's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio of	Prepayment will be subject to funding penalties at the Lender's discretion. Levy of such charges shall be in compliance with the extant ECB Guidelines and applicable laws.

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount	Amount outstanding *(₹ in crore)*	Repayment schedule	Security*	Prepayment
						1.0x. 2. hypothecate and charge all rights, title, interest and benefit in an exclusive charge by way of hypothecation over the Borrower's fixed deposits to the extent of 35% of the value of ECB ax`x`pprox ₹ 140.00 crore	
4	Export Development Canada	March 27, 2023	$ 50 Million	411.00	Bullet Repayment at the end of 36 months	First ranking pari passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lenders; and DSRA for next 3 months interest servicing	-
5	Deutsche bank	March 27, 2023	$ 50 Million	411.00	Bullet Repayment at the end of 36 months	First ranking pari passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lenders; and DSRA for next 3 months interest servicing	-
Total				**2,283.53**			
	Adjustments for:						
	+ / (-)	Accrued Interest		5.60			
	+ / (-)	EIR		(24.06)			
	+ / (-)	MTM		177.33			
	Borrowings as per Books			**2,442.40**			

* The above facilities are secured through creating of a first ranking pari passu charge in favour of Vistra ITCL Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.

Export Development Canada

Penalty: Any prepayment under this Agreement shall be made without premium or penalty.

Rescheduling: Agreements do not have any provisions for rescheduling

Event of Default:

a) An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error or a Disruption Event and payment is made within 3 Business Days of its due date.

b) Any requirement regarding information undertakings such as financial statements, compliance certificates, KYC documents, Capital Adequacy, notification of default &misc. information etc. is not satisfied.

c) Any requirement of financial covenants such as Net interest coverage ratio, Security coverage ratio (based on IND-AS Financial Statements is not satisfied:

d) An Obligor fails to perform or comply with any obligations assumed by it (including but not limited to any representations and/or warranties) in the Transaction Security Documents.

e) An Obligor fails to perform or comply with any obligations assumed by it (including but not limited to any representations and/or warranties) in the Transaction Security Documents.

f) Any of the Transaction Security:is or becomes unlawful or is not, or ceases to be legal, valid, binding or enforceable or otherwise ceases to be effective; fails to have the priority it is expressed to have; or is or becomes subject to any Security Interest (other than the Security Interest created or to be created under the Transaction Security Documents).

g) Any representation, warranty or statement made or given, or deemed to be made or given by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

h) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.

i) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

j) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

k) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

l) A member of the Group is unable or admits inability to pay its debts as they fall due; suspends making payments on any of its debts; by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; takes any step for the purpose of making, proposing or entering into, any arrangement, assignment or composition with or for the benefit of all or a significant number of its creditors or ceases or threatens to cease to carry on its business or any substantial part of its business, or is unable or otherwise becomes insolvent; or files any application in relation to an insolvency resolution process for voluntary insolvency under any applicable law.

m) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).

n) A moratorium is declared in respect of any indebtedness of any member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

o) An Obligor (other than the Company or the Original Guarantor) is not or ceases to be a Subsidiary of the Company.

p) Insolvency proceedings: Any corporate action, legal proceedings or other procedure or step is taken in relation to: the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor including filing of any application in relation to an insolvency resolution process under any applicable law by any creditor of any member of the Group; a composition, compromise, assignment or arrangement with any creditor of any member of the Group; the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or enforcement of any Security Interest over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction. This Clause p) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

q) Creditors' process: Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member of the Group.

r) An Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

s) Any Obligor fails to comply with, or pay by the required time, any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body (in each case of competent jurisdiction).

t) It is or becomes unlawful for an obligor to perform any of its obligations under the Finance documents.

u) Any obligation or obligations of the Company under any Finance Documents are not, or cease to, be legal, valid, binding or enforceable and such cessation materially and adversely affects the interests of the Lender under the Finance Documents in any way.

v) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective.

w) An Obligor repudiates or purports to repudiate a Finance Document or evidences an intention to repudiate a Finance Document.

x) Any event occurs or circumstance arises which, in the reasonable opinion of the Lender is likely to have a Material Adverse Effect.

y) An Obligor fails to comply regulatory compliances.

z) An Obligor fails to comply with pari passu Security. Any Transaction Security Document is terminated, cancelled, suspended or revoked (whether wholly or in part) or otherwise ceases to be in effect. Any restrictions or conditions are imposed on any Transaction Security Document. Any Transaction Security Document is enforced, modified or varied in a way that is adverse in any material respect to the interests of the Lender. Any Transaction Security Document expires and is not renewed on substantially the same terms. Any Authorisation necessary for an Obligor to comply with its obligations under any Finance Document, or to carry on its business or operations, is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect.

aa) Any Transaction Security Document is terminated, cancelled, suspended or revoked (whether wholly or in part) or otherwise ceases to be in effect.

bb) Any restrictions or conditions are imposed on any Transaction Security Document.

cc) Any Transaction Security Document is enforced, modified or varied in a way that is adverse in any material respect to the interests of the Lender.

dd) Any Transaction Security Document expires and is not renewed on substantially the same terms.

ee) Any Authorization necessary for an Obligor to comply with its obligations under any Finance Document, or to carry on its business or operations, is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect.

ff) The Reorganisation does not take place as per the terms defined by the agreement.

gg) Any Obligor is subject to any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.

hh) The authority or ability of an Obligor to conduct its business or to perform its obligations under the Finance Documents is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to an Obligor or any of its assets or the shares in that member of the Group (including without limitation the displacement of all or part of the management of an Obligor).

ii) Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Republic of India that (in the opinion of the Lender has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that any Obligor is required to make pursuant to the terms of any of the Finance Documents; or is materially prejudicial to the interests of the Lender under or in connection with any of the Finance Documents.

jj) A moratorium is called on payments by the Obligors in relation to, or by third parties under guarantees of or pursuant to enforcement of Security Interest, Financial Indebtedness by the Republic of India entities generally or a class thereof to which any Obligor belongs.

kk) A deterioration occurs in the political or economic situation generally in the Republic of India, or an act of war or hostilities, invasion, armed conflict or act of foreign enemy, revolution, insurrection, insurgency or threat thereof occurs in or involving the Republic of India.

ll) Any Material Contract is terminated, cancelled, suspended or revoked (whether wholly or in part).

mm) Any restrictions or conditions are imposed on any Material Contract.

nn) Any Material Contract is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.

oo) Any Material Contract expires and is not renewed on substantially the same terms.

pp) Any License is terminated, cancelled, suspended or revoked (whether wholly or in part) or otherwise ceases to be in effect.

qq) Any restrictions or conditions are imposed on any License.

rr) Any License is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.

ss) Any License expires and is not renewed on substantially the same terms.

tt) Any Authorization necessary for an Obligor to comply with its obligations under any Finance Document, or to carry on its business or operations, is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect

uu) The Company's auditors qualify the audited annual consolidated financial statements of the Company.

vv) On and at any time after the occurrence of an Event of Default the Lender may by notice to the Company cancel the Facility whereupon they shall immediately be cancelled; declare that all or part of the Loans, together with all amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender; and/or exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The Hongkong and Shanghai Banking Corporation Limited, Gift City Branch

Penalty: The Borrower may, by giving not less than 30 calendar days (or such shorter period as the Majority Lenders may agree) prior written notice to the Lender and subject to receipt of all necessary regulatory approvals (including but not limited to the approval of the RBI or the Authorised Dealer (as the case may be) under the ECB Guidelines) to the extent required to make the prepayment, prepay the Loan (or part thereof) on the last day of any Interest Period in whole or in part.
(b) Any prepayment under this Clause shall be made together with accrued interest on the amount prepaid and subject to payment of Break Costs and prepayment charges subject to funding penalties at the discretion of the lender in compliance with the ECB guidelines and applicable laws.

Rescheduling: Agreements do not have any provisions for rescheduling

Event of Default:

a) Non-Payment-The Company does not pay on the due date any amount payable pursuant to a Transaction Document at the place and in the currency in which it is expressed to be payable.

b) Other obligations-Any other breach (other than a payment default) has occurred in the performance of any covenant, condition or undertaking on the part of the company under this Agreement or any other Transaction Documents.

c) Misleading Information and Representations provided by the company

d) Inadequate Insurance-If the assets of the Company have not been kept insured by the Company or depreciate to such an extent that such depreciation in value could in the opinion of the Lenders, have a Material Adverse Effect.

e) Proceedings Against or Dissolution of the Company

f) Cessation or Change in Business or Control

g) Security Not Created or Perfected or In Jeopardy

h) Expropriation Events : Any government (including any political or administrative sub-division thereof), governmental authority, agency, official or entity takes or threatens any action: Nationalize, compulsorily acquire, expropriate, or seize, condemn or confiscate all or its assets (including Secured Assets); for the dissolution of the Company, or any action which deprives or threatens to deprive the Company of certain privileges.

i) Illegality: It is or becomes unlawful for the Company to perform any of their respective obligations under this Agreement or any Transaction Document; The Transaction Document or any provision thereof are required by any law to be amended, waived or repudiated; or Any obligation under this Agreement or any Transaction Document is not or ceases to be a valid and binding obligation of any person party to it or becomes void, illegal, unenforceable or is repudiated by such person.

j) Cross Default: The Company is unable or has admitted in writing its inability to pay any of its Financial Indebtedness as they mature or when due. An event of default in payment of any amount due, occurs under any agreement or document relating to any Financial Indebtedness of the company or if any other lenders of the company including financial institutions or banks with whom the company has entered into agreements for financial assistance have recalled its/their assistance or any part thereof.

k) Insolvency: The Company is or is to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties. The value of the assets of the Company is less than its liabilities. A moratorium is declared by a government agency in respect of any indebtedness of the Company. Commencement of an insolvency resolution process under the IBC in respect of the Company.

l) Adverse litigation and final judgment: Any judgment or other order of a court of competent jurisdiction is made against the Company which has Material Adverse Effect. Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings, requisition or disputes are commenced or threatened in relation to the Transaction Documents, or the transactions contemplated in the Transaction Documents or against any of the Company or in relation to its assets which has Material Adverse Effect.

m) Material Adverse Effect: One or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the Lenders, could have a Material Adverse Effect.

n) Environmental compliance: The Company fails to comply in all material respects with all Environmental Law as may be applicable, obtain and maintain any Environmental Permits.

o) Environmental Claims: Company fails to inform the Bank in writing of any Environmental Claims, in each case where such Environmental Claim might reasonably be expected, if determined against the Company, to have a Material Adverse Effect.

p) Breach of financial covenant, information undertaking and other agreed undertaking: Any breach has occurred in the performance of financial covenant as prescribed under this Agreement, information undertaking or any such undertaking on the part of the Company under this Agreement or any other Transaction Documents.

q) Repudiation: The Company repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document.

r) Termination/amendment of material contracts: Revocation of any material contract/commercial agreement, which if terminated and not replaced by the Company to the satisfaction of the Lender and amounts to a Material Adverse Change.

s) Audit Qualification: The auditors of the Company qualify the audited financial statements of the Company for fraud or in the form of a 'disclaimed' balance sheet.

t) Material Adverse Change: Any event or circumstance occurs which the Lender reasonably believes might have a Material Adverse Effect.

u) Moratorium: If any relevant lender/authority declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) (or any indebtedness which includes Financial Indebtedness) owed by the Company and where such declaration, order or regulation applies to Company and restricts payments required to be made by the Company in accordance with the Facility Documents.

v) Amendment to the Constitutional Document of the Company

w) Change in Capital Structure: The promoter group ceases to hold or sells such percentage of the paid-up share capital of the Company, which results in Material Adverse Effect.

Deutsche Bank

Prepayment Penalty: Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

Rescheduling: Agreements do not have any provisions for rescheduling

Event of Default:

a) Non-payment- The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:
   1. its failure to pay is caused by:
      i. administrative or technical error; or
      ii. a Disruption Event; and
   2. payment is made within two Business Days of its due date.

b) Financial covenants and other obligations
   1. Any requirement of Clause 21 (*Financial covenants*) is not satisfied.
   2. Any requirement of Clause 22.15 (*Anti-corruption law*) or Clause 22.16 (*Sanctions*).
   3. The Borrower does not comply with any provision of any Security Document.

c) Other obligations
   1. The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (*Non-payment*) and Clause 24.2 (*Financial covenants and other obligations*)).
   2. No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the failure to comply.

d) Misrepresentation
   1. Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect (save that, where such representation or statement is qualified by reference to materiality or Material Adverse Effect, in any respect) when made or deemed to be made.
   2. No Event of Default under paragraph (a) above will occur if the misrepresentation or misstatement is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the misrepresentation or misstatement.

e) Cross default
   1. Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
   2. Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
   3. Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).
   4. Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

5. No Event of Default will occur under this Clause 24.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US$10,000,000 (or its equivalent in any other currency or currencies).

f) Insolvency

1. A member of the Group:

   (i) is unable or admits inability or is presumed or deemed to be unable to pay its debts as they fall due;

   (ii) suspends or threatens to suspend making payments on any of its debts; or

   (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

2. The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).

3. A moratorium is declared in respect of any indebtedness of any member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

g) Insolvency proceedings

1. Any corporate action, legal proceedings or other procedure or step is taken in relation to:

   (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not the Borrower;

   (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;

   (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not the Borrower), receiver, judicial manager, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of any member of the Group or any of its assets; or

   (iv) enforcement of any Security over any assets of any member of the Group;

   (v) the preparation of a resolution plan or restructuring for the Borrower or a member of the Group pursuant to RBI's Prudential Framework for Resolution of Stressed Assets dated 7 June 2019, as amended or replaced from time to time or any other guidelines or regulations issued or framework set up by the RBI or other competent authorities in relation to resolution of stressed assets or non-performing assets;

   (vi) the Borrower or a member of the Group by way of filing of an application by any "appropriate regulator" (as defined under the Insolvency and Bankruptcy Code of India, 2016, its rules and regulations or any other analogous law or regulation) for initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code of India, 2016 or any other analogous law or regulation;

   (vii) initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of India in respect of a member of the Group (incorporated in India) (including filing of an insolvency resolution application before any National Company Law Tribunal of India);

   or any analogous procedure or step is taken in any jurisdiction.

2. This Clause 24.7 shall not apply to:

(i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement; or

(ii) any step or procedure contemplated in Clause 22.8

h) Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a member of the Group having an aggregate value of US$10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 30 days.

i) Failure to comply with court judgment or arbitral award

1. Any member of the Group fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.
2. No Event of Default under paragraph (a) above will occur if the aggregate liability under that judgment or order is less than US$10,000,000 (or its equivalent in any other currency or currencies) and is discharged within 45 days.

j) Unlawfulness and invalidity

1. It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents is not or ceases to be effective or does not or ceases to have the ranking and priority it is expressed to have.
2. Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
3. Any Finance Document is not or ceases to be in full force and effect or any Transaction Security is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

k) Repudiation and rescission of agreements

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

l) Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

m) Audit qualification

The auditors of the Group qualify the audited annual consolidated financial statements of the Borrower where such qualification has or is reasonably likely to have a Material Adverse Effect (or is a reasonable basis to determine that a Material Adverse Effect has occurred).

n) Litigation

Any litigation, arbitration, administrative, governmental, criminal, regulatory or other investigation, proceeding or dispute is commenced or threatened:

i. in relation to the Finance Documents or the transactions contemplated in the Finance Documents; or

ii. otherwise against any member of the Group or its assets (or against the directors of any member of the Group), which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

o) Expropriation

1. All or a substantial part of the shares of the Borrower are subject to any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.
2. The authority or ability of the Borrower to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any of its assets (including the displacement of all or part of the management of the Borrower).

p) Convertibility/Transferability

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Relevant Jurisdiction of the Borrower or that (in the opinion of the Majority Lenders):

i. has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that the Borrower may be required to make pursuant to the terms of any of the Finance Documents; or

ii. is materially prejudicial to the interests of the Finance Parties under or in connection with any of the Finance Documents.

q) Material Licences

1. Any Material Licence is terminated, cancelled, suspended or revoked (whether wholly or in part).
2. Any restrictions or conditions are imposed on any Material Licence (whether on renewal or otherwise) which has or is reasonably likely to have a Material Adverse Effect.
3. Any Material Licence is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.
4. Any Material Licence expires and is not renewed on substantially the same terms where such expiry or failure to renew has or is reasonably likely to have a Material Adverse Effect.

r) Moratorium

The government of India, RBI or any relevant Governmental Agency declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by the Borrower (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes the Borrower or to the Borrower alone).

s) Material adverse change

Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

t) Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:

I. by notice to the Borrower:

(i) without prejudice to the participation of any Lender in any Loans then outstanding: cancel each Available Commitment of each Lender (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero) and each Facility shall immediately cease to be available for further utilisation; or cancel any part of any Available Commitment (and reduce such Available Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Available Commitment shall be immediately reduced accordingly) and the relevant Facility shall immediately cease to be available for further utilisation to the extent of such cancellation; and/or

(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

II. exercise or direct the Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

u) Major Default Event

Notwithstanding the provisions of Clause 24.20 (*Acceleration*), on and at any time after the occurrence of a Major Default Event which is continuing, any Lender (an "Instructing Lender") shall have the right to direct the Agent to take such action as set out in paragraph 24.20(a)(i) of Clause 24.20 (*Acceleration*) and/or direct the Agent to declare all of the Loan(s) (but not part), together with accrued interest and all other amounts accrued or outstanding under the Finance Documents immediately due and payable (pursuant to paragraph 24.20(a)(ii) of Clause 24.20 (*Acceleration*)) provided that the Instructing Lender gives the Agent and the other Lenders at least 5 Business Days' notice of its intention to so direct the Agent.

3. Cash Credit Working Capital Loans Working Capital Demand Loans Short Term Loans from Banks:

(₹ in crore)

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding	Repayment Schedule	Security*
1	Standard Chartered Bank	100.00	-	On demand	Secured by 1.25 times general charge on receivables.
2	Union Bank (Earlier Andhra Bank)	50.00	50.00	On demand	First pari passu charge by way of hypothecation on the standard assets of the borrower (excluding capital market loans) at 1.25 times of loan amount.
3	Punjab National Bank (Earlier Oriental Bank of Commerce)	50.00	30.00	On demand	First pari passu charge over standard loan receivables eligible for bank finance excluding capital market receivables with an asset cover of 1.25times the loan amount.

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding	Repayment Schedule	Security*
4	Bank of Baroda	75.00	75.00	On demand	First pari passu Charge on receivables pertaining to non-capital market exposure with minimum security cover of 1.25 times.
5	RBL Bank Limited	175.00	145.27	On demand	First pari passu charge over standard loan receivables eligible for bank finance excluding capital market loans with an asset cover of 1.20 times.
6	HDFC Bank Limited	15.00	-	On demand	First pari passu charge on standard receivables. Security cover of 1.10 times of amount to be maintained. Receivables will not include loans to related parties/associate/group entities.
7	HSBC Bank Limited	200.00	200.00	On demand	1. First pari passu charge on receivables. Security cover of 1.10 times of amount to be maintained. 2. Hypothecation and charge over all rights, title, interest and benefit in the an exclusive charge by way of hypothecation over the Borrower's fixed deposits of ₹ 120 crore.
8	IDFC Bank	100.00	1.25	On demand	First pari passu charge on receivables. Security cover of 1.10 times of amount to be maintained.
Total			**501.52**		
Adjustments for:					
+ / (-)	Accrued Interest		0.12		
+ / (-)	EIR		-		
+ / (-)	MTM		-		
Borrowing as per books			**501.64**		

* The above facilities are secured through creating of a first ranking pari passu charge in favor of Vistra ITCL Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.

<u>Penalty:</u> The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a) Additional interest of upto 2% per month on overdue portion of the amount for the period of default in case of any delay default in payment of principal or interest.

b) Penalty of upto 2% per month in cases of pre-payment of the loan facility.

c) Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating form any one of the RBI approved agency.

d) Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements.

e) Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a) Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.

b) Any representation and/or the statements made by the Company in the application being found to be incorrect and or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.

c) Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.

d) Company entering into any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.

e) Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.

f) Any order being made, or a resolution being passed for the winding up of the Company.

g) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.

h) If any attachment, distress, execution or other process is initiated against the Company or any of the security provided by the Company is enforced.

i) If the Company enters into amalgamation, reorganisation or reconstruction or there is a change of control of the Company without the prior consent of the lenders debenture trustee in writing.

j) The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.

k) A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.

l) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to either repay the said advance or to carry out the said proposal.

m) Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.

n) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

4. *Overdraft against Fixed Deposit ("ODFD") facility availed by our Company*

(₹ in crore)

Sr. No.	**Bank**	**Amount Sanctioned**	**Amount outstanding**	**Repayment date schedule**	**Security**
1	HDFC Bank	326.34	119.23	On demand	Deposits of ₹ 362.6 crore
2	RBL Bank	70.70	-	On demand	Fixed Deposits to the extent of 99% of the facility amount.
3	Canara Bank	190.00	-	On demand	Deposits of ₹ 200 crore

Sr. No.	Bank	Amount Sanctioned	Amount outstanding	Repayment date schedule	Security
4	ICICI Bank	13.56	-	On demand	Fixed Deposit receipts amounting to ₹ 14.27 crore
Total		**600.60**	**119.23**		

5. Secured Redeemable Non-Convertible Debentures

i. Public Issue of non-convertible debentures, as on March 31, 2023

The Company has issued secured, redeemable, non-convertible debentures on a public issue basis, under various series of which ₹ 1,310.90 crore was cumulatively outstanding as on March 31, 2023, the details of which as on March 31, 2023, are set out below:

(₹ in crore)

S. No.	Debenture Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
1	8.25% Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series - I	INE530B07120	307.21	October 14, 2021	October 14, 2023	8.25%	730	CRISIL AA/ Stable & BWR AA+/ Negative
2	Zero coupon, Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series - II	INE530B07138	71.30	October 14, 2021	October 14, 2023	Zero Coupon	730	CRISIL AA/Stable & BWR AA+/ Negative
3	8.50% Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non	INE530B07146	93.88	October 14, 2021	October 14, 2024	8.50%	1096	CRISIL AA/Stable & BWR AA+/ Negative

S. No.	Debenture Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Convertible Public Issue of Debentures Series – III							
4	Zero Coupon, Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series – VI	INE530B07153	57.27	October 14, 2021	October 14, 2024	Zero Coupon	1096	CRISIL AA/Stable & BWR AA+/ Negative
5	8.42% Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series - V	INE530B07161	146.22	October 14, 2021	October 14, 2026	8.42%	1826	CRISIL AA/Stable & BWR AA+/ Negative
6	8.75% Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series – VI	INE530B07179	135.72	October 14, 2021	October 14, 2026	8.75%	1826	CRISIL AA/Stable & BWR AA+/ Negative
7	Zero Coupon, Secured, Not Guaranteed, Senior, Taxable,	INE530B07187	27.19	October 14, 2021	October 14, 2026	Zero Coupon	1826	CRISIL AA/Stable & BWR AA+/ Negative

S. No.	Debenture Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Non Cumulative, Rated, Redeemable, Non Convertible Public Issue of Debentures Series - VII							
8	8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date of Maturity January 24, 2025	INE530B07252	45.63	January 24, 2023	January 24, 2025	8.50%	731	CRISIL AA/Stable & ICRA AA/Stable
9	Secured Rated Listed Redeemable Non Convertible Debentures Series II Date of Maturity January 24, 2025	INE530B07302	30.07	January 24, 2023	January 24, 2025	8.50%	731	CRISIL AA/Stable & ICRA AA/Stable
10	8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date of Maturity January 24, 2026	INE530B07294	57.21	January 24, 2023	January 24, 2026	8.75%	1096	CRISIL AA/Stable & ICRA AA/Stable
11	Secured Rated Listed Redeemable Non Convertible Debentures Series IV Date of Maturity January 24, 2026	INE530B07286	24.13	January 24, 2023	January 24, 2026	8.75%	1096	CRISIL AA/Stable & ICRA AA/Stable
12	8.65% Secured	INE530B07310	158.27	January 24, 2023	January 24, 2028	8.65%	1826	CRISIL AA/Stable

S. No.	Debenture Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Rated Listed Redeemable Non Convertible Debentures Series V Date of Maturity January 24, 2028							& ICRA AA/Stable
13	9% SECURED Rated Listed Redeemable Non Convertible Debentures Series VI Date of Maturity January 24, 2028	INE530B07260	118.93	January 24, 2023	January 24, 2028	9.00%	1826	CRISIL AA/Stable & ICRA AA/Stable
14	Secured Rated Listed Redeemable Non Convertible Debentures Series VII Date of Maturity January 24, 2028	INE530B07278	37.86	January 24, 2023	January 24, 2028	9.00%	1826	CRISIL AA/Stable & ICRA AA/Stable
Total			**1,310.89**					
Adjustments for:								
+ / (-)	Accrued Interest		51.71					
+ / (-)	EIR		(10.03)					
+ / (-)	MTM		-					
Borrowings as per Books			**1,352.57**					

Security Clause

Above debentures are fully secured by first pari passu charge on receivables of the Company current assets book debts, and first pari passu charge on the identified immovable property.

Penalty Clause

a) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period.

b) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

c) Security to be created in accordance with applicable SEBI regulations. In case of delay in execution of trust deed and charge documents, the Company would refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Event of Default

a) When the Company defaults in payment of the principal amounts of Secured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Secured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

f) Any information, representation, warranty, statement, certificate given by the Company to the Secured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Secured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Secured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Secured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Secured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Secured Debentures;

n) In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Secured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

ii. Private Placement of non-convertible debentures as on March 31, 2023

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹1,471.00 crore is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in crore)

S. No.	Debenture Series	ISIN	Amount Outstanding	Date of Allotment	Maturity / Redemption Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
1	9.00% Redeemable NCD Face Value 1000,000 each Series D5 Redeemable on May 08, 2023	INE530B07021	100.00	May 08, 2020	May 08, 2023	9.00%	1095	CRISIL AA/Stable
2	8.33% Secured Rated Listed Senior Redeemable Non Convertible Debentures. Series D13. Redeemable on June 30, 2031	INE530B07104	125.00	June 30, 2021	June 30, 2028	8.33%	3652	CRISIL AA/Stable
3	8.00% Secured Rated Listed Senior Principle protected Market Linked Debentures Series D14 Redeemable on September 07, 2024	INE530B07112	100.00	September 07, 2021	September 07, 2024	Zero Coupon	1,096	CRISIL PP MLD Aar/ Stable
4	8.33% Secured Rated Listed Senior Redeemable Non Convertible Debentures. Series D13. Redeemable on June 30, 2031	INE530B07104	125.00	June 30, 2021	June 30, 2029	8.33%	3652	CRISIL AA/Stable
5	8.33% Secured Rated Listed Senior Redeemable Non	INE530B07104	125.00	June 30, 2021	June 30, 2030	8.33%	3652	CRISIL AA/Stable

S. No.	Debenture Series	ISIN	Amount Outstanding	Date of Allotment	Maturity / Redemption Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Convertible Debentures. Series D13. Redeemable on June 30, 2031							
6	8.33% Secured Rated Listed Senior Redeemable Non Convertible Debentures. Series D13. Redeemable on June 30, 2031	INE530B07104	125.00	June 30, 2021	June 30, 2031	8.33%	3652	CRISIL AA/Stable
7	8.50% Secured Rated Listed Senior Redeemable Non Convertible Debentures. Series D15 Redeemable on January 21, 2032	INE530B07195	10.00	January 21, 2022	January 21, 2032	8.50%	3,652	CRISIL AA/Stable
8	8.60% Secured Rated Listed Sinor Redeemable Non Convertible Debentures. Series D16 Redeemable on March 24, 2032	INE530B07203	60.00	March 24, 2022	March 24, 2032	8.60%	3,653	ICRA AA/Stable &CRISIL AA/Stable
9	9% Secured rated listed Non Convertible Debentures. Series D17. Date of Maturity July 15, 2032.	INE530B07211	10.00	July 15, 2022	July 15, 2032	9.00%	3,653	ICRA AA/Stable &CRISIL AA/Stable
10	Secured Rated Listed Senior Principle protected Market Linked Debentures Series D19 Redeemable on September 02, 2024	INE530B07229	115.00	September 02, 2022	September 02, 2024	Zero Coupon	731	CRISIL AAr/Stable
11	9.45% Secured Rated Listed Redeemable	INE530B07237	137.50	November 01, 2022	November 01, 2029	9.45%	2557	ICRA AA/Stable

S. No.	Debenture Series	ISIN	Amount Outstanding	Date of Allotment	Maturity / Redemption Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Non Convertible Debentures Series D20 Date of Maturity November 01, 2032							&CRISIL AA/Stable
12	9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date of Maturity November 01, 2032	INE530B07237	137.50	November 01, 2022	November 01, 2030	9.45%	2922	ICRA AA/Stable &CRISIL AA/Stable
13	9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date of MaturityNovember 01, 2032	INE530B07237	137.50	November 01, 2022	November 01, 2031	9.45%	3287	ICRA AA/Stable &CRISIL AA/Stable
14	9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date of Maturity November 01, 2032	INE530B07237	137.50	November 01, 2022	November 01, 2032	9.45%	3653	ICRA AA/Stable &CRISIL AA/Stable
15	G-SEC Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non Convertible Debentures Series D21 Date of Maturity July 25, 2024	INE530B07245	26.00	November 25, 2022	July 25, 2024	Zero Coupon	608	CRISIL AAr/Stable
Total			**1,471.00**					
Adjustments for:								
+ / (-)	Accrued Interest		59.80					
+ / (-)	EIR		(0.39)					

S. No.	Debenture Series	ISIN	Amount Outstanding	Date of Allotment	Maturity / Redemption Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
+ / (-)	MTM		-					
Borrowings as per Books			**1,530.41**					

Security Clause

Above debentures are fully secured by first pari passu charge on receivables of the Company current assets book debts, and first pari passu charge on the identified immovable property, ranging from 1 to 1.25 times the outstanding amount.

Penalty Clause

a) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period

b) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

c) Security to be created in accordance with applicable SEBI regulations. In case of delay in execution of trust deed and charge documents, the Company would refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

a) When the Company defaults in payment of the principal amounts of Secured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Secured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

f) Any information, representation, warranty, statement, certificate given by the Company to the Secured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Secured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Secured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Secured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Secured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Secured Debentures;

n) In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Secured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

o) If, the Hypothecated Properties have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Trustee further security should be given and on advising the Company to that effect, such security has not been given to the Debenture Trustee to their satisfaction, within 30 (thirty) days of such written advice being received by the Company;

p) If, without the prior written approval of the Debenture Trustee, 'the Hypothecated Properties or any part thereof is sold, disposed of, charged, encumbered or alienated, provided that, the prior approval of the Debenture Trustee shall not be so long as the Required Security Cover is maintained by the Issuer;

q) If, an attachment or restraint has been levied on the Hypothecated Properties or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company; or

r) If, in the opinion of the Debenture Trustee, the Security of the Debenture holders is in jeopardy and causes a Material Adverse Effect;

s) When the Company creates or attempts to create any charge on the Hypothecated Properties or any part thereof without the prior approval of the Debenture Trustee / Debenture Holders provided that, the prior approval of the Debenture Trustee shall not be so long as the Required Security Cover is maintained by the Issuer;

t) If the Security provided herein fails below the Required Security Cover and the Company fails to create additional security in accordance with the terms of this Deed.

iii. Medium Term Notes as on March 31, 2023

Our Company has issued Medium Term Notes of which $273.99 Millions is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in crore)

S. no.	Name of Series	Principal Amount Outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenor (Days)	Rating
1	5.875% Medium Term Notes of face value ` USD 1000 Each Redeemable on April 20, 2023 at par	1,956.10	February 20, 2020	April 20, 2023	5. 875%	1155	Moody's : B2 Fitch : B+
Total		**1,956.10**					
Adjusments for:							
+ / (-)	Accrued Interest	60.11					
+ / (-)	EIR	(0.41)					
+ / (-)	MTM	295.29					
Borrowing as per books		**2,311.09**					

Security

All rights, titles, interest, benefits, claims and demands, whatsoever of the Issuer in, to and in respect of, all present and future, receivables assets, including Issuer's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio, but excluding the Ineligible Assets.

Events of Default

a) Non-payment - if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of seven (7) days; or

b) Breach of Other Obligations - If the Issuer fails to perform or observe any of its other obligations under these conditions or the Trust Deed, which failure is, in the opinion of the Trustee, incapable of being remedied or, if in the opinion of the Trustee it is capable of being remedied, is not, in the opinion of the Trustee, remedied within 30 days after notice requiring such failure to be remedied shall have been given to the Issuer by the Trustee; or

c) Cross-Acceleration (i) the acceleration of any present or future Indebtedness of the Issuer or any of its Principal Subsidiaries prior to its stated maturity by reason of any event of default or potential event of default (however described), which acceleration is not rescinded or waived; or (ii) if the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for borrowed money on the due date for payment; or (iii) if any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for borrowed money becomes enforceable; or (iv) if default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for borrowed money of any other person *provided that* no event described in this paragraph (c) shall constitute an Event of Default unless the relevant amount of Indebtedness for borrowed money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for borrowed money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least U.S.$25,000,000 (or its equivalent in any other currency); or

d) Winding-up -if any order is made by any competent court (to which there is no further appeal) or resolution is passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the Scheme or for the purposes of reorganisation, on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

e) Cessation of Business- if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the Scheme or for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

f) Insolvency- if the Issuer or any of its Principal Subsidiaries is declared by a court or other authority to be insolvent or bankrupt; or

g) Judicial Proceedings- if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws. (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

h) Moratorium- (which expression shall not include any deferral or principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for borrowed money (including any obligations arising under guarantees) of the Issuer or any of its Principal Subsidiaries; or

i) Unlawfulness- it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or any of the Transaction Documents; or

j) Security Enforced an encumbrancer takes possession or an administrative or other receiver, manager or other similar person is appointed over, or an attachment order is issued in respect of, the whole or any material part of the undertaking, property, assets or revenues of the Issuer or any of its Principal Subsidiaries and in any such case such possession, appointment or attachment is not stayed or terminated or the debt on account of which such possession was taken or appointment or attachment was made is not discharged or satisfied within 45 days of such possession, appointment or the issue of such order; or

k) Enforcement of Deed of Hypothecation or Security Documents in respect of any Series of Senior Secured Notes only, (i) any other Series of Senior Secured Notes is (or becomes capable of being) accelerated, (ii) the Security Documents is enforced, (iii) any Security under the Security Documents at any time ceases to be in full force and effect for any reason other than the satisfaction in full of all obligation under the Trust Deed in relation to all Series of Senior Secured Notes, (iv) any Security created under the Security Documents shall be declared invalid or unenforceable or (v) the Issuer shall assert, in any pleading in any court of competition jurisdiction, that any Security is invalid or unenforceable; or

l) Analogous Events
if any event occurs which, under the laws of India, has or may have, in the Trustee’s opinion, an analogous effect to any of the events referred to in paragraphs (d) to (i) above

iv. Securitization by way of Pass Through Certificate (PTC) Transactions as on March 31, 2023

Our company has raised funds by way of PTC Transaction amounting to ₹ 564.26 crore as on March 31, 2023 as stated below:

(₹ in crore)

Sr No.	Deal Name	Date of Allotment	Amount Securitized	Amount outstanding	Maturity Date	Credit rating	Underlying Pool
1	Liquid Gold Series 3 - Dec 2020	December 17, 2020	550.00	370.42	December 20, 2023	[ICRA]AA (SO)	Gold Loan Pool
2	Liquid Gold Series 4	February 15, 2021	330.00	193.83	February 20, 2024	[ICRA]AA (SO)	Gold Loan Pool
Total				**564.25**			
Adjustments for:							
+ / (-)	Accrued Interest			-			
+ / (-)	EIR			(4.16)			
+ / (-)	MTM			-			
Borrowings as per books				**560.09**			

Collateralised borrowing and lending obligation

As on March 31, 2023, our outstanding collateralised borrowing and lending obligation amounts to Nil.

B. Details of Unsecured Borrowings:

Our Company's Unsecured borrowings amounts to ₹ 1659.51 crore as on March 31, 2023 on standalone basis. The details of the borrowings are set out below:

1. Commercial Papers

As on March 31, 2023, the outstanding face value of commercial papers amounts to Nil

2. Loan from Directors and Relatives of Directors

Our Company does not have any borrowings from directors and relatives of directors as on March 31, 2023, which are in the nature of demand loans and are unsecured.

3. Subordinated Debts

i. Public Issue

Our Company has, vide public offering, issued unsecured, redeemable, non-convertible debentures under various series of which ₹ 748.78 crore is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in crore)

S. No.	Debenture Name/ Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
1	10% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - February 07, 2029	INE866I08279	30.77	February 07, 2019	February 07, 2029	10.00%	3653	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Negative
2	10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date – February 07, 2029	INE866I08295	15.45	February 07, 2019	February 07, 2029	10.50%	3653	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Negative
3	10% Unsecured, Not Guaranteed, Subordinate - Tier 2, Taxable, Non Cumulative, Rated, Redeemable, Non Convertible Public Issue Of Debentures Series – V	INE866I08303	25.93	September 06, 2019	June 06, 2025	10.00%	2100	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Negative
4	Zero Coupon, Unsecured, Not Guaranteed, Subordinate - Tier 2, Taxable, Rated, Redeemable, Non Convertible Public Issue Of	INE866I08311	5.78	September 06, 2019	June 06, 2025	Zero Coupon	2100	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Negative

(₹ in crore)

S. No.	Debenture Name/ Series	ISIN	Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Debentures Series – VI							
5	10% Unsecured Rated Listed Redeemable Non Convertible Debenture Series I . Date Of Maturity June 24, 2028	INE530B08094	274.69	March 24, 2021	June 24, 2028	10.00%	2649	CRISIL AA/Stable & BWR AA+ Negative
6	9.6% Unsecured Rated Listed Redeemable Non Convertible Debenture Series II . Date Of Maturity June 24, 2028	INE530B08102	328.02	March 24, 2021	June 24, 2028	9.60%	2649	CRISIL AA/Stable & BWR AA+ Negative
7	Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture Series III . Date Of Maturity June 24, 2028	INE530B08110	68.14	March 24, 2021	June 24, 2028	Zero Coupon	2649	CRISIL AA/Stable & BWR AA+ Negative
Total			**748.78**					
Adjustment for:								
+ / (-)	Accrued Interest		23.73					
+ / (-)	EIR		(16.13)					
+ / (-)	MTM		-					
Borrowing as per Books			**756.38**					

Penalty Clause

In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a.over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Unsecured Debentures:

a) When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

f) Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Unsecured Debentures;

n) In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

ii. **Private Placement**

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible debentures under various series of which ₹ 512.39 crore is cumulatively outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in crore)

S. no.	Debenture Name/ Series	ISIN	Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating
1	12.10% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on May 24, 2023	INE866I08170	10.00	May 24, 2013	May 24, 2023	12.10 %	3652	ICRA AA/Stable
2	8.70% Non-Convertible Debentures series U-03 of Face value ₹1,000,000 Each Redeemable on November 19, 2027	INE866I08246	100.00	November 21, 2017	November 19, 2027	8.70 %	3650	ICRA AA/Stable & CARE AA/Stable
3	9.35% Redeemable Non Convertible Debentures. Series D16 Redeemable on March 24, 2032	INE530B08128	50.00	March 24, 2022	March 24, 2032	9.35 %	3653	ICRA AA/ Stable &CRISIL AA/ Stable
4	Unsecured Redeemable Non-Convertible Debentures IIFL MLD-2028 Series U04 Face value ₹1,000,000 Each Redeemable on August 25, 2028	INE866I08253	50.00	August 28, 2018	August 25, 2028	Market linked	3650	ICRA PPMLD AAr/Stable
5	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000 Each	INE530B08136	125.00	July 26, 2022	July 26, 2032	9.65 %	3653	ICRA AA/ Stable &CRISIL AA/ Stable

(₹ in crore)

S. no.	Debenture Name/ Series	ISIN	Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating
	Redeemable on July 26, 2032							
6	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000 Each Redeemable on July 26, 2032	INE530B08136	80.93	September 09, 2022	July 26, 2032	9.65 %	3608	ICRA AA/ Stable &CRISIL AA/ Stable
7	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000 Each Redeemable on July 26, 2032	INE530B08136	30.76	November 04, 2022	July 26, 2032	9.65 %	3552	ICRA AA/ Stable &CRISIL AA/ Stable
8	9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity December 27, 2032	INE530B08144	35.00	December 27, 2022	December 27, 2032	9.45 %	3653	ICRA AA/ Stable &CRISIL AA/ Stable
9	9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity	INE530B08144	30.69	March 31, 2023	December 27, 2032	9.45 %	3559	ICRA AA/ Stable &CRISIL AA/ Stable

(₹ in crore)

S. no.	Debenture Name/ Series	ISIN	Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating
	December 27, 2032							
Total			**512.38**					
Adjustments for:								
+ / (-)	Accrued Interest		44.32					
+ / (-)	EIR		(0.89)					
+ / (-)	MTM		-					
Borrowings as per Books			**555.81**					

Penalty Clause

In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Unsecured Debentures:

a) When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

f) Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Unsecured Debentures;

n) In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

iii. Rupee Denominated Bonds

Our Company has issued rupee denominated bonds of face value of ₹ 10,000,000 each of which ₹ 325.00 crore is cumulatively outstanding as on March 31, 2023, the details of which are set forth below:

S. No.	Name/ Series	Principal Amount Outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenor (Days)	Rating
1	9.00% Rupee denominated bond of face value ₹10,000,000 each Redeemable on June 28, 2028 at par	325.00	June 28, 2018	June 28, 2028	9.00%	3653	NA

Total		**325.00**					
Adjusments for:							
+ / (-)	Accrued Interest	23.49					
+ / (-)	EIR	(1.17)					
+ / (-)	MTM	-					
Borrowing as per books		**347.32**					

Prepayment penalty

1.0% percent of prepayment between 60 to 90 months from the deemed date of allotment

0.5% Percent of prepayment between 90 months from the deemed date of allotment to date to redemption

In case revised interest rate is not acceptable, then issuer has the option to call back whole / any part of the RDB subject to approval by RBI.

In case of illegality, the RDB holder may require prepayment of RDBs. In case of change in control, subject to applicable laws and regulatory approvals, the RDB holder may by not less than 5 Business days' notice require prepayment of RDBs

Events of Default

Each holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be immediately due and payable and such Note accordingly shall become immediately repayable at its principal amount, together with accrued interest to the date of repayment, on the occurrence of any of the following events (each, an Event of Default):

a) If default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them, unless the failure to pay is caused by administrative or technical error and payment is made within two Business Days of its due date; or

b) If the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days next following the service by any of the Noteholders on the Issuer of notice requiring the same to be remedied; or

c) If the Issuer fails to make any payment in respect of any Indebtedness for borrowed money on the due date for payment; provided that no event described in this Condition[9.1(ce)] shall constitute an Event of Default unless the relevant amount of Indebtedness for borrowed money due and unpaid, either alone or when aggregated without duplication) with other amounts of Indebtedness for borrowed money due and unpaid, amounts to at least ₹ 100,000,000 (or its equivalent in any other currency); or

d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of the Permitted Restructuring or any other reorganisation on terms previously approved in writing by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders; or

e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of the Permitted Restructuring or any other reorganisation on terms previously approved in writing by an Extraordinary Resolution of the Noteholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

f) the Issuer is declared by a competent court or other authority insolvent

g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

h) a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for borrowed money (including any obligations arising under guarantees) of the Issuer or any of its Subsidiaries; or

i) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or

j) a breach by the Issuer or any of its Subsidiaries of the environmental, social and business integrity requirements set forth in Schedule B hereto; or

k) a breach by the Issuer or any of its Subsidiaries of Sanctions Laws; or

l) any merger or consolidation involving the Issuer adversely impacting the rights of the Noteholders; or

m) any material disposal of assets otherwise than in ordinary course of the Issuer's business; or

n) any withdrawal of a credit rating or a credit rating downgrade by two notches (i.e. lower than A+ level by either CARE Ratings or ICRA Limited or a similar agency)

o) If any representation or warranty contained in schedule A is found to be incorrect in any material respect; or

p) If default is made in the payment to CDC group plc of the fee as set out in clause 3.5 of the placement agreement; or

q) If the issuer fails to perform its reporting oligations as set out in the clause 3.6 of the placement agreement; or

r) If any event occurs which, under the laws of any relevant jurisdiction, has or may have, an analogous effect to any of the events referred to in subparagraphs (d) to (g) inclusive.

C. Details of any inter-corporate loans, deposits and other borrowings

Sr. No.	Lender's Name	Date of disbursement	Rate of Interest	Maturity date	Amount outstanding as on March 31, 2023
NIL					

D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

In the past 3 years preceding the date of this Tranche II Prospectus, there has been no delay and or default in servicing of debt or interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by the Company.

E. The amount of corporate guarantee issued by the company along with the name of the counter party on behalf of whom it has been issued

The Company has issued corporate guarantee on behalf of IIFL Home Finance Limited as on March 31, 2023, the details of which are set out below:

Company Name – IIFL Home Finance Limited

(₹ in crore)

Bank Name	Nature of Facility	Amount Sanctioned	Amount Outstanding
National Housing Bank	Term Loan	1,565.00	564.94
State Bank of India	CC / WCDL	20.00	20.00
Total		**1,585.00**	**584.94**

F. List of top 10 debenture holders (secured and unsecured) as on March 31, 2023:

(₹ in crore)

Sr	Name of Holder	Amount	Holding %
1	Life Insurance Corporation of India	1,050.00	24.22%
2	CDC Group Plc	325.00	7.50%
3	HVPNL Employees Pension Fund Trust	155.00	3.57%
4	Visakhapatnam Steel Project Employees Provident Fund Trust	110.00	2.54%
5	RBL Bank Limited	100.00	2.31%
6	Bank of India	100.00	2.31%
7	HVPNL Employees Provident Fund Trust	80.00	1.85%
8	Sporta Technologies Private Limited	74.60	1.72%
9	Mirae Asset Hybrid - Equity Fund	65.00	1.50%
10	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	65.00	1.50%

G. Details of any outstanding borrowings taken debt securities issued where taken issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on March 31, 2023.

For the Point (C), our Company has issued the following NCDs having embedded option in it:

(₹ in crore)

S. No.	Particulars	Date of Allotment	ISIN	Coupon	Date of Maturity	Call option period	Amount Outstanding
1	10% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V of Face Value of ₹ 1,000 redeemable on February 07, 2029, at par.	February 07, 2019	INE866I08279	10.00%	February 07, 2029	66 Months from Date of Allotment. Ex Aug 07, 2024	30.77
2	10.50% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series VI of Face Value of ₹ 1,000 redeemable on February 07, 2029, at par.	February 07, 2019	INE866I08295	10.50%	February 07, 2029	66 Months from Date of Allotment Ex-07-Aug-24	15.45
Total							**46.22**

Other than the securities mentioned above, our Company has nil outstanding borrowings taken debt securities issued where taken issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on March 31, 2023.

H. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on March 31, 2023

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on March 31, 2023.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors, Subsidiary Company, group companies or Promoter.

*Effective from June 23, 2022, the Board of Directors of our Company has adopted policy for determination of materiality for disclosure of events or information ("**Materiality Policy**"). The Materiality Policy sets out that all pending litigation involving our Company, Promoter, Directors, Subsidiaries and group companies, other than criminal proceedings and taxation matters (which would be disclosed in a consolidated manner), would be considered'material' for the purposes of disclosure in this Tranche II Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹20 crore or 5% of Profit after tax of our Company as on March 31, 2023 or 1% of the net worth of our Company as on March 31, 2023. whichever is less, or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation.*

Further, except as mentioned in this section, there are no proceedings involving our group companies, which may have a material adverse effect on the position of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter, Subsidiary Company or group companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or Directors or Promoter or group companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Tranche II Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, group companies, Subsidiary Company or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company and/ or our Subsidiary under the Companies Act or any previous companies law in the three years immediately preceding the year of this Tranche II Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the three years immediately preceding the year of this Tranche II Prospectus; and (vii) material frauds committed against our Company in the last three years.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Tranche II Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Material litigations and regulatory actions involving our Company

(a) As on the date of this Tranche II Prospectus, following are material litigations in our Company:

(i) Civil Litigations

By our Company

Except as disclosed below there are no civil cases filed by our Company:

1. Company application nos.222/2019 to 227/2019 dated May 22, 2019 were filed by IIFL before the High Court, Bombay ("**Court**") against Shree Urban Infrastructure Limited to seek leave of this Hon'ble Court under Section 446 of the Companies Act, 1956 to file proceedings against the Company i.e. Shree Ram Urban

Infrastructure Limited, before this Hon'ble Court thereby seeking specific performance of the Agreement for sale of the premises. The Company Applications are currently on stay as Corporate Insolvency Resolution Process ("**CIRP**") has commenced against Shree Urban Infrastructure Limited and claims filed by the Company.

2. Company appeal/ application has been filed under section 60(5) of Insolvency and Bankruptcy Code (IBC) before National Company Law Tribunal (NCLT) Delhi in original application bearing No. C.P No. IB 654(PB)/2019 filed by Vishal Fabric against AVJ Developers (India) Pvt Ltd (AVJ) against Interim Professional for seeking appropriate directions against Resolution (IRP) for non-verification and admission of claim against AVJ amounting to ₹134.00 crore and conducting the meeting of Committee of Creditors. The said matter is pending before the Tribunal.

3. A petition under Section 9 of the Arbitration and Conciliation Act ('Act') has been filed by IIFL ('**Petitioner'**) against Mr. Praful Satra ('**Respondent'**) before the hon'ble Delhi High Court. The Petitioner, before the hon'ble court, claimed for an interim relief in the form of an injunction from creating rights against the properties of the Respondent. The High Court, via order dated May 24, 2021, directed the Petitioner to approach the Arbitration tribunal under Section17 of the Act for claiming interim reliefs. The matter is *sine die* adjourned due to personal insolvency proceedings initiated against the Respondent.

4. A Composite Scheme of Arrangement amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders ("**Composite Scheme of Arrangement**"), was sanctioned by NCLT, Mumbai by an order dated 7th March 2019, on which, IIFL Finance Ltd. ("IIFL") was required to pay stamp duty. Upon submission of the sanctioned Composite Scheme of Arrangement to the Additional Controller of Stamps for adjudication, the Collector of Stamps issued a demand notice for ₹ 75,11,60,700 towards stamp duty dated 10th January 2022 and thereafter confirmed the demand on 3rd February 2022. IIFL filed an Appeal before the Chief Controlling Revenue Authority which was rejected vide order dated 12th September 2022 and issued a Demand Notice dated 3rd October 2022. Subsequently, IIFL by way of a Writ Petition No. 12202 of 2022 filed before the Bombay High Court challenged the said Order dated 12th September 2022 and Demand Notice dated 3rd October 2022. The matter is currently pending in court.

Against our Company

Except as disclosed below there are no civil cases against proceedings involving our Company:

1. An Securitisation Application No. 39 of 2021 was filed by Shattaf Construction Company Pvt Ltd ("**Guarantor**") before the Debt Recovery Tribunal, at Mumbai ("**DRT**") against India Infoline Finance Limited praying that the possession notice dated September 27, 2019, issued by India Infoline Finance Limited in relation to the alleged default in repayment of ₹51.18 crore by the Borrower, be declared null and void. The matter is currently pending.

2. Rakesh Sheth ("**Petitioner**") had filed a public interest litigation on January 21, 2019 against SEBI, the Ministry of Corporate Affairs, Serious Fraud Investigation Office and India Infoline Finance Limited before the High Court of Madras. The Petitioner had stated that India Infoline Finance Limited is set to raise ₹ 2000 crore via retail bonds and since India Infoline Finance Limited Commodities Limited (an associate company of India Infoline Finance Limited with common shareholders and common directors) is an accused in the NSEL scam case, India Infoline Finance Limited should not be allowed to access funds from the market. The matter is currently pending.

3. A Contempt Application Number No. 1623 of 2021, dated June 14, 2021 has been filed by Praful Satra ('**Applicant**') against IIFL ('**Respondent**') before the hon'ble National Company Law Tribunal ('**NCLT**'), Mumbai, seeking a relief to declare that IIFL has committed contempt of court by not adhering to terms of consent term dated September 9, 2019 agreed to by parties by virtue of NCLTs order dated September 13, 2019. The matter pending before the Hon'ble NCLT, Mumbai.

4. A commercial suit no. C.S COMM 77 OF 2021 is filed by Amit Mavi against our Company for recovery of money of ₹ 9,66,92,511, the subject matter of which is a 'Commercial Dispute' as defined under 2(c)(x) of the commercial courts Act 2015. Further, a recovery suit, C.S COMM 82 of 2021, as per Commercial Courts Act 2015 along with an Application under Order 11 Rule 12 for discovery of documents has been filed by Amit Mavi against our Company. Commercial Suit No. 4077 of 2021 filed for recovery of the amount allegedly debited illegally from the project account during moratorium is pending before the Bombay High Court. Additionally, a Commercial Suit CS COMM No. 477 was filed by Alisa Infratech Pvt. Ltd. before the Delhi High Court praying for grant of a permanent injunction against defendant from operating the escrow account mentioned therein. Amit Mavi has also filed a company petition against our Company before NCLT Mumbai seeking an investigation in the affairs of our Company, a forensic audit to be conducted into the accounts and entries of our Company, and conduct an inspection and audit into the accounts of the IIFL entities.

5. NCLT Case no CP/153/2017 was filed by Dnyaneshwar S. Malvankar and Ors. of Akshay Developers Sion Pvt Ltd (ADSPL), before the NCLT Mumbai against mismanagement and oppression by majority shareholders of ADSPL. NCLT imposed a stay on ADSPL from discharging any liability towards our Company vide order dated May 1, 2017. Currently, the matter is pending before the authority.

Criminal Cases

By our Company

1. IIFL in the ordinary course of business, in relation to its home loan/loan against property portfolio, has lodged the first information report dated November 16, 2015 against Uttam Kr. Asrani for cheating under various sections - 420,406,463,464,467,468,471, 120B of Indian Penal Code, 1860. The matter is pending for further investigation by the concerned officers.

2. IIFL filed an appeal bearing No. 3085/2019 admitted on June 24, 2019 before the PMLA Appellate Tribunal, Delhi against the order passed by the Adjudicating Authority (PMLA Tribunal). In this matter, the Enforcement Directorate has attached the property which is mortgaged with India Infoline Finance Limited and India Infoline Finance Limited challenged the before the PMLA Appellate Tribunal. In this mater, India Infoline Finance Limited initiated SARFAESI proceedings due to the alleged non-repayment of ₹1.32 crore in relation to a loan availed by the Borrower (Arvind Casting). India Infoline Finance Limited is contesting the matter and the matter is pending before the PMLA Appellate Tribunal, Delhi.

3. A complaint was filed by Praveen Murthy at the Cubbon Park Police Station, Bangalore against certain third parties namely Ramesh Mangoji & Others suspected alleging involvement in the unauthorised sale and auction of gold jewels, who were in no way connected with our Company. However, a storage room containing 63 kilograms of gold at the Bangalore gold loan office of our Company, was sealed by the police on September 6, 2014 in connection with the investigation of the said complaint. Aggrieved by the action of the police, our Company filed a writ petition dated September 30, 2014 before the Karnataka High Court requesting the court to direct the police to release the gold. During the pendency of the writ petition, the police vide its letter dated January 5, 2015 addressed to our Company, permitted the auction of the gold under the supervision of one of their investigating officers. The gold was duly auctioned. The writ petition is presently pending before the High Court of Karnataka.

4. A Complaint having Complaint number 77 of 21 was filed with the Economic Offence Wing by our Company against M/s Shattaf Construction Company and Mr. Shrenik Siroya for misusing the money sum disbursed to them and illegally selling the units of the mortgaged property without our consent. Currently, an FIR having reference number 0970 of 2021 has been registered under section 403, 420 and 120B in relation to the same. Here, the matter is pending for further investigation.

Against our Company

1. Manju Rajesh ("**Complainant**") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November, 30 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("**Complaint**"), against IIFL and its director Nirmal Jain under Section 190 of the Code for Criminal Procedure, 1973 levelling charges under Section 420 and 34 of the Indian Penal Code, 1860 alleging cheating for not returning the pledged gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing number 1 of 2018 under section 482 of the Cr.p.c has been filed Before the Hon'ble High Court of Kerala at Ernakulam,

wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is adjourned and the interim relief is extended until further orders.

2. A first information report (“**FIR**”) no. 77/19 dated March 4, 2019 was lodged by Vijay Baniranka at Kothwali Police Station, Ranchi against IIFL and its employees (“**Accused**”), under Sections 420/467/468/471/409/120(B) of the Indian Penal Code, 1860, alleging inter-alia, cheating and criminal breach of trust for not returning the pledged gold. The matter is under investigation.

3. A notice of cease and desist dated February 19, 2019 ("**Notice**") was issued by Muthoot Finance Ltd to the employee of our Company. By way of the receipt of Notice our Company received knowledge of first information report no. 59/2018 dated November 11, 2018 ("**FIR**") filed with Special Cell Delhi under Section 60 of Information and Technology Act, 2000, as amended, by Muthoot Finance Ltd against the said employee. Our Company is in the process of filing quashing petition against the said FIR. As on the date of this Tranche II Prospectus, the Company has not received any further notices in connection with the FIR from the concerned Police department.

4. A FIR 541/2018 dated June 10, 2019 was registered upon the complaint of Mr. Sushil Jainarayan Karva at Pune Police Station under Sections 120B, 406, 420, 467, 468 and 471 of IPC against India Infoline Finance Ltd., Mr. Nirmal Jain, Mr. Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. ("**IIFL**”) did not reduce the EMI amount despite he had repaid substantial loan amount and that without his permission a co-borrower and the IIFL settled the arbitration proceedings for ₹ 70,000 and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given as security and filed false complaints under Section 138 of the Negotiable Instruments Act, 1881 in Gurgaon court. The police filed the closure report treating the matter as civil in nature and the matter is pending before court for final order to close the Complaint.

(ii) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

1. Our Company has filed 10,741 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 and/or Section 25 of the Payment and Settlement Systems Act, 2007 for dishonour of cheques / electronic clearing system in various courts, involving an amount of approximately ₹133.19 crore. The cases are pending before various courts at various stages of adjudication.

(iii) Gold Loan cases

a. In relation to our gold loan portfolio, the Company has lodged 156 first information reports ("**FIR**") against various borrowers and other persons for offences under Sections 395, 405, 406, 409, 415, 419, 420, 441, 447, 467, 468, 471, 120(b), 156(3) and 34 of Indian Penal Code, 1860, involving a cumulative amount of ₹ 97.6 crore. The said FIRs are under investigation by various police stations and pending trials.

b. In relation to our gold loan portfolio, the Company has filed 14 proceedings against defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques, in various courts. The aggregate of claim amounts are approximately ₹ 84.7 lakhs. The matters are pending before various courts at various stages of adjudication.

(iv) Legal or regulatory actions taken by statutory or regulatory authorities against our Company:

1. A direction dated July 17, 2018 was received by our Company from Pension Fund Regulatory and Development Authority (“**PFRDA**”), listing out the required actions to be complied with, in regard to pending amount of ₹.7.6 lakh by the subscribers’ deposits with our Company as registered point of presence for National Pension Scheme as on March 31, 2018. In this regard, IIFL had transferred The un-reconciled balance payment as on date to PFRDA account. Also, IIFL is in the process of initiating the closure of HDFC bank account, once the account is closed, the Company will update the PFRDA and process the de-registration process.

2. Investigations Department of SEBI has by way of a letter dated June 7, 2022 (“**Letter**”) directed us to provide certain specific information and documents with respect to suspected insider trading activities, including (amongst others) (a) chronology of events in relation to declaration of financial results for the period ended December 31, 2020 on January 29, 2021; (b) details of all persons who were involved in the process of/ having access to unpublished price sensitive information vis-a-vis the aforesaid financial results;

(c) all relevant documentary evidence with respect to communications with members of board of directors for the period August 31, 2020 to May 3, 2021; (d) details of all on market and off market trades undertaken by the directors, promoters, key managerial personnel, compliance officer of the Company and their family members during the period August 31, 2020 to May 3, 2021; (e) relationship of Company and/or any of its Promoters/ Directors/ employees or any other person with the entities as mentioned in the letter issued by SEBI, etc. Each of these requests were responded by our Company to SEBI in July 2022. We have and we will respond to any further queries from SEBI.

2. Material litigations involving our Subsidiary Company as on the date of this Tranche II Prospectus

(a) IIFL Home Finance Limited ("IIHFL") (Formerly India Infoline Housing Finance Limited)

(i) Criminal proceedings against IIHFL

1. An FIR dated June 18, 2019 was registered by Devender Kumar at the Faridabad Kotwali Police Station under Section 120B, 406, 419, 420, 467. 468 and 471 of Indian Penal Code (IPC) against unknown person and IIHFL alleging that fraud committed against him. The complainant availed loan from our IIHFL for the purchase of the property and IIHFL is asked to present the transaction documents to support the investigation. The matter is currently pending.

2. Borrowers of IIHFL have filed Criminal Revision before Sessions Court, Gurugram against the summoning orders passed by Judicial Magistrate, Gurugram in complaints filed under section 25 of Payment and Settlement Act. These petitions have been filed by James Pasckal D'Silva and Ashok. The matter is currently pending.

3. Borrowers of IIHFL have filed Criminal Revisions Petitions in Punjab and Haryana High Court against the summoning orders passed by Judicial Magistrate, Gurugram. These petitions have been filed by Harshad Ganesh Kachhara, Royal Heritage Builders Colonizers Infrastructure Private Limited, A.R Casting Pvt Ltd, Ranjeet Bhardwaj, Prabhat Kumar, Vijay Pratap Singh, M/S Orbit Foods Inc, Indrashis Sinha, MRG Auto Pvt. Ltd., Ishwar Dass, Kajal Gupta and Anita Dhiman. These petitions are pending.

4. An FIR 541/2018 dated June 10, 2019 was registered upon the complaint of Mr. Sushil Jainarayan Karva at Pune Police Station under Sections 120B, 406, 420, 467, 468 and 471 of IPC against India Infoline Finance Ltd., Mr. Nirmal Jain, Mr. Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. ("**IIFL**") did not reduce the EMI amount despite the complainant had repaid a substantial loan amount and that without his permission a co-borrower and IIFL settled the Arbitration proceedings for ₹ 70,000 and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given by him as security and filed false complaints under Section 138 of the N.I Act before the Gurgaon court. The police filed the closure report treating the matter as civil in nature and the matter is pending before court for final order to close the complaint.

5. A First Information Report was registered upon the complaint of Mrs. Kamlesh Devi at Sahibabad, Ghaziabad under sections 420,467,468,471,504,506 & 406 of IPC against IIHFL employee Mr. Onkar Singh alleging that officers made false promise of giving loan at lower rate of interest but disbursed the loan amount at the rate of 21%. She had been paying the loan amount regularly, but the accused allegedly went for collection of the EMI which she had already paid and showed her bank passbook to reconfirm but he refused to agree the same. This matter is pending for investigation by the police.

(ii) Criminal proceedings by IIHFL

1. First information report dated February 15, 2017 was lodged by IIHFL at the Navrangpura Police Station, Ahmedabad, against Mihir Desai and other co-borrowers ("Accused") alleging inter alia, cheating and criminal breach of trust under Sections 420 and 406 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired to cause a loss to IIHFL by creating a subsequent mortgage and making a transfer of title and possession of the mortgage property to third parties despite the subsistence of an existing mortgage on the property in favour of IIHFL. Subsequently, IIHFL filed an appeal before City Civil and Session Court and prayed cancellation of bail given by Ld. Court below. The matter is pending investigation and IIHFL contesting the matter. Further, IIHFL has sold the secured asset as per the provisions of SARAFESI Act. The matter is pending investigation.

2. A first information report dated April 6, 2016 was filed by IIHFL at the Ashok Nagar Police Station, Bengaluru, against Tanveer Pasha and other co-borrowers ("Accused") alleging, inter alia, cheating and criminal breach of trust under Sections 420, 465, 467 and 468 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired with certain builders to cause a loss to IIHFL by way of wrongfully inducing IIHFL to disburse a loan in their favour. The claim involved in the matter is ₹1.18 crore. The matter is pending investigation.

3. A first information report dated September 10, 2015 was lodged by IIHFL at the Vidhayak Puri, Police Station, Jaipur against Prem Chand Sharma and other co-borrowers ("Accused") alleging inter alia, cheating and criminal breach of trust under Sections 420 and 406 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired to cause a loss to IIHFL by transferring the title and possession of the mortgage property to third parties, despite the subsistence of an existing mortgage on the property, in favour of IIHFL and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. The matter is pending investigation.

4. A first information report dated November 8, 2016 ("FIR") was registered by IIHFL at the Kalyan Police Station, District Thane, Mumbai under Section 467, 420, 468, 120(B) of the Indian Penal Code, 1860 against Anand Rajaram Yadav and other co-borrowers ("Accused"), alleging inter alia, cheating and criminal breach of trust. It was alleged that the Accused had conspired to cause a loss to IIHFL by raising funds on the same property from different lenders multiple times. The matter is pending investigation.

5. A first information report dated May 21, 2019 and October 16, 2018 ("FIR") was registered by IIHFL at the Malad Police Station, District Mumbai under Sections 448,427 and 34 of the Indian Penal Code, 1860 against Subir Chakrabourty and other co-borrowers and also at the Jahangirabad Police Station under Section 448 of the Indian Penal Code, 1860, against Ramesh Bachhani ("Accused"), alleging inter alia, trespassing and damaging the mortgaged property. It was alleged that the Accused had conspired to cause a loss to IIHFL. The matter is pending investigation.

6. A first information report dated October 21, 2019 ("**FIR**") was registered by IIHFL at Kotwali Police Station, Kanpur City against Rajveer Singh Bhaduria and other co-borrowers under Section 120B, 504, 406 and 420 of the Indian Penal Code, 1860, alleging that the accused had conspired to commit cheating, criminal breach of trust and cause a wrongful loss to our Company. IIHFL had disbursed a loan of ₹ 34.6 lakhs in favour of the accused. Chargesheet has been filed by the Police.

7. A first information report dated October, 2019 ("FIR") was registered by Udyog Vihar Police Station on September 7, 2019 under Section 420 and 120B of the Indian Penal Code, 1860 after getting direction from Judicial Magistrate, Gurgaon against Dwarkadheesh Project Private Limited and also against 6 customers of IIHFL who had conspired to cause loss to IIHFL. Matter is pending for Investigation and filing of Chargesheet.

8. A first information report no. 266/20 dated June 11, 2020 was registered by IIHFL at the Para Police Station, Lucknow against Ankit Gupta, Santosh Kumar and Meewati ("**Accused**") under Section 419, 420, 467, 468 and 471 of Indian Penal Code, 1860, alleging inter alia, cheating and criminal breach of trust, forgery and caused a wrongful loss to IIHFL. The matter is under investigation.

9. A first information report dated January 24, 2020 was registered by IIHFL at the Ashok Nagar Police Station, Jaipur against Giriraj Ratan Daga and other co-borrowers under Section 120B, 406, 409, 420, 467, 468 and 471 of the Indian Penal Code, 1860, alleging that the accused had conspired to commit cheating, forgery and cause a wrongful loss to IIHFL. IIHFL had disbursed a loan of ₹ 3.8 crore in favour of the accused. Chargesheet has been filed by the Police.

10. A first information report dated January 27, 2021 was registered by IIHFL at the Udyog Vihar Police Station, Gurugram against Ashok Kumar and others co-borrowers under Section 120B, 419, 420, 467, 468 and 471 of IPC, alleging that the accused had conspired to commit cheating, cheating by personation, forgery and cause a wrongful loss to IIHFL. IIHFL had disbursed a loan of ₹ 2.25 crore in favour of the Accused. The matter is under investigation.

11. A first information report dated April 10, 2022 was registered under various Sections 406, 419, 420, 467, 468, 471 and 120B of IPC against M/s Yazdan Constructions and others upon the complaint made by

IIHFL in the ordinary course of its business, in relation to its home loan/loan against property portfolio. The complaint is under investigation stage.

Cases filed by IIHFL under Section 138 of the Negotiable Instruments Act, 1881

IIHFL has filed 16411 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of Payment and Settlement System Act, 2007, for dishonour of cheques/ electronic clearance service/ automated clearing house in Judicial Magistrate, Gurgaon. The aggregate of claim amounts filed by IIHFL is approximately ₹ 362.5 crore. The matters are pending before the courts at various stages of adjudication.

(b) IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (Samasta)

Criminal Proceedings by Samasta

1. A complaint dated December 11, 2013 was filed by Ayusha Dairy Private Limited ("Complainant/Amalgamated with Samasta") before the Judicial Magistrate, Coimbatore against Sabari Dairy Private Limited ("Accused") under the Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheques. The claim amount involved is ₹25 lakhs. The Judicial Magistrate, Coimbatore, directed the case to be transferred to Judicial Magistrate, Udumalpet, as the cheques which were dishonored were initially presented at Udumalpet. The parties mutually agreed that the Accused will pay ₹23 lakhs to Ayusha Dairy Private Limited, however Ayusha Dairy Private Limited has only received ₹1.08 until the date of this Letter of Offer. The matter is pending before the Judicial Magistrate, Udumalpet for hearing.

2. Samasta has filed 371 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheques at various courts. The aggregate of claim amounts filed is approximately ₹ 3.97 crore. The matters are pending before the courts at various stages of adjudication.

3. Samasta has lodged 118 first information reports ("**FIR**"), out of which, 29 FIRs are against fraud employees and 89 FIRs are against various other persons for offences under Sections 395, 405, 406, 409, 415, 419, 420, 441, 447, 467, 468, 471, 120(b) and 34 of Indian Penal Code, 1860, involving a cumulative amount of ₹ 1.48 crore. The said FIRs are under investigation at various police stations.

Pending actions by statutory or regulatory authorities against Samasta

1. A case having CC No. 1906/2020 is filed against Samasta, for non-compliances under Section 16(3) of the Shops and Establishments Act, 1963 and Rule 11(1), Rule 12(1), Rule 21 and Rule 30 of the W.B. Rules, 1964. The matter is filed with Additional Chief Judicial Magistrate, Rampurhat and is currently pending

3. Material litigation or legal or regulatory actions involving our Promoter as of the date of this Tranche II Prospectus

(a) Material litigation involving our Promoter as on the date of this Tranche II Prospectus

The material litigation involving promoters of the Company (being Mr. Nirmal Jain and Mr. R Venkataraman) are covered in section 4 *"Outstanding Litigations – Material litigations involving our Directors as on the date of this Tranche II Prospectus"* on page 257 of this Tranche II Prospectus.

(b) Legal or regulatory action pending or taken by any Ministry, Government Department or a statutory body or any direction issued by such Ministry or Department or statutory authority upon conclusion of such legal or regulatory action against our Promoter during the last five years immediately preceding the date of this Tranche II Prospectus.

A notice dated December 2, 2020 was issued under Rule 4 of (Procedure for Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 was issued) against the Promoters & Promoter Group ("Promoters") to show cause against alleged violation of provisions of Regulation 3(1) read with Regulation 13(1) and 13(2)(a) of SAST Regulation. The Promoters responded with a reply dated December 19, 2020 contending that there was no such violation since Regulation 3(1) would be attracted if there is an entitlement to exercise voting rights of 25% or more and if the entitlement to exercise voting rights does not touch 25%, the charging provisions would not be attracted. Therefore, when an acquirer acquires, or even for that matter, "agrees to acquire", the underlying contractual obligation or the intention of the impending contract ought to be the acquisition of an entitlement to voting rights of 25% or more. In the instant case, there was no intention or agreement to acquire an entitlement to voting rights of 25% or more. A computational error led to the instruction to the broker for purchase of shares. No sooner than the error was discovered, it was ensured that the257hreshoent to exercise voting rights of 25% or more never came about, by timely selling of existing shares. Therefore, the entitlement to exercise voting rights in the hands of the promoter group never reached the257hresholdd of 25% or more. It remained 24.99 % as was always the actual intent of the Promoters. At no point of time, either during a day or at the close of the register of beneficial ownership of shares on any day, did the Promoters ever cross the threshold of 25% and hence there was no question of Regulation 3(1) read with Regulation 13(1) and / or Regulation 13(2) being violated. Inspite of the above representation, an adjudication order dated March 28, 2022 was passed by SEBI against the Promoters imposing a penalty of ₹ 10,00,000. The Promoters vide its letter dated May 09, 2022 respectfully disagreed with the findings and imposition of the said penalty, however the Promoters paid the said penalty with a view to moving forward constructively and putting this matter behind.

4. Material litigations involving our Directors as on the date of this Tranche II Prospectus

(i) Civil litigation

1. A commercial suit admitted on January 19, 2017 was filed by Harish Thawani a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against India Infoline Commodities Limited ("**IICL**") its directors and ISL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The claim is valued at ₹16.81 crore.

2. A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia, a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against India Infoline Commodities Limited ("**IICL**"), its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming (a) an amount of ₹7.6 crore along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹3.79 crore and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. It was also prayed for interim/ad-interim relief (b) pending hearing and final disposal appropriate orders for injunction restraining IICL from directly or indirectly assign, selling, mortgage, creating any third party on movable and immovable assets (c) injunction restraining IICL from using ₹11.39 crore without the leave of the court (d) independent audit or investigating agency like forensic audit to examine the affairs of IICL (e) order and direction to IICL to pay any amount realized from NSEL and to preserve all the records of the relevant period. The total amount involved in the matter is ₹11.39 crore. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

3. The State Bank of India ("SBI") filed an original application no. 547/2017 on December 15, 2017 against its borrowers and National Collateral Management Services Limited ("NCML") before DRT, Pune in relation to recovery of an amount of 3,475.26 Lakhs. Mr. Chandran Ratnaswami is a director on the board of NCML. Further, SBI filed an interim application impleading the directors and key managerial personnel of NCML. Subsequently, NCML filed a reply to the said interim application along with the necessary supporting documents opposing the claims of SBI. NCML have settled the issues with SBI and the matter is now pending for withdrawal by SBI in the court. The next date for hearing in the matter is November 01, 2022. The case is now posted for 22nd December, 2022 for withdrawal..

4. A Contempt Petition has been filed by Purnima Chaudhary under section 12 of The Contempt of Courts Act 1971, in respect of the Plot No. C Community Center, Anand Vihar, Delhi - 92 wherein the petitioner has alleged the unit thereon have been demolished which has interfered with the lawful and peaceful possession of the shops owned by the petitioner. The said matter was last listed on September 6, 2022, during the hearing the Hon'ble Bench was apprised of the various aspects of hearing and the developments, including but not limited to dismissal of PIL and orders passed by various other forums, including DRT, DRAT, High Court, NCLT and Supreme Court. The Hon'ble Court has allowed us one (1) week time to file an additional affidavit along with the relevant orders, etc. The matter is pending in court.

5. Amit Mavi has filed a company petition before NCLT Mumbai seeking an investigation in the affairs of our Company, forensic audit to be conducted into the accounts and entries of IIFL, conduct an inspection and audit into the accounts of the IIFL entities, the matter is pending before NCLT.

6. A Contempt Application Number No. 1623 of 2021, dated June 14, 2021 has been filed by Praful Satra ('Applicant') against IIFL ('Respondent') before the hon'ble National Company Law Tribunal ('NCLT'), Mumbai, seeking a relief to declare that IIFL has committed contempt of court by not adhering to terms of consent term dated September 9, 2019 agreed to by parties by virtue of NCLTs order dated September 13, 2019. The matter is yet to be listed for hearing.

7. Mr. KC Dass filed a suit bearing number CS (OS) 594/2018 before the High Court of Delhi against Travel Corporation (India) Limited (TCI) & its Managing Director (MD), SOTC & its Managing Director, Thomas Cook India Limited (TCIL) and its directors, Fairfax Financial Holdings Limited & its director (collectively known as 'the defendants') for recovery of ₹ 40 crores as damages and for ejectment of defendants from property bearing no. F12/13, Connaught Place, New Delhi. Earlier, KC Dass had approached Mediation and the same ended as 'Not-settled'. TCIL filed applications before the Registrar of the Delhi High Court dated 13th May, 2022 for deletion of names of the parties i.e. TCI & its MD, TCIL and its directors, Fairfax Financial Holdings Limited & its director. Though KC Dass did not file any reply to both the above said applications, KC Das has filed a new application on 9th Nov 2022 seeking strike off of the defence of the Defendants. Currently, the matters are pending in court.

(ii) Criminal litigation

1. An FIR dated February 03, 2008, was lodged by Namo Jain at Lalkurti Police Station, Meerut, against our director Nirmal Bhanwarlal Jain and two other ex-employees of IIFL Securities Limited (formerly known as India Infoline Limited) ("**Accused Persons**"), under Sections 406 and 420 of the Indian Penal Code, 1860, alleging inter-alia, cheating and criminal breach of trust by unauthorised trading in the account. The matter was investigated by the police and a charge sheet was filed before the Chief Judicial Magistrate, Meerut against all the persons named as the accused in the FIR. Subsequently, a writ petition was filed by the Accused Persons, before the Allahabad High Court, for quashing of the charge sheet. The Allahabad High Court directed the Accused Persons to file a discharge application before the Chief Judicial Magistrate, Meerut. Accordingly, a discharge application was filed by the Accused Persons. The discharge application has been rejected by court. v Thereafter Nirmal Jain has filed criminal revision before Add. District & session judge, Meerut challenging the order of dismissal of discharge application. The case is presently pending for hearing.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against our director Nirmal Bhanwarlal Jain and ex-employees of ISL ("**Accused Persons**") under Sections 406, 420 and 464 of the Indian Penal Code, 1860, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the Complaint, the Chief Judicial Magistrate, passed an order for issuance of process on July 25, 2011. The Accused Persons filed a petition before the Allahabad High Court on April 7, 2014 ("**Petition**") for quashing the aforesaid order of the Chief Judicial Magistrate. The Allahabad High Court vide its order dated April 22, 2014 admitted the Petition and stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

3. Anil Kumar Tibrewal lodged a first information report dated October 24, 2010 ("**FIR**") at Sunlight Colony, South East District, Delhi against our directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani for the offences of cheating, forgery and conspiracy, under Sections 420, 464 along with 120B of the Indian Penal Code, 1860. The FIR is placed before Delhi District Court, Saket, New Delhi and is currently under investigation.

4. A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against our directors Nirmal Bhanwarlal Jain and Venkataraman Rajamani ("**Accused Persons**"), for offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the Indian Penal Code, 1860. The case is presently pending before the Chief Judicial Magistrate, Nagpur for hearing. The court vide its order dated December 17, 2022 dismissed the complaint in default for want of prosecution.

5. A complaint was received by ISL on December 9, 2012 filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against our directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and Nilesh Vikamsey ("**Accused Persons**") under Sections 406 and 120B of the Indian Penal Code,

1860, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. The Accused Persons filed a writ petition dated April 10, 2015 before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court dismissed the revision and we are in process of preferring an appeal against the order of the Calcutta High Court.

6. A first information report no. 629/19 dated November 1, 2019 was filed by Manoj R Kumar ("**Complainant**") at Hari Parvat Police Station, Agra under section 120B, 506 and 120B of IPC in Agra District of UP against our Company through Mr. Nirmal Jain and ARCIL through Mr. Vinayak Bahuguna ("**Accused**"). Complainant alleged that the Accused had misused the cheques given by him as security and filed complaint under Section 138 of the Negotiable Instruments Act against these cheques in Gurugram district court. The parties have mutually agreed to settle the dispute amicably and entered into a compromise by virtue of an order passed by the Hon'ble Civil Judge, Agra, Senior division. This matter has been settled and the police based on the compromise the police has filed the final report.

7. Manju Rajesh ("Complainant") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November, 30 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("Complaint"), against IIFL and its director Nirmal Jain under Section 190 of the Code for Criminal Procedure, 1973 levelling charges under Section 420 and 34 of the Indian Penal Code, 1860 alleging cheating due to non-returning gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing number 1 of 2018 has been filed Before the Hon'ble High Court of Kerala at Ernakulam under section 482 of the Cr.P.C, wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is matter is adjourned and the interim relief is extended until further orders.

8. A first information report (FIR) no. 0143 dated August 02, 2019 was filed by Vinay Jain (Complainant) before economic offences wing, Delhi against Nirmal Bhanwarlal Jain, Venkataraman Rajamani and other persons (Accused) under Sections 420,465,468,471,120B of the Indian Penal Code, 1860. The matter is under investigation.

9. A first information report (FIR) no. 999/2021 was filed by Shivbahadur Singh (Complainant) before Chakeri police station against Nirmal Jain and other persons (Accused) under Sections 420 and 406 of the Indian Penal Code, 1860. The matter is under investigation.

10. A Criminal Complaint bearing no. CS/62325/2019 was filed by Gold Circle Partner (GCP) owner Mr. Sanjay Langal against Thomas Cook (India) Ltd, its Directors and officials before the Chief Metropolitan Magistrate Court, Kolkata, alleging certain monetary benefits were deprived to Mr. Langal under the GCP Agreement. Thomas Cook (India) Ltd ("TCIL") has vehemently denied the allegations and have filed a Criminal Revision Petition before the Kolkata Sessions Court seeking setting aside the issuance of the said summons, discharge of TCIL and its Directors from the proceedings and in the interim grant stay of further proceedings. The Kolkata Sessions Court was pleased to grant stay of further proceedings in the said complaint. The Sessions Court vide its order dated 12th Dec 2022 had allowed the CRP No. 63 of 2020 and had further set aside the order dated 31.12.2019 for issuance of summons in the above said Criminal Complaint. The Criminal Revision Petition was disposed off with a direction to the 8th Metropolitan Magistrate Court, Kolkata, to hear the complainant afresh after adhering to all the statutory mandates enumerated in Chapter XV of Criminal Procedure Code.

11. A first information report (FIR) has been filed under section 106, 42, 445, 409 and 120(b) of the Indian Penal Code, 1860 read with section 7, 9 and 13 of the Prevention and Corruption Act by one Mr. Sunil Shinde, on behalf of Ultra Space Developers Pvt Limited, JVPD One Builder LLP Wadhawan Lifestyle Retail Private Limited Wadhawan Retail Private Limited And Wadhawan Holdings Private Limited And RKW Developers Private Limited (Complainant Companies), against IIFL Facilities Services Ltd, IIFL Finance and its directors at Chembur police station alleging that IIFL along with IIFL Facilities Services Ltd has illegally transferred and sold the properties mortgaged by the Complainant Companies as security cover for the loan. 3 (three) quashing petitions have been filed by IIFL entities and their directors before the Bombay High Court and are currently pending adjudication.

12. A FIR 541/2018 dated June 10, 2019 was registered upon the complaint of Mr. Sushil Jainarayan Karva at Pune Police Station under Sections 120B, 406, 420, 467, 468 and 471 of IPC against India Infoline Finance Ltd., Mr. Nirmal Jain, Mr. Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. ("**IIFL**") did not reduce the EMI amount despite the complainant had allegedly repaid a substantial loan amount and that without his permission a co-borrower and the IIFL settled the Arbitration proceedings for ₹ 70,000 and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given by him as security and filed false 138 complaints under Section 138 of the N.I Act before the Gurgaon court. The police filed the closure report treating the matter as civil in nature and the matter is pending before court for final order to close the complaint.

13. A Consumer Complaint having complaint number 168 of 2021 was filed against IIFL Home Finance Limited, R Venkatraman and Ors. by a home loan borrower, Manoj Singh, alleging he was forced to purchase certain insurance policies in order to avail a home loan facility. The matter is currently pending.

14. A Criminal complaint bearing number CS/51998/22, has been filed by Adarsh Tradlink Ltd (Complainant) against National Commodities Management Services Limited (NCML), its employees and directors before Chief Metropolitan Court, Kolkata. The said Complaint alleges withholding of security deposit of ₹ 34.80 lakhs and not providing the agreed warehouse space to the Complainant. The matter is pending in court.

15. A complaint under section 156 (3) of CrPC was filed by one said Sanjeev Kumar Singh ("**Complainant**") against IIFL, R Venkataraman, Nirmal Jain and Ors ("**Accused Persons**") for registration of an FIR under Section 403, 406, 420, 467, 468, 471,472,474 ,120(b) and 34 of IPC alleging that the Complainant was a successful bidder of 2 houses in an auction conducted by IIFL and thereafter applied for a loan but the loan amount disbursed to them was higher than EMI deducted for the same. Subsequently, the court ordered for registration of an FIR against the Accused Persons. The matter is currently under investigation.

5. Litigations involving group companies

Except as disclosed below there are no litigations involving our group companies:

(a) IIFL Securities Limited ("ISL") (Formerly India Infoline Limited)

(i) Civil Proceedings against ISL

1. An arbitration application dated August 25, 2015 was filed by Central Business Services Limited ("**CBSL**") along with Jain Industrial & Commercial Services Private Limited ("**JICSL**") (collectively, "**Claimants**") before a private arbitration tribunal ("**Tribunal**") against ISL. A consolidated statement of claim ("**Claims**") for an amount of ₹26 crore along with interest thereon was filed before the Tribunal. A statement of defense was filed by ISL along with preliminary objections on the maintainability of the claim filed by JICSL and on the clubbing of Claims filed by the Claimants. The Tribunal dismissed the preliminary objections filed by ISL. The Claimants filed a rejoinder and an affidavit of evidence. The pleadings in the matter are completed. The hearing of the matter concluded on March 26, 2018 and the claim is valued at approximately ₹26 crore. An award dated October 3, 2018 ("**Award**") was received partly in favour of ISL and partly in favour of CBSL. ISL is in the process of filing of an execution petition in respect of the net receivable of ₹32 lakhs and application for the return of the amount held in escrow. CBSL has filed an Arbitration Application u/s 34 of the Arbitration Act before the High Court, Kolkata challenging the Award. ISL is in the process of filing its reply. Central Business Services Ltd & Anr. filed an execution application before High Court Kolkata against ISL for executing an award for an amount of ₹ 3,48,35,299. ISL filed its reply to the execution application filed by CBSL. ISL filed an execution application before High Court of Kolkata against CBSL for recovery of award amount of ₹ 2,71,71,911. The matters are currently pending.

(ii) Civil proceedings by ISL

1. An application u/s section 9 of the Arbitration Act dated February 13, 2019 was filed by ISL before the High Court, Mumbai ("Court") against Harshad Thakkar, claiming an amount of ₹30,29,49,793 for defaulting in the payment of outstanding dues. The Court was pleased to allow the application and issued an interim order. The Court issued an order of injunction on the pledged shares and also attachment order on all the properties disclosed in income tax returns. The Court has directed issue of notice to the respondent and publication of notice. The matter is currently pending.

(iii) Criminal proceedings against ISL

1. A summons received by ISL on November 24, 2008 (“**Complaint**”) was filed by GHCL Employees Stock Option Trust (“**GHCL ESOP Trust**”) under the Indian Penal Code, 1860, before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi (“**Lower Court**”) against ISL. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ISL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ISL informed the GHCL ESOP Trust of its outstanding debit of ₹10.48 crore and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 10.48 crore had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹10.22 crore; and (b) alleged that ISL instead of refunding the difference amount of ₹25.2 lakhs asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ISL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. A summons order dated September 27, 2008 (“**summons order**”) was passed by the Lower Court, summoning ISL to face trial for the offences under the provisions of the Indian Penal Code, 1860. ISL filed a petition in the Delhi High Court (“**Petition**”) on March 22, 2009 challenging the Summons order. The Delhi High Court by its order dated December 14, 2009 quashed and set aside the Complaint and the summons order as against ISL. GHCL ESOP Trust filed an Appeal before the Supreme Court against the order of the Delhi High Court on March 11, 2010. By its order dated March 22, 2013, the Supreme Court confirmed the order of the Delhi High Court and held that no offence of cheating is made out against ISL and the matter is presently pending before the Lower Court against ISL.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against ISL under Sections 406, 420 and 464 of the Indian Penal Code, 1860, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the complaint, the Court, passed an order for issuance of process on July 25, 2011. ISL filed a Petition before the Allahabad High Court on April 7, 2014 (“**petition**”) for quashing the order of the Court. The petition was admitted and the Allahabad High Court vide its order dated April 22, 2014 stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

3. A first information report dated October 12, 2012 (“**FIR**”) was lodged by Mohinder Singh (“**Complainant**”) at the Moti Nagar Police Station, New Delhi against ISL under Sections 420 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading and cheating. A notice was received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the police.

4. A first information report bearing number 76/2015 (“**FIR**”) was lodged by Mohit Gujral (“**Complainant**”) at the Economic Offences Wing (“**EOW**”), New Delhi against ISL under Sections 405, 120B, 420 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading, cheating and criminal breach of trust. A notice was received from the EOW to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the EOW.

5. A first information report dated March 19, 2014 was lodged by Devender Mohan Singh Negi (“**Complainant**”) at the Moti Nagar Police Station, New Delhi, against ISL, under Sections 420, 468, 471, 406, 34 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided by ISL. No further communication received from the police.

6. A first information report dated May 20, 2014 (“**FIR**”) was lodged by Renu Jain (“**Complainant**”) at the Moti Nagar Police Station, New Delhi, against ISL under Sections 406, 420 and 468 of the Indian Penal Code, 1860 for unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police in respect of the FIR directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided. No further communication received from the police.

7. A Complaint received by ISL on December 9, 2012 was filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against IIFL, ISL, its directors Nirmal

Bhanwarlal Jain, Venkataraman Rajamani and others under Sections 406 and 120B of the Indian Penal Code, 1860, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. ISL filed a writ petition dated April 10, 2015 ("Petition") before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court dismissed the Revision and we are in the process of preferring an appeal. The matter is presently pending before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal.

8. A complaint dated November 23, 2011 was filed by Seema Bulsara ("**Complainant**") with the Economic Offence Wing ("**EOW**"), Mumbai, and the first information report was lodged against Mukti Laheri and 'unknown officials' of ISL, alleging unauthorized trading. A charge sheet was filed by the EOW, Mumbai before the 19th Court, Esplanade, Mumbai against Mukti Laheri and Manish Kumar, an ex-employee of ISL. Further, a supplementary charge sheet ("**Supplementary Charge Sheet**") was filed by EOW, Mumbai against ISL on April 17, 2015. A discharge application filed by ISL and the matter is presently pending before the 19th Court, Esplanade, Mumbai for hearing..

9. A criminal complaint dated May 25, 2013 was filed by Ravindra Kumar Thakur before Chief Judicial Magistrate, Bhagalpur, Bihar against ISL and others, alleging, inter alia, criminal breach of trust, cheating and forgery under sections 406, 417, 420, 467, 468 & 471 of Indian Penal Code, 1860. A summons dated May 04, 2019 was received by ISL on May 08, 2019. The matter is currently pending.

10. A complaint dated July 24, 2012 filed by Gustad Anklesaria before 71st MM Court, Bandra, Mumbai against India Infoline Limited and its directors & Ors. alleging, inter alia, criminal breach of trust, forgery & criminal conspiracy under sections 120B, 409, 465, 467, 471 & 474 of Indian Penal Code, 1860. The Court issued process against all Accused except India Infoline Limited. Mr. Nirmal Jain & Mr. R Venkataraman filed criminal revision before Sessions Court, Mumbai for challenging the order of issuance of process. The Sessions Court Mumbai vide its Order dated March 26, 2018, allowed the criminal revision and quashed & set aside issue process order passed by lower court against Mr. Nirmal Jain & Mr. R Venkataraman. Subsequently, an application has been filed by Gustad Anklesaria before 71st MM Court, Bandra, Mumbai for issuance of summons against India Infoline Limited. The Court allowed the application and issued summons against India Infoline Limited.

(iv) Criminal proceedings by ISL

1. A complaint dated March 7, 2008 was filed by ISL before the Metropolitan Magistrate's Court, Tis Hazari, Delhi, against Kuldeep Singh and Surender Kumar, Ex-employees, for theft and criminal conspiracy under sections 120A and 379 of Indian Penal Code, 1860. The matter is presently pending for hearing before the said court.

2. A complaint dated February 25, 2013 was filed by ISL before Chief Judicial Magistrate Court, Pune against Devdutt Musale a former employee of ISL, for, the offences of criminal breach of trust, cheating and forgery. The matter is presently pending for evidence.

3. A criminal revision dated December 22, 2016 was filed by ISL before the District and Sessions Court, Hisar, against Tarun Malhotra for restoration of the complaint filed by ISL for offence of, cheating, criminal breach of trust and also for offences punishable under the provisions of the Information Technology Act, 2000. The matter is presently pending for hearing.

4. A complaint dated November 2, 2007 was filed by ISL before the Metropolitan Magistrate Court, Ahmedabad against Ragvendra Singh (former employee), Harsh Dinesh Kaushik (former employee) for offences of, cheating and criminal breach of trust for carrying out unauthorized trading in a client account. The matter is presently pending for hearing before the said court.

5. A complaint was filed by ISL before Police Station PS Kotwali, Bharatpur, Rajasthan against Mukesh Kuntal ("**Accused**") for the offences of, cheating, forgery and theft. Thereafter, a first information report ("**FIR**") was registered against the Accused. The FIR is presently being investigated by the police.

6. A complaint was filed by ISL before Civil Line Police Station, Amritsar against Pankaj Ohri ("**Accused**") for the offences of, cheating, forgery and theft. Thereafter, a first information report ("**FIR**") was registered against the Accused. The FIR is presently being investigated by the police.

7. A complaint dated May 20, 2011 was filed by ISL before Gautam Buddha Nagar Police Station, Uttar Pradesh against Mohd. Tariq ("**Accused"**) for the offences of cheating and forgery of documents. Thereafter, a first information report ("**FIR**") was registered against the Accused. The FIR is presently being investigated by the police.

8. A complaint dated December 23, 2015 was filed by ISL before Kothrud Police Station, Pune against Ashpak Hamid Sayyad, Rakesh Natwarlal Solanki, Kalpesh Kantilal Waghela, Prabhat Bhura Patel, ex- employees of ISL ("**Accused"**) for the offence of cheating and forgery of documents. Thereafter, a first information report ("**FIR**") was registered against the Accused. The FIR is presently being investigated by the police.

9. A complaint dated February 24, 2022 was filed by ISL before Chief Judicial Magistrate Arrah Bihar for praying for directions to the police to lodge a complaint against Mrs. Shalini Jain ("**Accused"**) for the offences under section 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860. The matter is pending.

10. A FIR is lodged on April 5, 2022 by ISL before Birsa Nagar Police Station, Jamshedpur, Patna against Mr. Anand Rao ("**Accused"**) for the offences under section 420, 467, 468, 471 of the Indian Penal Code, 1860. The matter is pending

Cases filed by ISL under Section 138 of the Negotiable Instruments Act, 1881

1) ISL has filed 20 proceedings against defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques, in various courts. The aggregate of claim amounts filed by ISL are approximately ₹ 43.5 crore. The matters are pending before various courts at various stages of adjudication.

(v) Other material pending litigation involving ISL

1. A demand notice dated June 5, 2014 ("**Notice**") was received by ISL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012, in relation to the trades carried out by ISL's clients residing in the state of Rajasthan. ISL, through its reply dated June 21, 2014, stated that the stamp duty with respect to the trades was paid to the State of Maharashtra as the central office of ISL is located in Mumbai and contract notes were issued to the clients from the Mumbai office. Aggrieved by the notice, ISL filed a writ petition before Rajasthan High Court on in April 25, 2015, requesting it to quash the notice. The matter has not been listed and is presently pending before the Rajasthan High Court.

2. IIFL ("**Petitioner**") filed a writ petition numbered 1650 of 2012 ("**Writ**") dated January 27, 2012 before the High Court of Madhya Pradesh ("Jabalpur High Court") against the State of Madhya Pradesh ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the demand notice dated December 1, 2012 issued by the State of Madhya Pradesh seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts. The contention raised by the Petition is that unless there is a provision made under the relevant act, no demand for payment of stamp duty in such transaction can be made. The Madhya Pradesh High Court passed an order dated February 10, 2012 directing that no coercive steps be taken against the petitioner till further consideration of the interim prayer. The matter is currently pending.

(vi) Legal action taken by statutory or regulatory authorities against ISL:

1. A notice dated May 2, 2017 was received by ISL from SEBI, basis an inspection conducted by SEBI during the period between January 30, 2014 and February 3, 2014 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. ISL had applied for the inspection of documents, which were relied upon by SEBI, in relation to issuance of the enquiry notice. Upon the receiving such documents, ISL submitted reply to SEBI notice providing clarification with supporting documents and highlighting the corrective measures adopted and implemented including compliance with circulars issued by SEBI on enhanced risk based supervision. During the period

of three years beginning the date of conclusion of the onsite inspection, three supplementary reports were issued in this matter which has been suitably replied to. In the said matter, based on the recommendation of Enquiry officer, SEBI has issued a SCN providing an enquiry report. ISL has filed its reply. The matter is pending before WTM for hearing. SEBI has passed the Adjudication Order on May 20, 2022 imposing penalty on ISL. ISL preferred an appeal against the Order before SAT and the stay is granted in the said matter. The matter is pending before SAT.

2. A notice dated October 28, 2021 was received by ISL from SEBI, basis an inspection conducted by SEBI during March 2017 covering period from April01, 2015 to January 31, 2017. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. SEBI has passed the Adjudication Order on May 30, 2022 imposing penalty on ISL. ISL preferred an appeal against the Order before SAT and the stay is granted in the said matter. The matter is pending before SAT.

3. ISL received a SEBI Enquiry notice dated October 28, 2021 based on the inspection conducted during February 2014 (period from 2011 to 2014) and March 2017 (period from April 01, 2015 to January 31, 2017) in respect of segregation of clients' funds. Replies submitted by ISL, matter is currently pending with SEBI. In the said matter, based on the recommendation of Enquiry officer, SEBI has issued a SCN providing an enquiry report. ISL has filed its reply. In this matter hearing is concluded and the matter is reserved for an Order.

4. ISL received a SEBI Show cause notice dated June 16, 2022 alleging that, ISL being one of the 125 brokers mentioned therein failed to exercise care and diligence in the conduct of business while dealing with its clients and therefore not complying with Schedule II A (2) of the Code of Conduct for Stock Brokers read with regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992. ISL has filed the settlement application and payment is made to SEBI. The order is awaited in this matter.

5. A notice dated October 28, 2021 was received by ISL from SEBI, basis an inspection conducted by SEBI during March 2017 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. SEBI has passed the Adjudication Order on May 20, 2022 imposing penalty on ISL. ISL preferred an appeal against the Order before SAT and the stay is granted in the said matter. The matter is pending before SAT.

(b) India Infoline Employee Trust Limited

There are no outstanding litigations involving India Infoline Employee Trust Limited.

(c) Livlong Insurance Brokers Limited (formerly known as IIFL Insurance Brokers Limited) ("LIBL")

(i) Criminal proceedings against LIBL

1. A first information report bearing no. 25/2015 dated September 16, 2015 ("**FIR**") was lodged by Ravindra Nath Gangele at the Cyber and Hi-Tech Crime Police Station, Bhopal, against LIBL alleging mis-selling of insurance. IIIBL has replied to the notice and requisition received from the police in connection with the FIR and no further communication has been received.

(d) Livlong Protection & Wellness Solutions Limited (formerly known as IIFL Corporate Services Limited)

There are no outstanding litigations involving Livlong Protection & Wellness Solutions Limited.

(e) IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited) ("IFSL")

(i) Criminal proceedings filed by IFSL

Cases filed by IFSL under Section 138 of the Negotiable Instruments Act, 1881
IFSL has filed three proceedings against defaulting vendors under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheques in various courts. The aggregate of claim amounts filed by IFSL is approximately ₹75 lakhs. The matters are pending before the courts for adjudication. The complaints are dismissed. IFSL is in process of filing appeals challenging the orders.

(f) IIFL Management Services Limited ("IMSL")

(i) **Civil Proceeding by IMSL**

Company Application nos.171/2019 & 173/2019 dated April 9, 2019 was filed by IMSL before the High Court, Bombay ("**Court**") against Shree Urban Infrastructure Limited to seek leave of this Hon'ble Court under Section 446 of the Companies Act, 1956 to file proceedings against Shree Ram Urban Infrastructure Limited, before this Hon'ble Court thereby seeking specific performance of the Agreement for sale of the premises. The matter is currently pending.

(ii) **Criminal proceedings against IMSL**

A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against IMSL and its directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani, alleging, inter alia, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the Indian Penal Code, 1860. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, IMSL filed a revision application before the Sessions Court, Nagpur on April 04, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 6, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing. The Court vide its Order dated December 17, 2022 dismissed the complaint in default for want of prosecution.

(g) IIFL Asset Management Limited ("IIFLAMIL")

(i) **Civil Proceedings Against IIFLAMIL**

1. In the year 2015, certain IIFL Real Estate Funds subscribed to non convertible debentures ("NCDs") issued by Sutlej Housing Private Limited ("Sutlej") for an amount of ₹ 88 crore (approx.) against the security of mortgage of a land ("Mortgaged Property"). The Mortgaged Property was owned jointly by Sutlej and Nagindas Properties Private Limited ("NPPL") pursuant to certain conveyance deeds, development contract and certain other documents and agreements ("Contracts"). NPPL and certain other persons filed a suit in the Bombay High Court in October 2019 against Sutlej, promoters of Sutlej and connected persons/entities of Sutlej, and certain lenders of Sutlej including IIFLAMIL seeking restraint orders in respect of the Mortgaged Property. Consequent to admission of insolvency petition against Sutlej, NCLT directed the moratorium on all pending suits against Sutlej as such the suit filed by NPPL before the Bombay High Court has been placed in abeyance.

2. IIFL Cash Opportunities Fund had through its Investment Manager IIFL Asset Management Limited subscribed to certain Optionally Convertible Debentures ("**OCD**") issued by Marvel Sigma Homes Private Limited. The investment was secured, among other securities, by a property situated at Village Hadapsar, Taluka - Haveli, District – Pune. Shri Pramod Tukaram Magar ("**Plaintiff No. 1**") and 7 others ("the Plaintiffs") have claimed that they are the rightful owners of the concerned property and that Marvel Sigma Homes Private Limited ("Defendant No. 1"), the developer of the property, was not authorised to provide the said property as collateral for issuance of OCD by Marvel. Therefore, Plaintiffs have filed a Commercial Civil Suit before District and Sessions Court, Pune, against various parties including IIFL Cash Opportunities Fund and IIFLAMIL praying that the Debenture Trust Deed, pursuant to which the Debenture Subscription was made, be declared null and void. IIFL Cash Opportunities Fund and IIFL Asset Management Limited have also been made defendants although there is no claim made against IIFL Cash Opportunities Fund and IIFL Asset Management Limited. IIFLAMIL has filed Application for striking off name of IIFL entities from the proceeding. The matter is currently pending.

(ii) Legal action taken by statutory or regulatory authorities against IIFLAMIL

An investigation was launched by SEBI due to front-running alerts generated between December 2019 and August 2020 against Mr. Santosh Brijraj Singh, amongst other parties. Mr. Singh is an employee of IIFL Asset Management Limited. SEBI's investigation determined that Mr. Singh engaged in front-running by using non-public information to execute trades in various accounts in advance of the mutual funds and other large clients advised by IIFL Asset Management Limited in violation of SEBI regulations. Mr. Singh and other parties then withdrew monies from such personal accounts and profited off the front-running trades.

SEBI determined that as a result of the aforementioned violations, Mr. Singh is now barred from the financial services industry and his bank accounts have been frozen. Further sanctions may be issued by SEBI at its discretion. SEBI has passed a confirmatory order dated August 31, 2021 confirming its interim order dated October 1, 2020.

(h) 5 Paisa P2P Limited

There are no outstanding litigations involving 5 Paisa P2P Limited.

(i) 360 One WAM Limited (formerly known as IIFL Wealth Management Limited)

There are no outstanding litigations involving 360 One WAM Limited.

(j) IIFL Wealth Prime Limited (earlier known as IIFL Wealth Finance Limited)

IIFL Wealth Prime Limited ("IIFLWP") had sanctioned a loan of ₹ 23,00,00,000 to Fastgrowth Hospitality LLP and Others (FHL). Pursuant to the default, IIFLWP initiated a commercial suit before Bombay High Court against FHL and other for recovery of ₹ 24,39,28,178. The court in the above suit had ordered appointment of court receiver to take possession of the mortgaged properties. Meanwhile, IIFLWP assigned the above loan along with the underlying securities to ASREC India Limited (ASREC) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act. Pursuant to above assignment, a Contempt Petition was filed in Bombay High Court by Fastgrowth Hospitality LLP and Others and others against IIFLWP and ASREC India Limited and its directors (Respondents/Contemnors) on the grounds that the Contemnors have committed contempt of the court order appointing Court Receiver and have sought imposition of penalty of ₹2000 on each Contemnors and civil imprisonment for all directors of IIFLWP and ASREC India Limited and also sought direction to cancel the assignment agreement pending the disposal of the Contempt Petition. The petition has till date not come up for hearing.

(k) 5Paisa Capital Limited ("5Paisa")

Criminal Proceedings by 5Paisa

A criminal complaint having case number Cri.M.A/1717/2022 is filed by 5Paisa before the CJM Court against Mr. Shashank Shashikant Bhamble for debt recovery under section 138 of the Negotiable Instruments Act and the claim amount involved in INR 35,00,000. The matter is currently pending in court.

Legal action taken by statutory or regulatory authorities against 5Paisa

1. With respect to NSE regular inspection conducted in February 2019 for the period 2018-19, a penalty of ₹ 1,60,000 was levied on 5Paisa for the observations pertaining to non-settlement of client funds and securities, non-maintenance of register of securities in the prescribed format, co-mingling of collateral stocks and funded stocks made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa.

2. A penalty of ₹ 2,00,000 was levied on 5Paisa by NSE for non-upload of Client Funds & Securities Balances for the month of March 2019. The penalty in connection with the same has been paid by 5Paisa.

3. A penalty of ₹ 80,000 was levied on 5Paisa by BSE for delay in upload of holding statement for the month of December 2019. The penalty in connection with the same has been paid by 5Paisa.

4. A penalty of ₹ 50,000 was levied on 5Paisa by NSE for release of advertisement without seeking approval of the Exchange. The penalty in connection with the same has been paid by 5Paisa.

5. A penalty of ₹ 3,600 was levied on 5Paisa by NSE and BSE for delay in submission of Half Yearly Networth Certificate.

6. A penalty of ₹ 1,500 was levied on 5Paisa by NSE for delay in submission of Weekly Client Fund Monitoring.

7. A penalty of ₹ 11,000 was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2020.

8. A penalty of ₹ 17,500 was levied on 5Paisa by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

9. With respect to SEBI inspection conducted jointly with BSE, NSE, MCX and CDSL in June 2019 for the period April 01, 2018 to May 31, 2019, a penalty of ₹ 1,362,791 was levied on 5paisa Capital Limited for the observations pertaining to handling of client's funds and securities, Client Funding, Client Registration Process, Analysis of Enhanced Supervision Data made during the course of said inspection. The penalty in connection with the said observations has been paid by 5paisa Capital Limited.

10. A penalty of ₹ 5,000 was levied on 5Paisa by MCX for not assigning proper nomenclature for Bank Account details.

11. A penalty of ₹ 8,000 was levied on 5Paisa by NSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

12. A penalty of ₹ 6,000 was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

13. A penalty of ₹ 42,500 was levied on 5Paisa by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2021.

14. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

15. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

16. A penalty of ₹ 12,500 was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2021.

17. A penalty of ₹ 60,000 was levied on 5Paisa by NSE Non Tagging of Unique Identifier for Algorithmic orders.

18. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

19. A penalty of ₹ 30,000 was levied on 5Paisa by BSE towards unregistered client code.

20. A penalty of ₹ 2,20,000 (i.e., ₹ 10,000 per client) was levied on 5Paisa by MCX towards incorrect state city in UCC database of the exchange.

21. Penalty of ₹ 59,000 towards Non –compliance with Code of Advertisement was levied by BSE.

22. A Penalty of ₹ 1,02,000 levied by MCX for Adverse Observe MCX reported in Inspection conducted for the period 2020-2021

23. Penalties of ₹ 3,00,000 levied as per for offsite inspection by NSE

24. A Penalty of ₹ 50,000 towards Non-Compliance with Code Of Advertisement was levied by BSE.

25. A penalty of ₹ 8000 was levied on 5Paisa by BSE for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended March 2022

26. Penalty has been levied for delayed submission of daily MTF reporting by NSE of ₹ 5000

27. A penalty of ₹ 12,500 was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2022.

28. With respect to SEBI joint inspection conducted in July 2022 for the period April, 2021 June 2022, a penalty of ₹ 16,16,900 was levied on 5Paisa for the observations pertaining to Incorrect reporting of margin, Collection of inadequate margins from clients under, Non-maintenance of a separate register of securities for MTF , incorrect data submitted towards weekly monitoring of clients' funds, Incorrect data

submitted in the weekly client-level cash and cash equivalent balances, Incorrect data submitted towards RBS during the course of said inspection.

29. With respect to limited purpose inspections conducted by NSE penalty of ₹ 23.09 lakhs was levied for the violations observed

6. Litigations involving Key Managerial Personnel of the Company

Save and except the litigations against our Directors and KMPs disclosed in the section titled as "*Outstanding Litigations"* on page 250 of this Tranche II Prospectus, there are no litigations pending or taken against the KMPs of our Company.

7. Taxation

Details of tax proceedings against our Company and the group companies:

(i) Our Company

Please see below the table setting out details of tax proceeding against our Company-

(₹ in crore)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
IIFL Finance Limited (earlier known as "IIFL Holdings Limited)	9	5	65.941	81.960
India Infoline Finance Limited (now merged with IIFL Finance Limited)	5	3	23.297	0.89

a. Our Company (IIFL Finance Limited "earlier known as "**IIFL Holdings Limited**") has earned exempt income i.e. dividend during the period AY 2010-11 to AY 2020-21, being 8 different assessment years. The assessing officer has disallowed expenses in proportionate to the exempt income earned as per Section 14A of Income Tax Act by applying Rule 8D of Income Tax Rules. The total tax impact of such disallowance amounts to ₹ 48.93 crore. Our Company has filed the appeal against such disallowances made under Section 14A of the Income Tax Act and the matters are pending for disposal before various Income Tax Appellate Authorities. In AY 2021-22, the assessing officer has disallowed ESOP expense and deduction claimed u/s 80M, the tax impact of such disallowance is ₹ 17.00 crore. IIFL has filed an appeal against these disallowance.

b. In the similar line, India Infoline Finance Limited now (now merged with IIFL Finance Limited), has earned exempt income i.e. dividend during the period AY 2012-13 to AY 2018-19, being 6 different assessment years. The assessing officer has disallowed expenses in proportionate to the exempt income earned as per Section 14A of Income Tax Act by applying Rule 8D of Income Tax Rules. The total tax impact of such disallowance amounts to ₹ 20.046 crore Our Company has filed the appeal against such disallowances made under Section 14A of the Income Tax Act and the matters are pending for disposal before various Income Tax Appellate Authorities.

c. The Show Cause Notice. No. 1358/COMMR/2014-15 dated September 19, 2014 has been issued to the Company demanding Service Tax amounting to ₹ 17.79 crore plus interest & penalty totalling to ₹ 50.59 crore as on March 31, 2023 for the period July 1, 2012 to March 31, 2014 on the Brokerage Income earned from FII Clients considering the same as taxable income. However, the Company has treated such Brokerage Income as an exempt income while filling its service tax return. The Department has confirmed the said service tax demand on such FII Brokerage by issuing the Order No. 143-144/COMMR/(Dr. KNR)/CGST&CEX/MC/2018-19 dated January 10, 2019. The Company has litigated the said addition & has filed an appeal against the order of the Service Tax authorities before the CESTAT Mumbai. The matter is pending for disposal before CESTAT Mumbai.

d. The Show cause notice. F No. 06/COMMR/ST-III/2015-16 dated April 7, 2016 has been issued to the Company demanding Service Tax on the Exchange Transaction charges earned by the Company during period April 1, 2007 to May 13, 2008 amounting to ₹ 2.86 crore plus interest & penalty aggregating to ₹ 13.92 crore as at March 31, 2023 considering it as a taxable transaction and not as a pure agent service. The department has confirmed the said demand of Exchange Transaction Charges by issuing an order. The Company has litigated the said addition and filed an appeal against the Order of the Service Tax authorities before the CESTAT Mumbai. The matter is pending for disposal before CESTAT Mumbai.

e. The Show Cause Notice. C. No. V(H)Adj-I/ST/140/2012/2077 dated September 19, 2015 has been issued to the company by Sriganganagar, Rajasthan Jurisdiction demanding Service Tax on the Exchange Transaction charges earned by the Company during the period April 2007 to March 2012 April 1, 2007 to May 13, 2008 amounting to ₹ 0.05 crore plus interest & penalty aggregating to ₹ 0.24 crore as at March 31, 2023 considering it as a taxable transaction. The department has confirmed the said demand of Exchange Transaction Charges by issuing an Order. The Company has litigated the said addition and filed an appeal against the Order of the Service Tax authorities before the Commissioner Appeal, Rajasthan. The matter is pending for disposal.

f. The company has received order from Andhra Pradesh GST Authorities raising a demand of ₹ 0.44 crore plus Interest for the gap in the turnover reported in GSTR 1 vs. GSTR 3B during the period July 1, 2017 to March 31, 2019 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

g. The Show cause notice F. No. DGCEI/DZU/INV/B/India/545/2015/9295 dated November 29, 2016 has been issued to the Company demanding Service Tax amounting to of ₹ 4.51 crore plus Interest & Penalty totalling to ₹ 17.04 crore as at March 31, 2023 for the period July 2012 to March 2014 on Delayed Payment Charges (DPC) earned by the company considering the same as Taxable Income. However, the company has considered the same as Exempt Income in the form of Interest while filling its Service Tax Return. The department has confirmed the said Service Tax Demand on such Delayed Payment Charged by issuing Order no. 92/2018-ST Dated July 31, 2018. The Company has litigated the said addition and has filed an appeal against the order of the Service Tax authorities before the CESTAT Delhi. The matter is pending for disposal before CESTAT Mumbai.

(ii) Our group companies

Please see below the table setting out details of material tax proceeding against our group companies-

(₹ in crore)

Sr. No.	Entity	No. of Cases		Amount Involved	
		Direct Tax	**Indirect Tax**	**Direct Tax**	**Indirect Tax**
i.	IIFL Securities Limited	4	2	8.11	46.50
ii.	IIFL Management Services Limited	0	0	0	0
iii.	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	5	0	12.11	0
iv.	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	1	0	2.64	0
v.	India Infoline Employee Trust Limited	0	0	0	0
vi.	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0	0	0	0
vii.	IIFL Wealth Finance Limited	3	0	22.05	0
viii.	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	0	0	0	0
ix.	5paisa Capital Limited	0	0	0	0
x.	5paisa P2P Limited	0	0	0	0
xi.	IIFL Asset management	1	0	1.10	0
xii.	IIFL Wealth Portfolio Managers Limited	2	0	8.75	-

a. Our group company has earned exempt income i.e. dividend during the period AY 2014-15,AY 2016-17,AY 2017-18,AY 2018-19 and AY 2020-21. The assessing officer has disallowed expenses in proportionate to the exempt income earned as per Section 14A of Income Tax Act by applying Rule 8D of Income Tax Rules. The total tax impact of such disallowance amounts to ₹ 12.11 crores. Our Company has filed the appeal against such disallowances made under Section 14A of the Income Tax Act and the matters are pending for disposal before various Income Tax Appellate Authorities.

b. The Show cause notice. F No. 06/COMMR/ST-III/2015-16 dated April 7, 2016 has been received by the company demanding Service Tax on the Brokerage Income earned by the Company from FII Clients during period April 1, 2014 to September 30, 2014 amounting to ₹ 5.25 crore plus Interest & penalty totalling to ₹ 13.70 crore as at March 31, 2023. Further, the department issued Original No. 143-144/COMMR/(Dr.KNR)/CGST&CEX/MC/2018-19 dated January 10, 2019 confirming the Service Tax demand on FII Brokerage earned. The Company has filed an appeal against the order of the Service Tax authorities before the CESTAT Mumbai. The matter is pending for disposal before CESTAT Mumbai.

c. The Company has received a Show cause notice F. No. DGCEI/DZU/INV/B/India/545/2015/9295 dated November 29, 2016 was received for the period April 2014 to March 2016 towards Service Tax on delayed payment charges earned by the company demanding tax of ₹ 10.32 crore plus Interest & Penalty totalling to ₹ 32.79 crore as at March 31, 2023. Further, the department issued order no. 92/2018-ST Dated July 31, 2018 confirming the Service Tax demand on Delayed payment charges. The Company has filed an appeal against the order of the Service Tax authorities before the CESTAT Delhi. The matter is pending for disposal before CESTAT Delhi.

8. ***Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Tranche II Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action***

A notice dated December 2, 2020 was issued under Rule 4 of (Procedure for Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 was issued) against the Promoters & Promoter Group ("Promoters") to show cause against alleged violation of provisions of Regulation 3(1) read with Regulation 13(1) and 13(2)(a) of SAST Regulation. The Promoters responded with a reply dated December 19, 2020 contending that there was no such violation since Regulation 3(1) would be attracted if there is an entitlement to exercise voting rights of 25% or more and if the entitlement to exercise voting rights does not touch 25%, the charging provisions would not be attracted. Therefore, when an acquirer acquires, or even for that matter, "agrees to acquire", the underlying contractual obligation or the intention of the impending contract ought to be the acquisition of an entitlement to voting rights of 25% or more. In the instant case, there was no intention or agreement to acquire an entitlement to voting rights of 25% or more. A computational error led to the instruction to the broker for purchase of shares. No sooner than the error was discovered, it was ensured that the entitlement to exercise voting rights of 25% or more never came about, by timely selling of existing shares. Therefore, the entitlement to exercise voting rights in the hands of the promoter group never reached the threshold of 25% or more. It remained 24.99 % as was always the actual intent of the Promoters. At no point of time, either during a day or at the close of the register of beneficial ownership of shares on any day, did the Promoters ever cross the threshold of 25% and hence there was no question of Regulation 3(1) read with Regulation 13(1) and / or Regulation 13(2) being violated. Inspite of the above representation, an adjudication order dated March 28, 2022 was passed by SEBI against the Promoters imposing a penalty of ₹ 10,00,000. The Promoters vide its letter dated May 09, 2022 respectfully disagreed with the findings and imposition of the said penalty, however the Promoters paid the said penalty with a view to moving forward constructively and putting this matter behind.

9. ***Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Tranche II Prospectus against our Company and / or our Subsidiary Company (whether pending or not); fines imposed or compounding of offences done by our Company and/ or our Subsidiary in the last three years immediately preceding the year of this Tranche II Prospectus.***

Nil

10. ***Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.***

For details see "*Financial Information*" on page 192.

11. ***Details of acts of material frauds committed against our Company in the last three Fiscals, if any, and if so, the action was taken by our Company***

Details of fraud committed against our Company in the last three financial years and up to the date of this Tranche II Prospectus is set forth below:

(₹ in crore)

Sl. No.	Fiscal	Gross Amount	Modus Operandi	Recovery	Provisions	Action Taken by the Company
1	2020- 21	13.89	The frauds included pledging of spurious/ stolen gold by customers, missing packets of gold on account of misappropriation, criminal breach of trust by our branch staff and releasing of gold ornaments through stolen cash amount.	1.23	12.93	In all these cases, our Company has conducted detailed inquiry into the frauds and analysed the causes of such frauds. Based on the analysis, requisite corrective actions like strengthening of controls and internal processes have been taken wherever required. In case of involvement of the employees of our Company in a fraud, on a case-to-case basis, appropriate disciplinary action, including termination has been taken. Police complaints have been filed against such delinquents. Our Company also has a robust framework in place for prevention and timely detection of fraud which includes empanelment of external agencies and CA firms for cross/surprise audit, dual valuation of gold pre-disbursement, verification / declaration of ownership of gold, evaluating borrower profile, monitoring of collateral risks, understand end use of funds, surprise audits, mystery shopping, analytics based fraud triggers, continuous training to branch staffs, utmost care by valuers while appraising of heavyweight and unused ornaments, sending of alert across branches along with image of spurious ornaments to be vigilant during appraising of gold etc. We continue to further enhance our systems and processes and take proactive actions to deter frauds and offences.
2	2021-22	11.88		1.39	10.49	
3	2022-23	4.24		0.27	3.97	
4	April 2023 to May 15, 2023	0.29		0.01	0.28	

12. ***Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Tranche II Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks***

There are no reservations, qualifications or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Tranche II Prospectus. For emphasis of matter, please see "*Risk Factors – Internal Risks – Our statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results.*" on page 24 of this Tranche II Prospectus.

13. ***Summary of other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Tranche II Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said observation***

Nil

14. ***Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/group companies in the last five financial years, including outstanding action***

Except as disclosed in the section titled "*Outstanding Litigation- Material litigation or legal or regulatory actions involving our Promoter*" on page 256, there are no disciplinary action taken by SEBI or Stock Exchanges against the Promoters/group companies in the last five financial years, including outstanding action.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

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

Authority for the Issue

At the meeting of the Board of Directors of our Company held on June 23, 2022, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 (Indian Rupees One Thousand only), aggregating up to ₹5,000 crore (Indian Rupees Five Thousand crore only) ("**Shelf Limit**") to the public, hereinafter called the "**Issue**".

Further, the present borrowing is within the borrowing limits of ₹35,000 crore under section 180(1)(c) of the Companies Act, 2013 duly approved by the members of the Company vide their resolution passed at the Annual General Meeting held on September 30, 2019.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company, our Promoter and/or Promoter Group have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoters have not been categorised as a wilful defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities, for a period of more than six months.

None of our Promoters is a promoter and/or whole time director of any other company which is a wilful defaulter.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a fugitive economic offender.

Other confirmations

Our Company is eligible to file this Tranche II Prospectus under the Shelf Prospectus in terms of Regulation 41 of the SEBI NCS Regulations which is as follows:

i. Our Company has a net worth of at least 500 crores, as per the audited balance sheet of the preceding financial year;
ii. Our Company has consistent track record of operating profits for the last three years;
iii. Securities to be issued under the offer document have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with SEBI;
iv. No regulatory action is pending against the issuer or its promoters or directors before SEBI or the Reserve Bank of India; and
v. The Company, as on date of this Tranche II Prospectus, has not defaulted in:
    a) the repayment of deposits or interest payable thereon; or
    b) redemption of preference shares; or
    c) redemption of debt securities and interest payable thereon; or
    d) payment of dividend to any shareholder; or
    e) repayment of any term loan or interest payable thereon

    in the last three financial years and the current financial year.

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

None of our Directors or our Promoters was a promoter or a director of any other company which was debarred from accessing the securities market or dealing in securities by SEBI.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Tranche II Prospectus.

Further, no regulatory action before SEBI or RBI is currently pending against the Company, its Promoters, and the Directors.

The Company, as on date of this Tranche II Prospectus, has not defaulted in the last three financial years and the current financial year in:

1. the repayment of deposits or interest payable thereon; or
2. redemption of preference shares; or
3. redemption of debt securities and interest payable thereon; or
4. payment of dividend to any shareholder; or
5. repayment of any term loan or interest payable thereon.

Disclaimer statements

None among our Company or the Lead Managers or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application 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.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE TRANCHE II PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE TRANCHE II PROSPECTUS. THE LEAD MANAGERS, EDELWEISS FINANCIAL SERVICES LIMITED, IIFL SECURITIES LIMITED*, EQUIRUS CAPITAL PRIVATE LIMITED, AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE TRANCHE II PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE TRANCHE II PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, EDELWEISS FINANCIAL SERVICES LIMITED, IIFL SECURITIES LIMITED*, EQUIRUS CAPITAL PRIVATE LIMITED AND TRUST

INVESTMENT ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE JUNE 2, 2023 WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**
3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**
4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**
5. **WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED AUGUST 5, 2022 FILED WITH THE STOCK EXCHANGES. NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.**

** IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, APPROVAL DATED AUGUST 17, 2022, 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 ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS "NSE"). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/D/2022/0105 DATED AUGUST 17, 2022 AND RENEWED LETTER NO. NSE/LIST/D/2022/0168 DATED NOVEMBER 21, 2022 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THE ISSUER'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 THE 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 THE 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 RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 06, 2020 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS TRANCHE II PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT.

HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer Clause of CRISIL

Following is the disclaimer clause of CRISIL in relation to the Industry Report:

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. IIFL FINANCE LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-

COMPLAINCES 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.

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Disclaimer statement from the Issuer

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Disclaimer statement from the Lead Managers

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS TRANCHE II PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

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THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Undertaking by the Issuer

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 19 OF THIS TRANCHE II PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS TRANCHE II PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS TRANCHE II PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS TRANCHE II PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS TRANCHE II PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES WHERE THE NCDs ARE PROPOSED TO BE LISTED.

THE COMPANY UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

OUR COMPANY DECLARES THAT NOTHING IN THIS TRANCHE II PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
IIFL Securities Limited	www.iiflcap.com
Equirus Capital Private Limited	www.equirus.com
Trust Investment Advisors Private Limited	www.trustgroup.in

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE and NSE. An application will be made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Tranche II Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Counsel to the Issue; (g) CRISIL; (h) ICRA, (i) CRISIL in relation to industry reports (j) HDFC Bank Limited as Banker to the Company and (k) the Debenture Trustee to include their names in this Tranche II Prospectus and from the (a) Public Issue Account Bank; (b) Refund Bank; (c) Sponsor Bank and (e) Consortium Members, in their respective capacities and the same will be filed along with a copy of the Tranche II Prospectus with the ROC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Tranche II Prospectus with the Stock Exchange. Our Company has received consents from the debenture trustees and security trustee for ceding *pari passu* charge and/or creation of charge in relation to the NCDs.

Our Company has received written consent dated June 2, 2023 from the joint Statutory Auditors namely, M/s. V Sankar Aiyar & Co., Chartered Accountants and M/s. Chhajed & Doshi, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI NCS Regulations in this Tranche II Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as current joint Statutory Auditors and in respect of their (i) examination report dated May 30, 2023 on our Reformatted Standalone Financial Statements; (ii) examination report dated May 30, 2023 on our Reformatted Consolidated Financial Statements; and (iii) statement of tax benefits dated June 1, 2023 and such consent has not been withdrawn as on the date of this Tranche II Prospectus.

Expert Opinion

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

Our Company has received written consent dated June 2, 2023 from the joint Statutory Auditors namely, M/s. V Sankar Aiyar & Co., Chartered Accountants and M/s. Chhajed & Doshi, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI NCS Regulations in this Tranche II Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as current joint Statutory Auditors and in respect of their (i) examination report dated May 30, 2023 on our Reformatted Standalone Financial Statements; (ii) examination report dated May 30, 2023 on our Reformatted Consolidated Financial Statements; and (iii) statement of tax benefits dated June 1, 2023 and such consent has not been withdrawn as on the date of this Tranche II Prospectus.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and have not withdrawn such consent before the filing of this Tranche II Prospectus with the Stock Exchanges and SEBI.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Operational Circular.

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus was filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the website of the Company and the Lead Manager.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus was filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Further, this Tranche II Prospectus will be filed with the Designated Stock Exchange and the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013 for dissemination on its website(s) prior to the opening of the Issue.

Debenture Redemption Reserve ("DRR")

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, listed NBFC/to be listed NBFCs is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by the DT Operational Circular and Regulation 11 of SEBI NCS Regulations with the NSE and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Settlement Guarantee Fund

Our Company shall be creating a settlement guarantee fund in the manner as specified in the circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, issued by SEBI. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue related expenses

The expenses of the Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Tranche II Issue shall be as specified in this Tranche II Prospectus.

Reservation

No portion of this Issue has been reserved.

Underwriting

This Issue will not be underwritten.

Utilisation of Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act, 2013;

(ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled *"Terms of the Issue"* on page 300 of this Tranche II Prospectus and after (a) permissions or consents for creation of *pari passu* charge have been obtained from the creditors who have *pari passu* charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of Secured NCDs and (e) receipt of listing and trading approval from BSE and NSE;

(v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property; and

(vi) the Issue proceeds shall not be utilized for providing loans to or acquisition of shares of any entity who is part of the Promoter Group or group companies;

(vii) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Tranche II Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Utilisation Details of Previous Issues

Our Company, Subsidiaries, group companies have issued non-convertible debentures by way of various private placements, for which, our Company, Subsidiaries and group companies have utilised the proceeds from such issuances in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, among others, its various financing activities, to repay its existing loans and for its business operations and for general corporate purposes in accordance with the object clause of the Memorandum of Association of our Company, Subsidiaries and group companies respectively.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

Public issue of Equity Shares by our Company in the last three years

Our Company has not undertaken any equity public issue in the last three years prior to the date of this Tranche II Prospectus:

Public issue of Debentures by our Company in the last three years

Our Company has undertaken the following debt public issues prior to the date of this Tranche II Prospectus:

Previous Public Issues of Non-Convertible Debenture

Particulars	**Public Issue – Tranche I Issue**
Date of Opening	March 3, 2021
Date of Closing	March 18, 2021
Total Allotment Size	₹670.86 crore
Date of Allotment	March 24, 2021
Date of Listing	March 24, 2021 (BSE & NSE)

Utilisation of Proceeds	For the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings) and general corporate purposes

Particulars	**Public Issue – Tranche II Issue**
Date of Opening	September 27, 2021
Date of Closing	October 08, 2021
Total Allotment Size	₹842.99 crore
Date of Allotment	October 14, 2021
Date of Listing	October 14, 2021 (BSE & NSE)
Utilisation of Proceeds	For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purposes

Particulars	**Public Issue – Tranche I Issue**
Date of Opening	January 06, 2023
Date of Closing	January 18, 2023
Total Allotment Size	₹ 472.11 crore
Date of Allotment	January 24, 2023
Date of Listing	January 24, 2023 (BSE & NSE)
Utilisation of Proceeds	For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purposes

Rights Issue:

Our Company has not undertaken any rights issue of equity shares in the last 3 (three) years.

Utilisation of issue proceeds of previous issues

The proceeds from the previous issuance of non-convertible debentures by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents under which such securities were issued which include, inter alia, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company.

Public Issue (to the public) by our Subsidiaries in the last three years from this Tranche II Prospectus

Our Subsidiaries have undertaken the following public issues in the last three years from the date of this Tranche II Prospectus:

IIFL Home Finance Limited

Particulars	Public Issue – Tranche I Issue
Date of Opening	July 6, 2021
Date of Closing	July 28, 2021
Total Allotment Size	₹ 655.82 crore
Date of Allotment	August 3, 2021
Date of Refunds	August 3, 2021
Date of Listing	August 4, 2021
Utilisation of Proceeds	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of IIFL Home Finance Limited and General Corporate Purposes (Maximum of up to 25%)

Particulars	Public Issue – Tranche II Issue
Date of Opening	December 08, 2021
Date of Closing	December 28, 2021
Total Allotment Size	₹ 404.39 crore
Date of Allotment	January 3, 2022

Date of Refunds	January 3, 2022
Date of Listing	January 4, 2022
Utilisation of Proceeds	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of IIFL Home Finance Limited and General Corporate Purposes.

Public Issue / Rights issue (to the public) our group companies in the last 3 (three) years from the Tranche II Prospectus*:*
Our group companies have not undertaken the public issues of debentures in the last 3 (three) years from the date of this Tranche II Prospectus.

Our group companies have not undertaken any right issues in the last 3 (three) years from the date of this Tranche II
Buyback:
IIFL Securities Limited, a group company, vide its Public Announcement dated December 24, 2020, announced the Buyback of its fully paid-up equity shares of face value of ₹ 2 (Rupee Two) each (Equity Shares), from the members of the Company (except promoters, promoter group and persons in control of the Company) from the open market route through stock exchange mechanism at a price not exceeding ₹ 54 (Rupees Fifty Four Only) per Equity Share ('Maximum Buyback Price'), and aggregate amount up to ₹ 90,00,00,000 (Rupees Ninety Crore only) ('Maximum Buyback Size').
The Buyback commenced on December 30, 2020 and was closed with effect from February 15, 2021. The Company bought back a total of 1,70,00,394 Equity Shares under the Buyback and the total amount spent was approximately ₹ 86,68,19,665.00 (excluding transaction costs), representing 96.31% of the Maximum Buyback Size.
Other than as disclosed above, there are no other buybacks by our group companies during the last 3 (three) years from the date of the Tranche II Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2023, our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see chapter titled "*Financial Indebtedness*" and "*Material Developments*" on page 194 and 193 respectively, of this Tranche II Prospectus..

Our Company has not issued any preference shares as on March 31, 2023.

Further, save and except as mentioned in this Tranche II Prospectus, the Company has not issued any other outstanding debentures or bonds.

Dividend

As on March 31, 2023, our Company has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI Listing Regulations approved by the Board of Directors of the Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Dividend paid to the equity shareholders of our Company over the last three years ended March 31, 2023, 2022 and 2021 on a standalone basis is as follows:

Particulars		**For the year ended**		
		March 31, 2023	**March 31, 2022**	**March 31, 2021**
Equity Share Capital (₹ in crore)		76.09	75.92	75.77
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00
Interim Dividend on Equity Shares (₹) per Equity Share)	(b)	4.00	3.50	3.00
Total interim dividend on Equity Shares (₹in crore)		152.09	132.82	113.54
Dividend Declared Rate (In %)	(c=b/a)	200.00%	175.00%	150.00%
Dividend tax (gross) on interim dividend (₹ in crore)		-	-	-

Dividend paid to the equity shareholders of our Company over the last three years ended March 31, 2023, 2022 and 2021 on a consolidated basis is as follows:

Particulars		For the year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Equity Shares				
Equity Share Capital (₹ in crore)		76.09	75.92	75.77
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00
Interim Dividend on Equity Shares (₹) per Equity Share)	(b)	4.00	3.50	3.00
Total interim dividend on Equity Shares (₹ in crore)		152.09	132.82	113.54
Dividend Declared Rate (In %)	(c=b/a)	200.00%	175.00%	150.00%
Dividend tax (gross) on Interim Dividend (₹ in crore)		-	-	-

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

Details regarding lending out of issue proceeds of Previous Issues

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business - Details of each product, originations, operations, underwriting policies and risk management are given below*" at page 128 of this Tranche II Prospectus.

A. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous issues of debentures.

B. Type of loans

Classification of loans/advances

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in crore)

Sr. No.	Type of Loans	Amount
1.	Secured	23,086.14
2.	Unsecured	2,487.32
Total assets under management (AUM)		**25,573.46**

C. Denomination of loans outstanding by LTV as on March 31, 2023*

Sr. No.	LTV	Percentage of AUM
1.	Up to 40%	4.06%
2.	40% - 50%	2.12%
3.	50% - 60%	10.24%
4.	60% - 70%	39.55%
5.	70% - 80%	43.96%
6.	80% - 90%	0.05%
7.	More than 90%	0.02%
	Total	**100.00%**

**LTV at the time of origination*

D. Sectoral Exposure as on March 31, 2023

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	0.00%
(b)	Gold Loans	81.07%
(c)	Vehicle Finance	NA
(d)	MFI	NA
(e)	MSME	9.82%
(f)	Capital market funding (loans against shares, margin funding)	1.73%
(g)	Others	NA
2.	**Wholesale**	
(a)	Infrastructure	NA
(b)	Real Estate (including builder loans)	7.38%
(c)	Promoter funding	NA
(d)	Any other sector (as applicable)	NA
(e)	Others	NA
	Total	**100.00%**

E. Denomination of the loans outstanding by ticket size as on March 31, 2023*

Sr. No.	Ticket size** (₹)	Percentage of AUM
1.	Upto ₹ 0.2 crore	50.46%
2.	₹ 0. 2 crore to ₹ 0. 5 crore	19.86%
3.	₹ 0. 5 crore to ₹ 1 crore	16.61%
4.	₹ 1 crore to ₹ 2.5 crore	3.26%
5.	₹ 2.5 crore to ₹ 5 crore	0.34%
6.	₹ 5 crore to ₹ 10 crore	0.11%
7.	₹ 10 crore to ₹ 50 crore	0.46%
8.	₹ 50 crore to ₹ 250 crore	1.58%
9.	₹ 250 crore to ₹ 1000 crore	2.78%
10.	Above ₹ 1000 crore	4.54%
	Total	**100%**

** Ticket size at the time of origination*
***The details provided are as per borrower and not as per loan account.*

F. *Geographical classification of the borrowers as on March 31, 2023*

Top 5 borrowers state wise

Sr. No.	Top 5 states	Percentage of AUM
1.	Gujarat	17.43%
2.	Maharashtra	17.42%
3.	West Bengal	7.30%
4.	Karnataka	6.99%
5.	Delhi	6.70%
	Others	44.16%
	Total	**100.00%**

G. *Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2023*

(₹ in crore)

Movement of gross NPA	Amount
Opening gross NPA*	406.21
- Additions during the year	178.25
- Reductions during the year	(381.96)
Closing balance of gross NPA*	202.49
** Includes Interest of ₹ 21.17 crore (P.Y ₹ 39.76 crore)*	
Movement of net NPA	
Opening net NPA	206.30
- Additions during the year	82.61
- Reductions during the year	(199.22)
Closing balance of net NPA	89.69
Movement of provisions for NPA	
Opening balance**	199.91
- Provisions made during the year	95.64
- Write-off / write-back of excess provisions	(182.74)
Closing balance**	112.81
*** Includes Interest of ₹ 21.17 crore (P.Y ₹ 39.76 crore)*	

Note: The above has been computed basis EAD for credit impaired advances.

H. *Segment-wise gross NPA as on March 31, 2023*

No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	NA
(b)	Gold Loans	0.80%
(c)	Vehicle Finance	NA
(d)	MFI	NA
(e)	MSME	3.63%
(f)	Capital market funding (loans against shares, margin funding)	0.00%
(g)	Others	NA
2.	**Wholesale**	
(a)	Infrastructure	NA
(b)	Real Estate (including builder loans)	0.55%
(c)	Promoter funding	NA
(d)	Any other sector (as applicable)	NA
(e)	Others	NA
Gross NPA		**1.29%**

** Gross NPA means percentage of NPAs to total advances in that sector*

I. *Residual Maturity Profile of Assets and Liabilities as on March 31, 2023*

(₹ in crore)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,761.23	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	77.02	85.10	110.77	24.23	638.21	0.28	-	-	935.61
Investments	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign currency borrowings)	2,836.81	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

** Net of ECL Provision of ₹505.20 crore*

J. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023

(₹ in crore)

Particulars	Amount
Total advances to twenty largest borrowers	2,077.63
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	14.79%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2023

(₹ in crore)

Particulars	Amount
Total exposure to twenty largest borrowers	2,185.30
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	15.41%

K. Classification of loans/advances given to group companies as on March 31, 2023:

Nil

L. ALM Statement filed with the Stock Exchange

Please see Annexure D to this Tranche II Prospectus.

M. Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability

For details see "*Financial Information*" on page 192 of this Tranche II Prospectus.

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated July 28, 2022 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer of the Company giving full details of the Applicant (including the DP ID, Client ID and PAN), number of NCDs applied for, amount paid on application series or option applied for and Member of the Syndicate or Trading Member or SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel.: +91 810 811 4949;
Fax: + 91 22 4918 6195;
Email: iifl.ncd2022@linkintime.co.in;
Investor Grievance Email: iifl.ncd2022@linkintime.co.in;
Website: www.linkintime.co.in;
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B.N. Ramakrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within 3 (three) days of receipt of the complaint during the currency of the Registrar Agreement and continue to do so during the period it is required to maintain records under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended and the Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed 7 (seven) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to the Company. Similar status reports should also be provided to the Company as and when required by the Company. The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

Sneha Patwardhan
802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai – 400069
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@iifl.com

Details of Joint Statutory Auditors of the Issuer:

Name of Auditor	Address	Auditor Since
M/s. V. Sankar Aiyar & Co	2-C, Court Chambers, 35, New Marine Lines, Mumbai – 400020	June 30, 2020*
M/s. Chhajed & Doshi	101, Hubtown Solaris, Near East-west Flyover, N.S. Phadke Marg, Andheri, Mumbai-400069	September 30, 2021**

**The Board of Directors at their meeting held on June 07, 2020 appointed M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration Number: 109208W) as the Statutory Auditor of the Company and further approved by the shareholders in the Annual General Meeting of the Company held on June 30, 2020.*

***The Board of Directors at their meeting held on July 27, 2021 appointed M/s. Chhajed & Doshi, Chartered Accountants (ICAI Registration No. 101794W) as the Joint Statutory Auditor of the Company and further approved by the shareholders in the Extra Ordinary General Meeting of the Company held on September 30, 2021.*

Change in Auditors of our Company during the last three years

Name	Address	Date of appointment	Date of resignation	Remarks
M/s. Chhajed & Doshi (Firm Registration No. 101794W)	101, Hubtown Solaris, Near East-west Flyover, N.S. Phadke Marg, Andheri, Mumbai 400 069	September 30, 2021	-	Appointed as Joint Statutory Auditor pursuant to RBI Circular.
M/s. V Sankar Aiyar & Co., Chartered Accountants (Firm's Registration No. 109208W)	2-C, Court Chambers, 35, New Marine Lines, Mumbai 400 020	June 30, 2020	-	Appointment post resignation of earlier auditor
Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013	July 22, 2017	June 7, 2020	Resignation on account of the auditor fee not being commensurate with the efforts involved for conducting the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and the changes in the reporting requirements.

Debenture Trustee Disclosures

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Fees charged by Debenture Trustee

Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter dated June 27, 2022.

Terms of carrying out due diligence

As per the DT Operational Circular, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the

Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify the Company such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws.

The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of due diligence to be carried out by the Debenture Trustee will be carried out as per SEBI NCS Regulations, SEBI Operational Circular and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.

- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.

- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.

- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.

- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Tranche II Prospectus and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the DT Operational Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

VARDHMAN TRUSTEESHIP PRIVATE LIMITED HAVE FURNISHED TO SEBI AND STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED JUNE 2, 2023, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR AND SCHEDULE IV OF SEBI NCS REGULATIONS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, WE CONFIRM THAT:**

   a. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.

   b. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

   c. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

   d. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.

   e. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT

   f. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

   g. ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

   WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

   Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A to the DT Circular and Schedule IV of SEBI NCS Regulations.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Tranche II Issue Opening Date of this Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Tranche II Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 19 of this Tranche II Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals immediately preceding this Tranche II Prospectus.

Trading

The Equity shares of our Company are listed on recognised stock exchanges i.e. NSE and BSE and the debt securities issued to public by our Company, which are listed on BSE and NSE and debt securities issued on private placement basis are listed on NSE and/or BSE and are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuations in prices or volumes of such listed debt securities.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Issuer	IIFL Finance Limited
Type of instrument/ Name of the security	Secured Redeemable NCDs
Seniority	Senior
Nature of Indebtedness and Ranking	Secured Redeemable NCDs
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited* and Equirus Capital Private Limited Trust Investment Advisors Limited **IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*
Debenture Trustee	Vardhman Trusteeship Private Limited
Depositories	NSDL and CDSL
Registrar	Link Intime India Private Limited
Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount aggregating up to ₹ 5,000 crore ("**Shelf Limit")**.
Eligible investors	See "*Issue Procedure – Who can apply?*" on page 316 of this Tranche II Prospectus.
Objects of the Issue	See the chapter titled "*Objects of Tranche II Issue*" on page 76 of this Tranche II Prospectus.
Details of utilization of the proceeds	See the chapter titled "*Objects of Tranche II Issue*" on page 76 of this Tranche II Prospectus.
Interest rate	See "*Terms of the Issue - Interest and Payment of Interest*" on page 307 of this Tranche II Prospectus
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Shelf Prospectus and this Tranche II Prospectus	The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first pari-passu charge in favour of the Debenture Trustee on the present and future receivables, book debts, loan and advances and current assets of our company, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables, present and/or future, specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Further, please refer to the section titled- "*Issue related Information*" in this Tranche II Prospectus and the Debenture Trust Deed to be executed for this Tranche II Issue. The Company shall pay interest of atleast 2% p.a. to the NCD holders, over and above the coupon rate mentioned in the Tranche II Prospectus, if the Company fails to execute the Debenture Trust Deed within the stipulated regulatory timeframe.
Step up/ Step down interest rates	NA
Interest type	Fixed
Interest reset process	NA
Issuance mode of the instrument	In dematerialised form only

Frequency of interest payment	See "*Terms of the Issue - Interest and Payment of Interest*" on page 307 of this Tranche II Prospectus
Interest payment date	See "*Terms of the Issue - Interest and Payment of Interest*" on page 307 of this Tranche II Prospectus
Day count basis	Actual/ Actual
Interest on application money	NA
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds / unblocking, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	See "*Terms of the Issue - Interest and Payment of Interest*" on page 307 of this Tranche II Prospectus.
Redemption Date	See "*Issue Structure - Specific terms for NCDs*" beginning on page 298 of this Tranche II Prospectus.
Redemption Amount	See "*Issue Structure - Specific terms for NCDs*" beginning on page 298 of this Tranche II Prospectus.
Redemption premium/ discount	See "*Issue Structure - Specific terms for NCDs*" beginning on page 298 of this Tranche II Prospectus.
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put option date	NA
Put option price	NA
Call option date	NA
Call option price	NA
Put notification time	NA
Call notification time	NA
Face value	₹ 1,000 per NCD
Minimum Application size and in multiples of NCD thereafter	₹10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter
Market Lot/ Trading Lot	One NCD
Pay in date	Application Date. The entire Application Amount is payable on Application
Credit ratings	The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹5,000 crore by CRISIL Limited ("CRISIL") vide their rating letter dated June 28, 2022 revalidated vide letter dated July 29, 2022, further revalidated vide letter dated September 13, 2022 further revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 26, 2022 and further revalidated vide letter dated May 24, 2023, and [ICRA] AA (stable) (pronounced as ICRA Double A (stable)) for an amount of ₹ 5,000 crore by ICRA Limited ("**ICRA**") vide their rating letter dated August 2, 2022, revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 23, 2022 and further revalidated vide letter dated May 24, 2023. The rating given by CRISIL and ICRA are valid as on the date of this Tranche II Prospectus and shall remain valid until the ratings are revised or withdrawn. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to Annexures A and B of this Tranche II Prospectus for the rationale and press release of the above ratings.

Listing	The NCDs are proposed to be listed on BSE & NSE. NSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 6 (six) Working Days from the date of Tranche II Issue Closing Date.
Modes of payment	See "*Issue Structure – Terms of Payment*" on page 298 of this Tranche II Prospectus.
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Tranche II Issue opening date	June 9, 2023
Tranche II Issue closing date**	June 22, 2023
Settlement mode of instrument	In dematerialised form only
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors and/or Finance Committee as constituted by the Board of Directors, from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The Company shall comply with the representations and warranties, general covenants, negative covenants, reporting covenants and financial covenants as more specifically set out in the Debenture Trust Deed and as specified in this Tranche II Prospectus. Any covenants later added shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.
Issue Documents/ Offer Documents/ Transaction Documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Tranche II Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement (as amended), the Public Issue Account and Sponsor Bank Agreement and the Consortium Agreement. For further details see the chapter titled "*Material Contracts and Documents for Inspection*" on page 354 of this Tranche II Prospectus.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement. See "*General Information - Utilisation of Issue Proceeds*" on page 55 of this Tranche II Prospectus.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions subsequent to disbursement. See "*General Information - Utilisation of Issue Proceeds*" on page 55 of this Tranche II Prospectus.
Events of default / cross default (including manner of voting/conditions of joining Inter Creditor Agreement)	See "*Terms of the Issue – Events of Default*" on page 301 of this Tranche II Prospectus.
Creation of recovery expense fund	Our Company has deposited, in the manner specified by SEBI from time to time, the amount in the recovery expense fund and inform the Debenture Trustee regarding the deposit in such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	The Debenture Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the

	Debenture Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof.
Deemed date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the Tranche II Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See "*Other Regulatory and Statutory Disclosures - Debenture Trustee Disclosures*" on page 291 of this Tranche II Prospectus.
Risk factors pertaining to the Issue	Please see section *titled "Risk Factors"* on page 19 of this Tranche II Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working Day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

The Company will make public issue of NCDs in the dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

Please refer to Annexure E for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed to the Stock Exchanges.

*** Applications Forms for this Tranche II Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Tranche II Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) by the Designated Intermediaries at the Bidding Centers, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected.*
Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche II Issue. Application Forms will only be accepted on Working Days during the Tranche

II Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under this Tranche II Issue will be on a date priority basis except on the day of oversubscription and thereafter, where the Allotment will be proportionate in accordance with SEBI Operational Circular.

Specific terms for NCDs

Series	I	II	III*	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	₹ 10,000 (10 NCDs) across all Series						
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)						
Tenor	24 months	24 months	36 months	36 months	60 months	60 months	60 months
Nature of indebtedness	Secured	Secured	Secured	Secured	Secured	Secured	Secured
Coupon (per annum)	8.35%	-	8.50%	-	8.65%	9.00%	-
Effective Yield (per annum)	8.34%	8.35%	8.49%	8.50%	8.99%	8.99%	9.00%
Mode of Interest Payment	Through various mode available						
Face Value (₹ / NCD)	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00
Redemption Value (₹ / NCD)	₹ 1,000.00	₹ 1,174.25	₹ 1,000.00	₹ 1,277.60	₹ 1,000.00	₹ 1,000.00	₹ 1,539.35

**Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

1. *With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.*
2. *With respect to Series where interest is to be paid on monthly basis, relevant interest will be paid on the first date of every month on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.*
3. *Subject to applicable tax deducted at source, if any.*
4. *Please refer to Annexure E for details pertaining to the cash flows of the Company in accordance with the SEBI Operational circular.*

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Unblocking*" on page 310 of this Tranche II Prospectus.

Participation by any of the above-mentioned Investor classes in this Tranche II Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche

II Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Tranche II Issue.

For further details, see the section titled "*Issue Procedure*" on page 316 of this Tranche II Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

Secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount aggregating up to ₹ 5,000 crore ("**Shelf Limit")**. Further, the present borrowing is within the borrowing limits of ₹35,000 crore under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company on September 30, 2019.

The NCDs pursuant to this Tranche II Issue will be issued on terms and conditions as set out in this Tranche II Prospectus.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of this Tranche II Issue are subject to the provisions of the SEBI NCS Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of ours and shall rank *pari-passu* inter se and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of pari-passu and/or specified charge in favour of the Debenture Trustee the present and future receivables, book debts, loan and advances and current assets of our company, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables, present and/or future, specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees in favour of the Debenture Trustee in relation to the NCDs. The NCDs proposed to be issued under this Tranche II Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. For exclusive charge on the assets, such assets shall be free from any encumbrances.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Tranche II Issue. Pursuant to DT Operational Circular, our Company undertakes, *inter alia*, that the assets on which charge or security is created are free from any encumbrances and if the assets are encumbered or already charged, the permissions or consent to create any further charge on the Pledged Securities have been obtained from the existing creditors.

Our Company has applied to the existing creditors for such permissions or consents and has received such permissions or consents from all such creditors.

Security

The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first pari-passu charge in favour of the Debenture Trustee on the present and future receivables, book debts, loan and advances and current assets of our company, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables, present and/or future, specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche II Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value and shall ensure that the minimum security cover shall be maintained until the redemption of the NCDs.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Tranche II Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules, 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Vardhman Trusteeship Private Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

(i) default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
(ii) default is committed in payment of the principal amount of the NCDs on the due date(s);
(iii) default is committed in payment of any interest on the NCDs on the due date(s);
(iv) Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
(v) Default is committed if any information given to the Company in the Draft Shelf Prospectus, the Shelf Prospectus, Tranche II Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
(vi) Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
(vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
(viii) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts
(ix) The Company ceases to carry on its business or gives notice of its intention to do so;
(x) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
(xi) Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
(xii) Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
(xiii) If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
(xiv) If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
(xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;
(xvi) Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
(xvii) Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
(xviii) Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and
(xix) Any other event described as an Event of Default in the Draft Shelf Prospectus, the Shelf Prospectus, Tranche II Prospectus, and the Transaction Documents. In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into

the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned DT Operational Circular.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of other applicable statutory and/or regulatory requirements, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up-to-date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act

shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over. The roll-over of NCDs shall be as per regulation 39 of the SEBI NCS Regulations.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Tranche II Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") read with the applicable provisions of the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder 's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19 read with the applicable provisions of the Companies Act 2013, any person who becomes a nominee by virtue of the Rule 19 read with the applicable provisions of the Companies Act 2013, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or

- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of this Tranche II Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

Applicants shall apply in this Tranche II Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Tranche II Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in this Tranche II Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "*Issue Procedure*" beginning on page 316 of this Tranche II Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest and Payment of Interest*" on page 307 of this Tranche II Prospectus, for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCDs held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCDs will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

Procedure for Rematerialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Tranche II Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialized form only.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Period of subscription

TRANCHE II ISSUE PROGRAMME	
TRANCHE II ISSUE OPENS ON	June 9, 2023
TRANCHE II ISSUE CLOSES ON	June 22, 2023

Applications Forms for this Tranche II Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Tranche II Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) by the Designated Intermediaries at the Bidding Centers, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected.

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

Interest and Payment of Interest

Series I NCD

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III, IV	8.35%

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series II NCD

In case of Series II NCDs, the NCDs shall be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III, IV	1,000	1,174.25

Series III NCD

In case of Series III NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III, IV	8.50%

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series IV NCD

In case of Series IV NCDs, the NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III, IV	1,000	1,277.60

Series V NCD

In case of Series V NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series V NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III, IV	8.65%

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VI NCD

In case of Series VI NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III, IV	9.00%

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VII NCD

In case of Series VII NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III, IV	1,000	1,539.35

For the Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs. For the Series where interest is to be paid on monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs and paid on the first day of every subsequent month.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to the Tranche II Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see "*Terms of the Issue – Manner of Payment of Interest / Unblocking*" at page 310 of this Tranche II Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day, in accordance with the Working Day Convention. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "Issue Procedure" on page 316 of this Tranche II Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular is disclosed in Annexure E of this Tranche II Prospectus.

Maturity and Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of Tranche II Prospectus.

Manner of Payment of Interest / Unblocking

The manner of payment of interest / unblocking in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / unblocking / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue – Procedure for Rematerialization of NCDs*" on page 306 of this Tranche II Prospectus.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed/ available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest/ refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche II Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of unblocking intimations and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Tranche II Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

NCDs held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated minimum security cover is maintained on the NCDs and the interest thereon and after obtaining the consent of, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security, as per the statutory/regulatory requirement.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹20 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close this Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche II Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in the SEBI Operational Circular.

Utilisation of Application Amount

The sum received in respect of this Tranche II Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) Our Company shall utilize this Tranche II Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) execution of the documents for creation of security.

(e) This Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Shelf Prospectus and this Tranche II Prospectus with the RoC

A copy of the Shelf Prospectus and Tranche I Prospectus have been filed with the RoC. Further, this Tranche II Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of this Tranche II Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Listing

The NCDs offered through this Tranche II Prospectus are proposed to be listed on the BSE and NSE. Our Company has obtained an 'in-principle' approval for this Tranche II Issue from the BSE *vide* their letter dated August 17, 2022 and from NSE vide their letter dated August 17, 2022 and further extended vide letter dated November 21, 2022. For the purposes of this Tranche II Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Tranche II Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Security proposed for this Tranche II Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of this Tranche II Issue. For the relevant Fiscals commencing from the Fiscal 2023 – 2024, our Company will disclose in our financial statements, the utilization of the net proceeds of this Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Tranche II Issue.

Lien

As per the RBI circular dated June 27, 2013 as amended from time to time, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Operational Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in this Tranche II Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Operational Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 500,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche II Prospectus.

Please note that this section has been prepared based on the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020 as amended on April 13, 2022 and the DT Operational Circular.

Specific attention is drawn to the SEBI Operational Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Tranche II Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Managers are not liable for any adverse occurrences' consequent to the UPI Mechanism for application in this Tranche II Issues.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE TRANCHE II ISSUE OPENING DATE AND THE TRANCHE II ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche II Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and holiday of commercial banks in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Availability of the Draft Shelf Prospectus, Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus and Application Forms

The copies of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office, Lead Managers to the Issue, Consortium Members for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, this Tranche II Prospectus and the Application Forms will be available for download on the website of BSE at www.bseindia.com and on the website of NSE at www.nseindia.com. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange i.e., BSE at www.bseindia.com. Hyperlinks to the websites of the Stock Exchange for this facility will be provided on the websites of the Lead Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchange. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'.

Who can apply?

The following categories of persons are eligible to apply in this Tranche II Issue.

Category I

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crore as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005, of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Tranche II Issue

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in this Tranche II Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in this Tranche II Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Tranche II Issue.

The Lead Managers, Members of Consortium/Syndicate and their respective associates and affiliates are permitted to subscribe in this Tranche II Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus, and Application Forms

Copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus together with Application Forms and copies of the Shelf Prospectus and Tranche II Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, this Tranche II Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, website of NSE at www.nseindia.com and the website of the Lead Managers at www.equirus.com and/or www.equirussecurities.com and/or www.edelweissfin.com and/or www.iiflcap.com and/or www.trustgroup.in.

(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchanges. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Please note that there is a single Application Form for persons resident in India.

Method of Application

In terms of the SEBI Operational Circular an eligible investor desirous of applying in this Tranche II Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**").

All Applicants shall mandatorily apply in this Tranche II Issue through the ASBA process only. Applicants intending to subscribe in this Tranche II Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centers, i.e., to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

For Applicants who submit the Application Form, in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche II Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Tranche II Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

    a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

    c. An investor may submit the bid-cum-application form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 Lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchange*

a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

b. The Stock Exchanges have extended their web-based platforms i.e., 'BSE Direct' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web-based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to ₹ 5 Lakh. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct / NSE goBID.

c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.

d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications.

e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchanges have issued operational guidelines and circulars available at BSE and NSE:

f. https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61; NSE: https://www1.nseindia.com/content/circulars/IPO46907.zip; https://www1.nseindia.com/content/circulars/IPO46867.zip

g. To further clarify the submission of bids through the App or web interface, the Stock Exchange has issued operational guidelines andH circulars dated December 28, 2020, available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Tranche II Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investment; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Tranche II Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason, therefore.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Application made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, 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 must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.
In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in this Tranche II Issue.

Applications cannot be made by:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Person’s resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non-Resident Indians;
g. Qualified Foreign Investors;

h. Overseas Corporate Bodies** ;
i. Foreign Venture Capital Funds; and
j. Person's ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.
***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Tranche II Issue.*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Tranche II Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Member or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to this Tranche II Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Tranche II Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of this Tranche II Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche II Issue**.**

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection center of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in this Tranche II Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Tranche II Issue period or any other modified closure date of the Tranche II Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Tranche II Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Tranche II Issue Closing Date) day till 1 pm.
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of this Tranche II Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and this Tranche II Prospectus with ROC

A copy of the Shelf Prospectus and Tranche I Prospectus have been filed with the RoC. Further, this Tranche II Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche II Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.

2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.

4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

8. Applicants must ensure that their Application Forms are made in a single name.

9. The minimum number of Applications and minimum application size shall be specified in this Tranche II Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

13. Applications for all the series of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and unblocking intimations, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ unblocking of funds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither

the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for unblocking intimations (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche II Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of unblocking through electronic modes as detailed in this Tranche II Prospectus, unblocking may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche II Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Operational Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Members, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities i.e., Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Members, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(c) A UPI Investor making an Application in this Tranche II Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for this Tranche II Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Tranche II Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Shelf Prospectus and this Tranche II Prospectus are made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Tranche II Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. For further information on this Tranche II Issue programme, please see section titled "*Issue Related Information*" on page 294 of this Tranche II Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Member or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus(es), the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in this Tranche II Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Member, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the SEBI Operational Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Consortium Member, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot Series III NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on unblocking intimations/unblocking through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the unblocking intimations, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical unblocking intimations (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of unblocking intimations/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of unblocking intimations. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche II Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the unblocking intimation and mailing of unblocking intimations/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche II Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche II Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008, and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007, issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Tranche II Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Tranche II Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, Consortium Member, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Tranche II Issue. This facility will be available on the terminals of Consortium Members and the other Designated Intermediaries during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Consortium Members and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Consortium Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche II Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centers as provided in the Application Form during the Tranche II Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Consortium Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche II Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche II Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

(a) Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

(b) An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

(c) The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

(d) Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

(e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

(f) Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

(g) Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

(h) The Sponsor Bank shall initiate a mandate request on the investor

(i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

(j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

(k) An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

(l) An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

(m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

(n) The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

(o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

(p) The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

(q) The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

(r) Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

(s) The allotment of debt securities shall be done as per SEBI NCS Regulations and SEBI Operational Circular.

(t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

(u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

(v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked, and application amount would be unblocked for the investor.

(w) Thereafter, Stock Exchange will issue the listing and trading approval.

(x) Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 and NSE goBID platform, the investor shall also be responsible for the following:

i. Investor shall check this Tranche II Issue details before placing desired bids;
ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Tranche II Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.
7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012, issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during this Tranche II Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
12. Ensure that the Applications are submitted to the Lead Managers, Consortium Member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche II Issue Closing Date. For further information on this Tranche II Issue programme, please see the section titled "*Issue Related Information*" on page 294 of this Tranche II Prospectus.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
14. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the

beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
17. Tick the series of NCDs in the Application Form that you wish to apply for.
18. Check if you are eligible to Apply under ASBA;
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹500,000;
20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface
22. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
23. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
24. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Consortium Member or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);
25. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
26. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
27. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
28. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in this Tranche II Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
29. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Managers or Consortium Member or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.
30. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of this Tranche II Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Members, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds this Tranche II Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under this Tranche II Issue including Applications by Persons Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
13. Do not make an application of the NCD on multiple copies taken of a single form.
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
16. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
17. Do not submit more than five Application Forms per ASBA Account.
18. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third-party linked bank account UPI ID;
19. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
20. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 500,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated July 27, 2020 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated March 11, 2005 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
5. Non-transferable Allotment Advice/ unblocking intimations will be directly sent to the Applicant by the Registrar to the Issue.

6. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
7. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
8. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Tranche II Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 316 of this Tranche II Prospectus.

Communications

All future communications in connection with Applications made in this Tranche II Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and unblocking, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to this Tranche II Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
(e) we shall utilize the Tranche II Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled "*Terms of the Issue*" on page 300 of this Tranche II Prospectus, and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;

(f) The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of this Tranche II Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Tranche II Issue will be attended to by our Company expeditiously and satisfactorily;
(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Tranche II Issue Closing Date;
(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
(e) Our Company will forward details of utilisation of the proceeds of this Tranche II Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee;
(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Tranche II Issue as contained in this Tranche II Prospectus.
(g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
(h) We shall create a recovery expense fund in the manner as may be specified by the Board from time to time and inform the Debenture Trustee about the same.
(i) We undertake that the assets on which charge is created to meet the hundred per cent security cover, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.
(j) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it’s full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders’ ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;

- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under this Tranche II Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Draft Shelf Prospectus, Shelf Prospectus and Tranche II Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange and/or in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Consortium, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Consortium, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Member and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 Working Days of the Tranche II Issue Closing Date.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to this Tranche II Issue limit.

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "Institutional Portion", "Non-Institutional Portion", "High Net-worth Individual Category Portion" and "Retail Individual Category Portion" are individually referred to as "Portion" and collectively referred to as "Portions".

Allocation Ratio

Allocation Ratio Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	40%	40%

Allotments in the first instance:

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche II Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche II Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche II Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and

iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche II Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled "*Issue Procedure – Basis of Allotment*" at page 341 of this Tranche II Prospectus.

As per the SEBI Operational Circular, the allotment in this Tranche II Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

Under Subscription: If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the overall Tranche II Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.

Minimum Allotments of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application to all Applicants.

Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche II Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

In case there is oversubscription in Tranche II Issue Limit, however there is under subscription in one or more Portion(s) Allotments will be made in the following order:

(i) All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment

(ii) In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period.

(f) *Proportionate Allotments: For each Portion, on the date of oversubscription and thereafter:* Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche II Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) *Applicant applying for more than one Series of NCDs*: If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 7 (seven) Series and in case such Applicant cannot be allotted all the 7 (seven) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager as may be decided at the time of Basis of Allotment.

(h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche II Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche II Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche II Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

Our Company would allot Series III NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Payment of Refunds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Tranche II Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Tranche II Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche II Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants can withdraw their ASBA Applications till the Tranche II Issue closure date by submitting a request for the same to the Consortium Members, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, Consortium Member, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Managers, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Tranche II Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close this Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche II Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012, issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche II Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche II Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Tranche II Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Tranche II Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The key provisions of the Articles relating to issue of securities and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding Articles. All other defined terms used herein shall have the meaning ascribed to such term in the Articles. Any reference to the term "**Article**" hereunder means the corresponding article forming part of the Articles.

Article Number	**Table F not to apply but Company to be goverened by these articles**
1	The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its Articles by special resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of Companies Act, 2013, rules made there under or any amendment or notification thereto.
CAPITAL AND INCREASE AND REDUCTION OF CAPITAL	
6	Division of Capital: (1) The Authorised Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company. (2) The Company shall be entitled to issue, offer and allot fresh and further shares, Debentures and other Securities in dematerialized form pursuant to and in accordance with the provisions under the Depositories Act and it shall also be entitled to dematerialise its existing shares, Debentures and other Securities, subject to the provisions of the Act. In this connection, the Company shall comply with all the applicable provisions of the Depositories Act.
7	Share under the control of the Board: Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) at a discount or as may be prescribed under the act and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option to call for or be allotted any class of shares of the Company either at par or at a premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit.
8	Power of Company in General Meeting to issue Shares: In addition to and without derogating from the powers for that purpose conferred on the Board under Article 7, the Company in general meeting may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Section 53 of the Act) at a discount, as such general meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 54 of the Act)at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.
9	Increase in capital: The Company by a Resolution in general meeting may from time to time, increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided

	into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified or differential right to dividends and in distribution of assets of the Company, and with a right of voting at general meetings of the Company.
58	<u>Company's Lien on Shares/ Debentures</u>: The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 30 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
BORROWING POWERS	
89	<u>Power to borrow</u>: Subject to the provisions of the Sections 179 and 180 of the Act, the Board may, from time to time at its discretion accept deposits from Members or from the public, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid –up capital of the Company and its free reserves, the Board shall not borrow such money's without the consent of the Member in General Meeting.
90	<u>Payment or repayment of moneys borrowed</u>: Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.
91	<u>Terms of issue of debentures</u>: Any issue of debentures, debenture stock, bonds or other securities shall be governed by Section 71 of the Act. This Article and Article 89 shall be subject to the said provisions. In the case of the Company giving a charge on any of its property, the provisions of Sections 2(16), 77 to 87 of the Act shall apply thereto. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.
92	<u>Register of Mortgages etc. to be kept</u>:

	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of the mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirement of Sections 71, 77 and 79 to 85 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.
93	Register and index of Debenture holders: The Company shall, if at any time issues debentures, keep a Register and Index of debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture holders resident in that state or country.
MEETING OF MEMBERS	
98	Annual General Meeting: a) Subject to Section 96 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar under the Act to extend the time within which any annual general meeting may be held. b) Every annual general meeting shall be called for at a time during business hours i.e. between 9:00 am and 6:00pm on any day that is not a national holiday and shall be held either at registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.
100	Calling of Extraordinary General Meetings: The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition of such number of Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with Section 100 of the Act, forthwith proceed to convene Extraordinary General Meeting.
101	Participation through Electronic Mode: Notwithstanding anything contrary contained in these Articles, of the Company may provide Video Conference facility and/ or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable tothe Company for the time being in force.
DIRECTORS	
141	Number of Directors. Until otherwise determined by a general meeting of the Company and subject to the provision of Section 149 and Section 151 of the Act, the number of directors shall not be less than three or more than fifteen. Subject to the provisions of Section 149 of the Act, the Company, in General Meeting, may by ordinary resolution, increase or reduce the number of its Directors within the said limits and the Company may appoint more than 15 Directors after passing a Special Resolution.
144	Nominee Directors. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for

	underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by other Directors. If the Nominee Director/s is an officer of any of the financial institution(s) the sitting fees in relation to such nominee Directors shall accrue to such financial institution(s) and the same accordingly be paid by the Company to them. The Financial Institution(s) shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.
145	<u>Debenture Directors</u>: If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another director may be appointed in his place. A debenture Director shall not be bound to hold any qualification shares. A Debenture Director shall not be liable to retire by rotation
145A	<u>Investor Director</u> Until such time that the Investor or his affiliates continue to beneficially own 8% of the equity share capital of the Company, the Investor may nominate 1 (One) director (Investor Director), who shall not be liable to retire by rotation. No Person, other than the Investor, shall have the power or right to remove and replace the Investor Director, unless such Investor Director has been removed due to any illegal/ immoral act, fraud or dishonesty. To the extent permissible the Act, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal, unless the contrary intention appears, shall take effect from the date it is notified to the Company in writing. If the Act does not permit the Person nominated by the Investor to be appointed as a director or additional director of the Company merely by nomination by the Investor, the Board shall ensure that the Board forthwith (and in any event within 2 (Two) days of such nomination or at the next Board meeting, whichever is earlier) appoints such Person as a director or additional director, as the case may be, of the Company and further ensure that, unless the Investor changes or withdraws such nomination, such Person shall also be elected as a director of the Company at the next general meeting of the shareholders of the Company.
163	<u>Proceedings of Directors:</u> (a) The Board of Directors may meet together for the conduct of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit. (b) A meeting of the Board of Directors shall be held at least four such meetings in every year. Not more than one hundred and twenty days shall elapse between two consecutive meetings of the Board. Notice of every meeting shall be given to every Director as provided in Section 173 of the Act.

	(c) The Chairperson or any one Director with the previous consent of the chairperson may, or the company secretary or some other person upon the request of a Director on the direction of the chairperson shall, at any time, summon a meeting of the Board. (d) Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other director.
172	<u>Resolution by Circular</u> (1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the Members of the Committee, as the case may be at their addresses registered with the Company in India by hand delivery or by post or courier or through electronic means. Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board. (2) A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.
165	<u>Quorum for Meetings</u>: (a) Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one third being rounded off as one) or two directors whichever is higher; provided that where at any meeting the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of remaining directors, that is to say the number of the directors who are not interested and are present at the meeting, being not less than two shall be quorum during such time. The provisions of Section 174 of the Act shall apply where a meeting is adjourned for want of a quorum. The attendance at the meeting of the Board shall be in accordance with the provisions of the Act and the Rules made thereunder. Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in Articles of Association. (b) For the purpose of Clause (a)- (i) 'Total Strength' means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of directors, if any, whose places may be vacant at the time, and (ii) 'Interested Directors' means any Director whose presence cannot by reason of Article 165 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.
167	<u>Board may appoint Chairman.</u>: In case there is no permanent chairman is appointed, the Board may elect a Chairman of their meeting and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting, the Chairman is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairman of the Meeting.

166 164	<u>Decision of Questions.</u> Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote. <u>Participation through Electronic Mode.</u> Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/ or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.
RETIREMEN AND ROTATION OF DIRECTOR	
157	<u>Retirement of Directors by rotation</u>: (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation; and save as otherwise expressly provided by the Act, be appointed by the Company in General Meeting. At every annual general meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The provisions in respect of retirement of Directors by rotation shall not be by rotation applicable to the appointment of Independent Directors. (2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. (3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for re-appointment or some other person thereto. (4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a National holiday, till the next succeeding day which is not a National holiday at same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless: (i) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost; (ii) the retiring Director has by a notice in writing addressed to the Comp any or its Board of Directors, expressed his unwillingness to be reappointed; (iii) he is not qualified or is disqualified for appointment; (iv) a resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the Act; or

	(v) The provision to Section 162 of the Act is applicable to the case.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
183	(a) Subject to the provisions of the Act,— i. A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer or any other Key Managerial Personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. KEY MANAGERIAL PERSONNEL
184.	1. Subject to Section 203 of the Act and any other applicable provisions of the Act, the Company shall appoint by means of resolution of the Board, the following Key managerial Personnel: (a) Managing Director, or Chief Executive Officer or Manager and in their absence; a whole-time Director; (b) Company Secretary; and (c) Chief Financial Officer. 2. Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. 3. A whole-time Key Managerial Personnel shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained in this Article shall disentitle a Key Managerial Personnel from being a director of any company with the permission of the Board. Provided also that the Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India. If the office of any whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.
WINDING UP	
219	<u>Distribution of Assets</u>: If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up on which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held

	by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.
SECRECY UNDERTAKING	
221	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a committee, agent, officer, servant, accountant of other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholder if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under this Tranche II Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated August 5, 2022 read with the addendum to Issue Agreement dated June 1, 2023 between our Company and the Lead Managers.

2. Registrar Agreement dated July 28, 2022 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated June 28, 2022 executed between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Tripartite agreement dated July 27, 2020 among our Company, the Registrar and CDSL.

6. Tripartite agreement dated March 11, 2005 among our Company, the Registrar and NSDL.

7. Public Issue Account and Sponsor Bank Agreement dated June 1, 2023 executed between the Company, the Lead Managers, the Public Issue Account Bank and the Registrar.

8. Consortium Agreement dated June 1, 2023 executed between the Company, the Lead Managers and the Consortium Members.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated October 18, 1995 as a private limited company, issued by Registrar of Companies, Mumbai.

3. Fresh Certificate of Incorporation of our Company dated April 28, 2000, issued by Registrar of Companies, Mumbai, consequent upon conversion from private limited to public limited company and change of name of the Company to Probity Research & Services Limited.

4. Fresh Certificate of Incorporation of our Company dated May 23, 2000, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to India Infoline.Com Limited.

5. Fresh Certificate of Incorporation of our Company dated March 23, 2001, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to India Infoline Limited.

6. Fresh Certificate of Incorporation of our Company dated February 18, 2014, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Holdings Limited.

7. Fresh Certificate of Incorporation of our Company dated May 24, 2019, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Finance Limited.

8. Certificate of Registration dated March 6, 2020 bearing registration no. N-13.02386 issued by the Reserve Bank of India.

9. Copy of shareholders' resolution approved at the AGM dated September 30, 2019 under Section 180(1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

10. Copy of the resolution approved by the Board of Directors dated June 23, 2022 approving the issue of NCDs.

11. Copy of the resolution approved by the Finance Committee at its meeting held on June 2, 2023 approving this Tranche II Prospectus.

12. Copy of the resolution approved by the Finance Committee at its meeting held on December 30, 2022 approving the Shelf Prospectus and Tranche I Prospectus.

13. Copy of the resolution approved by the Finance Committee at its meeting held on August 5, 2022 approving the Draft Shelf Prospectus.

14. Letter dated June 28, 2022 and revalidation letter dated July 29, 2022, further revalidated vide letter dated September 13, 2022, further revalidated vide letter dated November 17, 2022, further revalidated vide letter dated December 26, 2022 and further revalidated vide letter dated May 24, 2023 by CRISIL Limited assigning a rating of "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) for the Issue with rating rationale dated June 28, 2022, further validated vide rationale dated January 6, 2023.

15. Letter dated August 2, 2022, revalidation letter dated November 17, 2022, further revalidated vide letter dated December 23, 2022 and further revalidated vide letter dated May 24, 2023 by ICRA assigning a rating of [ICRA] AA (stable) (pronounced as ICRA Double A (stable)) for the Issue with rating rationale dated August 3, 2022.

16. Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Counsel to the Issue; (g) CRISIL; (h) ICRA, (i) CRISIL in relation to industry reports (j) HDFC Bank Limited as Banker to the Company and (k) the Debenture Trustee to include their names in this Tranche II Prospectus and from the (a) Public Issue Account Bank; (b) Refund Bank; (c) Sponsor Bank and (e) Consortium Members, in their respective capacities and the consents from the debenture trustees and security trustee for ceding *pari passu* charge and/or creation of charge in relation to the NCDs.

17. Consent of CRISIL Limited dated June 2, 2023 as the agency issuing the industry report titled 'NBFC Report 2022 - April 2023 update' forming part of the Industry Overview chapter.

18. Consent of the Joint Statutory Auditors of the Company dated June 2, 2023, for inclusion of their name as an expert in respect of their (i) examination report dated May 30, 2023 on our Reformatted Standalone Financial Statements, (ii) examination report dated May 30, 2023 on our Reformatted Consolidated Financial Statements; and (iii) their report dated June 1, 2023 on the statement of tax benefits.

19. The examination report dated May 30, 2023 in relation to the Reformatted Standalone Financial Statements.

20. The examination report dated May 30, 2023 in relation to the Reformatted Consolidated Financial Statements.

21. Statement of tax benefits dated June 1, 2023 issued by the Statutory Auditors.

22. Annual Report of our Company for the last three Fiscals.

23. In-principle listing approval from BSE by its letter no DCS/BM/PI-BOND/009/22-23 dated August 17, 2022.

24. In-principle listing approval from NSE by its letter no NSE/LIST/D/2022/0105 dated August 17, 2022 and further extended vide letter No. NSE/LIST/D/2022/0168 dated November 21, 2022.

25. Due Diligence Certificate dated June 2, 2023 filed by the Lead Managers with SEBI.

26. Trademark license agreement between the Company and IIFL Securities Limited dated March 19, 2019.

27. Due Diligence Certificate dated June 2, 2023 filed by the Debenture Trustee to the Issue.

28. Joint Venture Agreement dated May 2, 2022 between the Company and Open Financial Technologies Private Limited;

29. Share Subscription Agreement dated May 19, 2022 executed *inter alia* between the Company and Open Financial Technologies Private Limited;

30. Copy of the resolution passed by the Finance Committee of the Board of the Company dated May 26, 2022 for investment in Open Financial Technologies Private Limited;

31. Share Subscription Agreement dated June 9, 2022 between Platinum Owl C 2018 RSC Limited and IIFL Home Finance Limited;

32. Copy of the resolution approved by the board of directors of the Company and IIFL Home Finance Limited dated June 09, 2022 for investment by Abu Dhabi Investment Authority and any other document;

33. Copy of the resolution of the Board of the Company dated June 23, 2022 approving purchase of 12,45,55,797 equity shares of IIFL Samasta Finance Limited; and

34. Copy of the resolution of the Board of the Company dated February 7, 2023 approving purchase of 9,54,19,847 equity shares of IIFL Samasta Finance Limited.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Tranche II Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche II Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Furthermore, all the monies received under this Tranche II Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus.

Signed by the Director of our Company

Arun Kumar Purwar *Independent Director* DIN: 00026383	Nirmal Jain *Whole-time Director* DIN: 00010535	Vijay Kumar Chopra *Independent Director* DIN: 02103940
R. Venkataraman *Managing Director* DIN: 00011919	Nilesh Vikamsey *Independent Director* DIN: 00031213	Geeta Mathur *Independent Director* DIN: 02139552

Date: June 2, 2023

Place: India

DECLARATION

I, the Director of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Tranche II Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche II Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Furthermore, all the monies received under this Tranche II Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus.

Signed by the Director of our Company

Ramakrishnan Subramanian
Independent Director
DIN: 02192747

Date: 2 June 2023

Place: Singapore

DECLARATION

I, the Director of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Tranche II Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche II Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Furthermore, all the monies received under this Tranche II Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus.

Signed by the Director of our Company

____

Chandran Ratnaswami
Non-Executive Director
DIN: 00109215

Date: June 2, 2023

Place: Canada

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM CRISIL

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CONFIDENTIAL

RL/IIHOLI/309594/NCD/0123/50381/112980696/2
May 24, 2023

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,Road No. 16V,
Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604
9769901277

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures^& of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letters dated March 15, 2023 bearing Ref. no.: RL/IIHOLI/309594/NCD/0123/50381/112980696/1
Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	5000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subhasri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

^Interchangeable between secured and subordinated debt
&For retail bond issuance

CRISIL Ratings

Rating Rationale

January 06, 2023 | Mumbai

IIFL Finance Limited

Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	**Rs.4000 Crore**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Non Convertible Debentures Aggregating Rs.3686.3 Crore^	**CRISIL AA/Stable (Reaffirmed)**
Rs.1513.84 Crore Non Convertible Debentures^&	**CRISIL AA/Stable (Reaffirmed)**
Rs.5000 Crore Non Convertible Debentures^&	**CRISIL AA/Stable (Reaffirmed)**
Rs.113.7 Crore Non Convertible Debentures^	**CRISIL AA/Stable (Withdrawn)**
Rs.5 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**
Rs.43 Crore Subordinated Debt	**CRISIL AA/Stable (Withdrawn)**
Rs.1100 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AAr/Stable (Reaffirmed)**
Rs.25 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AAr/Stable (Withdrawn)**
Rs.500 Crore Commercial Paper Programme(IPO Financing)	**CRISIL A1+ (Reaffirmed)**
Rs.8500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

^Interchangeable between secured and subordinated debt
&For retail bond issuance
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AA/CRISIL PPMLD AAr/Stable/CRISIL A1+' ratings on the debt instruments and bank facilities of IIFL Finance Limited (IIFL Finance; a part of the IIFL Finance group).

Consequent to redemption, CRISIL Ratings has withdrawn its rating on Rs 113.7 crore non-convertible debentures, Rs 43 crore subordinated debt and Rs 25 crore long-term principal protected market linked debentures in line with its withdrawal policy (See Annexure 'Details of rating withdrawn' for details). CRISIL Ratings has received independent confirmation that these instruments are fully redeemed.

The ratings continue to reflect the diversified retail product offerings of the IIFL Finance group, with a large part of the portfolio having inherently less risky asset classes, an extensive branch network and comfortable capitalisation. These strengths are partially offset by the need to demonstrate a sustained track record of healthy profitability.

Assets under management (AUM) grew to Rs 55,302 crore as on September 30, 2022, from Rs 51,210 crore as on March 31, 2022 (Rs 44,688 crore as on March 31, 2021), driven by the retail segment and supported by a wide geographic presence. The four core segments -- home, gold, business, and microfinance loans -- remain the focus area. Retail loans formed around 94% of the AUM, while the remaining were loans to the commercial and real estate sectors and capital market financing. The group has also demonstrated its ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group. During the second quarter of fiscal 2023, IIFL Home Finance Ltd (IIFL Home) announced capital infusion of Rs 2,200 crore from Abu Dhabi Investment Authority (ADIA).

Analytical Approach
CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home and IIFL Samasta Finance Ltd (IIFL Samasta). This is because all these entities, collectively referred to as the IIFL Finance group, have significant operational, financial, and managerial integration and operate under a common brand.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation

Key Rating Drivers & Detailed Description
Strengths:
Diversified retail lending portfolio and an extensive branch network
Consolidated AUM stood at Rs 55,302 crore as on September 30, 2022 (Rs 51,210 crore as on March 31, 2022, and Rs 44,688 crore a year earlier). IIFL Finance is engaged in lending across various retail asset classes. Its two lending subsidiaries, IIFL Home and IIFL Samasta, carry out the mortgage finance and microfinance businesses, respectively.

Retail loans accounted for 94% of the AUM as on September 30, 2022, and had high granularity (loans of less than Rs 1 crore). Also, 69% of the portfolio, excluding gold loan business qualified under priority sector lending. The company has four key segments: home loans (36% of the AUM as on September 30, 2022), gold loans (32%), business loans[1] (14%) and microfinance (12%), which together accounted for 94% of the AUM, up from 67% as on March 31, 2017. These segments will continue to drive growth over the medium term. Apart from these, there are two non-core but synergistic segments, construction and real estate (CRE) funding and capital market lending. The company has been consciously reducing the book under these segments, which together accounted for only 6%. Under CRE, the company continues to finance the completion of projects that were already funded by it and is undertaking relatively smaller ticket construction finance, while the capital market segment finances the retail clients of IIFL Securities Ltd. Growth is also supported by a wide network of 3,700+ branches as on September 30, 2022, spread across 1,346 towns/cities. The company leverages its distribution network to cross-sell financial products of other IIFL entities. It has made substantial investments in technology to leverage its geographical reach.

On a standalone level, IIFL Finance had AUM of Rs 22,317 crore as on September 30, 2022 (Rs 21,109 crore as on March 31, 2022, and Rs 19,199 crore a year earlier), primarily towards gold loans (80%), business loans (9%), developer and construction finance (9%) and capital markets (2%). IIFL Home had AUM of Rs 25,718 crore as on September 30, 2022 (Rs 23,617 crore as on March 31, 2022, and Rs 20,694 crore a year earlier), largely toward home loans (77%), followed by loans against property (LAP; 21%) and construction finance (2%). IIFL Samasta had AUM of Rs 7,267 crore as on September 30, 2022 (Rs 6,484 crore as on March 31, 2022, and Rs 4,796 crore as on March 31, 2021).

Comfortable capitalisation, supported by demonstrated ability to raise capital and shift towards an asset-light business model
The group has demonstrated an ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group in the past. IIFL Home also raised Rs 2,200 crore equity from ADIA in the second quarter of fiscal 2023. Consequently, consolidated networth improved to Rs 9,480 crore as on September 30, 2022 (Rs 6,470 crore as on March 31, 2022, and Rs 5,393 crore as on March 31, 2021), with on-book gearing of 3.7 times; CRISIL Ratings-adjusted gearing (on-book borrowings + DA) was 5.4 times as on same date. Networth coverage for net non-performing assets (NPAs) was comfortable at 22 times as on September 30, 2022. Given the growth plans and business strategy with a shift towards asset-light model, capitalisation should remain comfortable for the current and medium-term projected scale of operations.

As on September 30, 2022, IIFL Finance, on a standalone basis, had networth and gearing of Rs 4,828 crore and 3.2 times, respectively. Tier-I capital adequacy ratio (CAR) and overall CAR was 14.0% and 21.7%, respectively. Networth coverage for net NPAs was around 59 times. IIFL Home reported networth and gearing of Rs 5,223 crore and 2.8 times, respectively. Tier-I and overall CAR stood at 43.2% and 52.0%, respectively. Networth coverage for net NPAs was around 19 times. IIFL Samasta reported adjusted networth and gearing of Rs 1,016 crore and 5.6 times, respectively. Tier-I and overall CAR were 15.0% and 19.3%, respectively.

Weakness:
Sustained track record of profitability to be demonstrated
While return on assets (RoA) and return on managed assets (RoMA) have improved to 3.1% and 2.3% in the first half of fiscal 2023 and 2.7% and 2.1% for fiscal 2022 from 2.1% and 1.7% in fiscal 2021, the same needs to be demonstrated on a sustained basis.

On an absolute basis, IIFL Finance (consolidated) reported net profit of Rs 727 crore in the first half of fiscal 2023 and Rs 1,188 crore in fiscal 2022 (Rs 761 crore in the previous fiscal and Rs 503 crore in fiscal 2020). Earnings were supported by lower credit cost (provisions and write-offs/average managed assets) and higher non-fund income from co-lending and direct assignment (DA) transactions. Credit cost improved marginally to 1.4% during the first half of fiscal 2023 from 1.5% in fiscal 2022 (2.4% in fiscal 2021). Elevated credit cost in fiscal 2021 was owing to the Covid-19 pandemic, which led to an increase in delinquency levels.

On consolidated and standalone basis, IIFL Finance's gross NPAs (GNPAs) improved to 2.4% and 1.4%, respectively, as on September 30, 2022, from 3.2% and 2.9% as on March 31, 2022 (2.0% and 2.4% on March 31, 2021). The spike in GNPAs during March 2022 was due to the impact of the notification released by the Reserve Bank of India on November 12, 2021.

Provision coverage ratio as on September 30, 2022, stood at 50% while the total provisions coverage ratio (total provisions/GNPA) was 147%.

On a standalone basis, IIFL Home and IIFL Samasta reported GNPAs of 2.8% and 2.9% respectively as on September 30, 2022 (2.1% and 3.1% on March 31, 2022, and 2.0% and 1.8% on March 31, 2021). GNPAs for the home loan segment stood at 2.4%, gold loan at 0.8%, business loans at 4.3% and microfinance at 3.5%. Apart from this, the IIFL Finance group's restructured book was around Rs 23 crore as on September 30, 2022.

Ability to maintain delinquency levels and manage credit cost will remain critical for maintaining healthy profitability. Also, the company's increasing focus on the partnership model, and the expected scale up in co-lending book are expected to support profitability over the medium term.

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[1]*Business loans include LAP and unsecured loans to micro small and medium enterprises*

Liquidity: Strong

As on November 30, 2022, the IIFL Finance group had liquidity cushion of Rs 6,785 crore (Rs 4,282 crore of cash and equivalents, Rs 726 crore of unutilised cash credit limit and Rs 1,777 crore of unutilised bank limit, including securitisation/DA limit). Against this, total debt obligation was Rs 4,409 crore over the six months through May 2023.

Environment, social and governance (ESG) profile

CRISIL Ratings believes that the IIFL Finance group's ESG profile supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environmental and other sustainability related factors.

The IIFL Finance group has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

Key ESG highlights of the IIFL Finance group

IIFL Finance has replaced 4,207 incandescent lights with light-emitting diode panels across 15 branches.

Processes have been digitalised and automated to provide a completely paperless journey to customers. Thus, IIFL Home was able to reduce paper consumption by 3.9 tonne in fiscal 2021 (approximately 0.78 million sheets of paper).

Women comprised 18% of the total employees as on December 31, 2021. One out of nine board members is a woman.

Of the board members, 67% are independent directors, split into the chairman and CEO positions. It has extensive investor grievance redressal disclosures and mechanism in place.

There is growing importance of ESG among investors and lenders. The group's commitment to ESG will play a key role in enhancing stakeholder confidence given the substantial share of foreign investors as well as access to domestic capital markets.

Outlook: Stable

The IIFL Finance group will maintain adequate capitalisation and diversified product offerings in the retail segment.

Rating Sensitivity Factors

Upward Factors

- Significant improvement in the market position and better asset quality
- Improvement in profitability, with RoMA beyond 3.0% on a sustained basis

Downward Factors

- Weakening of the asset quality, with GNPAs increasing to above 5% over an extended period, thereby impacting profitability
- Weakening of the capitalisation metrics, with a sustained higher-than-expected gearing

About the Company

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking, non-banking financial company. The group offers various retail lending products, including gold loans, home loans, LAP, business loans and microfinance loans which are the core segments and form 93% of the AUM while the rest comprises capital market-based lending (margin funding and loans against shares) and construction and developer finance.

On a consolidated basis, IIFL Finance had total income (net of interest expenses) and profit after tax (PAT) of Rs 4,015 crore and Rs 1,188 crore, respectively, in fiscal 2022 against Rs 3,364 crore and Rs 761 crore in the previous fiscal. During the first half of fiscal 2023, it reported total income (net of interest expense) and PAT of Rs 2,475 crore and Rs 727 crore, respectively.

On a standalone alone basis, IIFL Finance reported total income (net of interest expenses) and PAT of Rs 2,474 crore and Rs 745 crore, respectively, in fiscal 2022 against Rs 1,881 crore and Rs 343 crore in the previous fiscal. During first half of fiscal 2023, it reported total income (net of interest expenses) and PAT of Rs 1,289 crore and Rs 377 crore, respectively. On a standalone alone basis, IIFL Home reported total income (net of interest expenses) and PAT of Rs 1,159 crore and Rs 578 crore, respectively, in fiscal 2022 against Rs 1,014 crore and Rs 401 crore in the previous fiscal. During the first half of fiscal 2023, it reported total income (net of interest expense) and PAT of Rs 741 crore and Rs 359 crore, respectively.

Key Financial Indicators: IIFL Finance (Consolidated; CRISIL Ratings-adjusted numbers)

As on/for the period	Unit	Sep 30, 2022/ H1FY23	Mar 31, 2022/ FY22	Mar 31, 2021/ FY21
Total assets	Rs crore	48,680	45,910	40,667
Total income (net of interest expenses)	Rs crore	2,475	4,015	3,364
PAT	Rs crore	727	1,188	761
GNPA	%	2.4	3.2	2.1
RoMA	%	2.3	2.1	1.6
Gearing	Times	3.7	5.5	5.1
Adjusted gearing	Times	5.4	7.7	8.1

Key Financial Indicators: IIFL Finance (Standalone; CRISIL Ratings-adjusted numbers)

As on / for the period	Unit	Sep 30, 2022 / H1FY23	Mar 31, 2022 / FY22	Mar 31, 2021 / FY21
Total assets	Rs crore	22,588	23,136	22,211
Total income (net of interest expenses)	Rs crore	1,289	2,474	1,881
PAT	Rs crore	377	745	343
GNPA	%	1.4	2.9	2.4
Gearing	Times	3.2	3.7	3.8

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity levels	Rating assigned with outlook
INE530B07021	Non-convertible debentures#	8-May-20	9.00%	08-May-23	100	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-28	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-29	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-30	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-31	125	Simple	CRISIL AA/Stable
INE530B07195	Non-convertible debentures#	21-Jan-22	8.50%	21-Jan-32	10	Simple	CRISIL AA/Stable

INE530B07203	Non-convertible debentures#	24-Mar-22	8.60%	24-Mar-32	50	Simple	CRISIL AA/Stable
INE530B07203	Non-convertible debentures#	24-Mar-22	8.60%	24-Mar-32	10	Simple	CRISIL AA/Stable
INE530B08128	Non-convertible debentures#	24-Mar-22	9.35%	24-Mar-32	50	Complex	CRISIL AA/Stable
INE866I07CD6	Non-convertible debentures#	7-Feb-19	9.80%	07-Feb-24	636.81	Simple	CRISIL AA/Stable
INE866I07CF1	Non-convertible debentures#	7-Feb-19	10.20%	07-Feb-24	126.47	Simple	CRISIL AA/Stable
INE866I08279	Non-convertible debentures#	7-Feb-19	10.00%	07-Feb-29	30.77	Simple	CRISIL AA/Stable
INE866I08295	Non-convertible debentures#	7-Feb-19	10.50%	07-Feb-29	15.45	Simple	CRISIL AA/Stable
INE866I08303	Non-convertible debentures#	6-Sep-19	10.00%	06-Jun-25	25.93	Simple	CRISIL AA/Stable
INE866I08311	Non-convertible debentures#	6-Sep-19	10.50%	06-Jun-25	5.78	Simple	CRISIL AA/Stable
INE530B07237	Non-convertible debentures#	01-Nov-22	9.45%	01-Nov-32	550	Simple	CRISIL AA/Stable
INE530B08136	Non-convertible debentures#	26-Jul-22	9.65%	26-Jul-32	235	Complex	CRISIL AA/Stable
NA	Non-convertible debentures#**	NA	NA	NA	1340.09	Simple	CRISIL AA/Stable
INE866I07CO3	Subordinated debt	17-Sep-19	9.90%	17-Jan-23	5	Complex	CRISIL AA/Stable
INE530B07120	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	307.53	Simple	CRISIL AA/Stable
INE530B07138	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	71.43	Simple	CRISIL AA/Stable
INE530B07146	Non-convertible debentures&	14-Oct-21	8.50%	14-Oct-24	94.08	Simple	CRISIL AA/Stable
INE530B07153	Non-convertible debentures&	14-Oct-21	8.50%	14-Oct-24	57.31	Simple	CRISIL AA/Stable
INE530B07161	Non-convertible debentures&	14-Oct-21	8.40%	14-Oct-26	147.25	Simple	CRISIL AA/Stable
INE530B07179	Non-convertible debentures&	14-Oct-21	8.80%	14-Oct-26	136.08	Simple	CRISIL AA/Stable
INE530B07187	Non-convertible debentures&	14-Oct-21	8.80%	14-Oct-26	29.31	Simple	CRISIL AA/Stable
INE530B08094	Non-convertible debentures&	24-Mar-21	9.90%	24-Mar-28	274.69	Simple	CRISIL AA/Stable

INE530B08102	Non-convertible debentures&	24-Mar-21	10.00%	24-Mar-28	328.02	Simple	CRISIL AA/Stable
INE530B08110	Non-convertible debentures&	24-Mar-21	9.60%	24-Mar-28	68.14	Simple	CRISIL AA/Stable
NA	Non-convertible debentures&**	NA	NA	NA	5000	Simple	CRISIL AA/Stable
INE530B07112	Long-term principal protected market linked debentures	7-Sep-21	GSEC LINKED	07-Sep-24	100	Highly Complex	CRISIL PPMLD AAr/Stable
INE530B07229	Long-term principal protected market linked debentures	02-Sep-22	GSEC LINKED	02-Sep-24	115	Highly Complex	CRISIL PPMLD AAr/Stable
INE530B07245	Long-term principal protected market-linked debentures	25-Nov-22	GSEC LINKED	25-Jul-24	26	Highly Complex	CRISIL PPMLD AAr/Stable
NA	Long-term principal protected market linked debentures**	NA	NA	NA	859	Highly Complex	CRISIL PPMLD AAr/Stable
NA	Commercial paper programme (IPO financing)	NA	NA	7-30 days	500	Simple	CRISIL A1+
NA	Commercial paper	NA	NA	7-365 days	8500	Simple	CRISIL A1+
NA	Term loan - 1	NA	NA	22-Mar-26	421.05	NA	CRISIL AA/Stable
NA	Term loan - 2	NA	NA	31-Dec-25	1000	NA	CRISIL AA/Stable
NA	Term loan - 3	NA	NA	28-Feb-25	100	NA	CRISIL AA/Stable
NA	Term loan - 4	NA	NA	25-Jan-25	100	NA	CRISIL AA/Stable
NA	Term loan - 5	NA	NA	30-Sep-26	100	NA	CRISIL AA/Stable
NA	Term loan - 6	NA	NA	30-Mar-25	600	NA	CRISIL AA/Stable
NA	Term loan - 7	NA	NA	01-Mar-27	50	NA	CRISIL AA/Stable
NA	Term loan - 8	NA	NA	20-Mar-23	379.25	NA	CRISIL AA/Stable
NA	Cash credit	NA	NA	NA	15	NA	CRISIL AA/Stable
NA	Working capital demand loan	NA	NA	NA	250	NA	CRISIL AA/Stable
NA	Proposed long-term bank loan facility*	NA	NA	NA	984.7	NA	CRISIL AA/Stable

#Interchangeable between secured and subordinated debt
***not yet issued*
&For retail bond issuance
**Interchangeable with short term bank loan facility*

Annexure - Details of Rating Withdrawn

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity Level
INE866I07CK1	Non-convertible debentures#	6-Sep-19	9.50%	06-Dec-22	37.3	Simple
INE866I07CL9	Non-convertible debentures#	6-Sep-19	9.90%	06-Dec-22	11.51	Simple
INE866I07CM7	Non-convertible debentures#	6-Sep-19	9.90%	06-Dec-22	64.89	Simple
INE866I08121	Subordinated debt	31-Aug-12	12.20%	30-Aug-22	5	Complex
INE866I08121	Subordinated debt	31-Aug-12	12.20%	31-Aug-22	15	Complex
INE866I08162	Subordinated debt	5-Nov-12	12.20%	04-Nov-22	23	Complex
INE866I07CI5	Long-term principal protected market linked debentures	26-Jun-19	NIFTY 50 LINKED	27-Sep-22	25	Highly Complex

#Interchangeable between secured and subordinated debt

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of consolidation	Rationale for Consolidation
IIFL Finance Ltd	Full	Parent
IIFL Home Finance Ltd	Full	Subsidiary
IIFL Samasta Finance Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4000.0	CRISIL AA/Stable		--	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--
			--		--	11-03-22	CRISIL A1+ / CRISIL AA/Stable		--	06-11-20	CRISIL AA/Negative	--
			--		--		--		--	26-06-20	CRISIL AA/Negative	--
			--		--		--		--	18-04-20	CRISIL AA/Stable	--
Commercial Paper	ST	8500.0	CRISIL A1+		--	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+	CRISIL A1+
			--		--	11-03-22	CRISIL A1+		--	06-11-20	CRISIL A1+	--
			--		--		--		--	26-06-20	CRISIL A1+	--
			--		--		--		--	18-04-20	CRISIL A1+	--
Commercial Paper Programme(IPO Financing)	ST	500.0	CRISIL A1+		--	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+	--
			--		--	11-03-22	CRISIL A1+		--	06-11-20	CRISIL A1+	--
			--		--		--		--	26-06-20	CRISIL A1+	--
			--		--		--		--	18-04-20	CRISIL A1+	--
Non Convertible Debentures	LT	10200.14	CRISIL AA/Stable		--	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--
			--		--	11-03-22	CRISIL AA/Stable		--	06-11-20	CRISIL AA/Negative	--
			--		--		--		--	26-06-20	CRISIL AA/Negative	--
			--		--		--		--	18-04-20	CRISIL AA/Stable	--

Subordinated Debt	LT	5.0	CRISIL AA/Stable		--	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--
			--		--	11-03-22	CRISIL AA/Stable		--	06-11-20	CRISIL AA/Negative	--
			--		--		--		--	26-06-20	CRISIL AA/Negative	--
			--		--		--		--	18-04-20	CRISIL AA/Stable	--
Long Term Principal Protected Market Linked Debentures	LT	1100.0	CRISIL PPMLD AA r /Stable		--	28-06-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	14-12-20	CRISIL PPMLD AA r /Negative	--
			--		--	11-03-22	CRISIL PPMLD AA r /Stable		--	06-11-20	CRISIL PPMLD AA r /Negative	--
			--		--		--		--	26-06-20	CRISIL PPMLD AA r /Negative	--
			--		--		--		--	18-04-20	CRISIL PPMLD AA r /Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	15	HDFC Bank Limited	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility*	984.7	Not Applicable	CRISIL AA/Stable
Term Loan	36.05	Indian Overseas Bank	CRISIL AA/Stable
Term Loan	600	State Bank of India	CRISIL AA/Stable
Term Loan	379.25	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Stable
Term Loan	100	Bajaj Finance Limited	CRISIL AA/Stable
Term Loan	100	The Karnataka Bank Limited	CRISIL AA/Stable
Term Loan	50	IDBI Bank Limited	CRISIL AA/Stable
Term Loan	63.95	Indian Overseas Bank	CRISIL AA/Stable
Term Loan	421.05	Canara Bank	CRISIL AA/Stable
Term Loan	1000	National Bank For Agriculture and Rural Development	CRISIL AA/Stable
Working Capital Demand Loan	250	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Stable

This Annexure has been updated on 06-Jan-23 in line with the lender-wise facility details as on 10-Mar-22 received from the rated entity

Interchangeable with short term bank loan facility

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

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It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

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CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html

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RL/IIHOLI/296536/NCD/0622/37414/112980696/4
December 26, 2022

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures[#&] of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated November 17, 2022 bearing Ref. no.: RL/IIHOLI/296536/NCD/0622/37414/112980696/3

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

[#] *For retail bond issuance*
[&] *Interchangeable between secured and subordinated debt*

Ratings

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RL/IIHOLI/296536/NCD/0622/37414/112980696/3
November 17, 2022

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures#& of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated September 13, 2022 bearing Ref. no.: RL/IIHOLI/296536/NCD/0622/37414/112980696/2

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

#For retail bond issuance
& Interchangeable between secured and subordinated debt

Ratings

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RL/IIHOLI/296536/NCD/0622/37414/112980696/2
September 13, 2022

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures#& of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated July 29, 2022 bearing Ref. no.: RL/IIHOLI/296536/NCD/0622/37414/112980696/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

#For retail bond issuance
& Interchangeable between secured and subordinated debt

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RL/IIHOLI/296536/NCD/0622/37414/112980696/1
July 29, 2022

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures#& of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 28, 2022 bearing Ref. no.: RL/IIHOLI/296536/NCD/0622/37414/112980696

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

#For retail bond issuance
& Interchangeable between secured and subordinated debt

Ratings

CRISIL
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RL/IIHOLI/296536/NCD/0622/37414/112980696
June 28, 2022

Mr. Govind Modani
Vice President
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane - 400604

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures#& of IIFL Finance Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

Yours sincerely,

Malvika Bhotika

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

#For retail bond issuance
& Interchangeable between secured and subordinated debt

Details of the Rs.5000 Crore Non-Convertible Debentures of IIFL Finance Limited

	1st tranche		***2nd tranche***		***3rd tranche***	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

June 28, 2022 | Mumbai

IIFL Finance Limited

'CRISIL AA/Stable' assigned to Non Convertible Debentures; rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.4000 Crore (Enhanced from Rs.2000 Crore)**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Rs.1398 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Assigned)**
Rs.5000 Crore Non Convertible Debentures&#	**CRISIL AA/Stable (Assigned)**
Rs.1125 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA r /Stable (Reaffirmed)**
Rs.375 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA r /Stable (Withdrawn)**
Rs.2402 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Reaffirmed)**
Rs.2825 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Withdrawn)**
Rs.1513.84 Crore Non Convertible Debentures&#	**CRISIL AA/Stable (Reaffirmed)**
Rs.3486.16 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Withdrawn)**
Subordinated Debt Aggregating Rs.48 Crore	**CRISIL AA/Stable (Reaffirmed)**
Rs.300.37 Crore Subordinated Debt	**CRISIL AA/Stable (Withdrawn)**
Rs.500 Crore Commercial Paper Programme(IPO Financing)	**CRISIL A1+ (Reaffirmed)**
Rs.7500 Crore Commercial Paper Programme(IPO Financing)	**CRISIL A1+ (Withdrawn)**
Rs.8500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

& Interchangeable between secured and subordinated debt
#For retail bond issuance
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA/Stable'** rating to Rs 6,398 crore non-convertible debentures and enhanced bank facilities of Rs 4,000 crore. CRISIL Ratings has also reaffirmed its 'CRISIL AA/CRISIL PP-MLD AAr/Stable/CRISIL A1+' ratings on the debt instruments and bank facilities of IIFL Finance Ltd (IIFL Finance; part of the IIFL Finance group).

Also, CRISIL Ratings has withdrawn its ratings on the Rs 6,111.66 crore non-convertible debentures (NCDs), Rs 300.37 crore subordinated debt, Rs 375 crore long-term principal protected market-linked debentures and Rs 7,500 crore commercial paper programme (IPO financing), as there is no outstanding amount against the rated instruments. This is in line with the withdrawal policy of CRISIL Ratings.

The ratings continue to reflect the diversified retail product offerings of the IIFL Finance group, with a large part of the portfolio having inherently less risky asset classes, an extensive branch network and adequate capitalisation. These strengths are partially offset by average, albeit improving, profitability.

Assets under management (AUM) grew to Rs 51,210 crore (15% growth year-on-year) as on March 31, 2022, driven by the retail segment and supported by a wide geographic presence. The four core segments identified-home, gold, business and microfinance loans-remain the focus area. Retail loans formed around 93% of the AUM, while the remaining were loans to the commercial and real estate sector and capital market financing. The group has also demonstrated its ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group. Additionally, IIFL Home Finance Ltd (IIFL Home) has announced capital infusion of Rs 2,200 crore from Abu Dhabi Investment Authority (ADIA).

Lockdowns amid the Covid-10 pandemic disrupted economic activity and exerted pressure on the cash flow of borrowers. Consequently, collections dropped in the first as well as second waves but recovered gradually owing to subsequent easing of movement restrictions. Collection efficiency[1] was 106% as of March 2022, while on a segmental basis, it was 100% for home loans, 96% for business loans, 105% for micro-finance and 145% for gold loans. Though the third wave of the pandemic has not disrupted the operations materially, any change in the payment discipline of the borrowers may affect delinquency levels and will remain a monitorable.

Under the Reserve Bank of India (RBI) Resolution Framework 1.0 and 2.0 for Covid-19-related stress, the company had a restructured portfolio of around 0.7% of the AUM as on March 31, 2022. Gross non-performing assets (GNPAs/loans) inched up to 3.2% as on March 31, 2022, from 2.1% as on March 31, 2021, largely on account of the impact from the notification released by the RBI on November 12, 2021, and on account of the pandemic to some extent. Ability to manage collections and asset quality will be a key monitorable.

---

[1] Including arrears but excluding prepayments

<u>Analytical Approach</u>

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home and IIFL Samasta Finance Ltd (IIFL Samasta). This is because all these entities, collectively referred to as the IIFL Finance group, have significant operational, financial and managerial integration and operate under a common brand. Furthermore, CRISIL Ratings has factored in the business synergies that the group will have with IIFL Wealth Management Ltd and IIFL Securities Ltd given their common promoters and shared brand.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

<u>Key Rating Drivers & Detailed Description</u>

Strengths:

Diversified retail lending portfolio and an extensive branch network

Consolidated AUM stood at Rs 51,210 crore as on March 31, 2022 (Rs 44,688 crore a year earlier). IIFL Finance is primarily engaged in lending across various retail asset classes. Its two lending subsidiaries, IIFL Home and IIFL Samasta, carry out the mortgage finance and microfinance businesses, respectively.

Retail loans accounted for 93% of the AUM as on March 31, 2022, and had high granularity (loans of less than Rs 1 crore). Also, 69% of the portfolio, excluding gold loan business qualified under priority sector lending as on March 31, 2022. The company has four key segments: home loans (35% of the AUM as on March 31, 2022), gold loans (32%), business loans[1] (15%) and microfinance (12%), which together accounted for 93% of the AUM, up from 67% as on March 31, 2017. These segments will continue to drive growth over the medium term. Apart from these, there are two non-core but synergistic segments, construction and real-estate (CRE) funding and capital market lending. The company has been consciously reducing the book under these segments, which together accounted for only 7% as on March 31, 2022. Under CRE, the company continues to finance the completion of projects that were already funded by it and construction finance, while the capital market segment finances the retail clients of IIFL Securities Ltd. Growth is also supported by a wide network of 3,296 branches as of March 2022, spread across 1260 towns/cities. The company leverages its distribution network to cross-sell financial products of other IIFL entities. It has made substantial investments in technology to leverage its geographical reach.

On a standalone level, IIFL Finance had AUM of Rs 21,109 crore as on March 31, 2022 (Rs 19,199 crore a year earlier), primarily towards gold loans (77%), business loans (9%), developer and construction finance (11%) and capital markets (3%). IIFL Home had AUM of Rs 23,617 crore as on March 31, 2022 (Rs 20,694 crore a year earlier), largely toward home loans (75%), followed by loans against property (LAP; 23%) and construction finance (2%). IIFL Samasta had AUM of Rs 6,484 crore as on March 31, 2022 (Rs 4,796 crore as on March 31, 2021).

Adequate capitalisation

Consolidated networth was around Rs 6,470 crore as on March 31, 2022 (Rs 5,393 crore as on March 31, 2021), with on-book gearing of 5.5 times; however, CRISIL Ratings-adjusted gearing (on-book borrowings + securitisation/assignment) was higher at 8.2 times. Networth coverage for net non-performing assets (NPAs) was comfortable at 10 times as on March 31, 2022 (16 times a year earlier). The group has demonstrated an ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group. Also, IIFL Home recently announced raising of Rs 2,200 crore from ADIA. Given the growth plans and business strategy, capitalisation should remain adequate for the current and medium-term projected scale of operations. The ability to raise capital regularly and manage leverage levels will continue to be a monitorable.

As on March 31, 2022, IIFL Finance, on a standalone basis, had networth and CRISIL Ratings-adjusted gearing of Rs 4,427 crore and 5.6 times, respectively. Tier-I capital adequacy ratio (CAR) and overall CAR was 16.0% and 23.9%, respectively. Networth coverage for net NPAs was around 21 times. IIFL Home reported networth and CRISIL Ratings-adjusted gearing of Rs 2,681 crore and 8.3 times, respectively. Tier-I and overall CAR stood at 21.1% and 30.5%, respectively. Networth coverage for net NPAs was around 8 times. IIFL Samasta reported adjusted networth and CRISIL Ratings-adjusted gearing of Rs 964 crore and 5.5 times, respectively. Tier-I and overall CAR were 15.9% and 17.8%, respectively.

Weakness

Average, albeit improving, profitability

While CRISIL Ratings-adjusted return on managed assets (RoMA; adjusted for upfront income from direct assignment [DA]) improved to 1.4% for fiscal 2022 from 1.3% in fiscal 2021 (0.9% in 2020), it remains modest. Including income from DA, RoMA stood at 2.1% for fiscal 2022 (1.6% for fiscal 2021). On an absolute basis, IIFL Finance (consolidated) reported net profit of Rs 1,188 crore in fiscal 2022, up from Rs 761 crore in the previous fiscal and Rs 503 crore in fiscal 2020. Earnings were supported by lower credit cost and higher upfront income from DA transactions. Credit cost (provisions and write-offs/average managed assets) was 1.5% in fiscal 2022 compared with 2.4% in fiscal 2021. Elevated credit cost was mainly on account of Covid-19, which led to an increase in the delinquency levels. The company is increasingly looking at the partnership model, and co-lending is expected to contribute to improving profitability as this book materially scales up over the medium term.

On consolidated and standalone basis, IIFL Finance’s GNPAs inched up to 3.2% and 2.9% respectively as on March 31, 2022, from 2.1% and 2.4% respectively as on March 31, 2021. This includes the impact of the notification released by the RBI on November 12, 2021 and excluding the same, GNPAs on a consolidated basis would stand at 2.3%.

On a standalone basis, IIFL Home and IIFL Samasta reported GNPAs (excluding impact of Nov'12 circular) of 2.1% and 3.1% respectively as on March 31, 2022 (2.0% and 1.8%, respectively, as on March 31, 2021). GNPAs for the home loan segment stood at 2.6%, gold loan at 0.9%, business loans at 6.0% and microfinance at 3.9%. Apart from this, the IIFL Finance group’s restructured book stood at 0.7% of the AUM as on March 31, 2022. Ability to maintain delinquency levels and manage credit cost continues to be a key monitorable.

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[1] Business loans include LAP and unsecured loans to micro small and medium enterprises

Liquidity : Strong

As on May 31, 2022, the company had a liquidity cushion of Rs 3,384 crore (Rs 1,029 crore of cash and equivalents, Rs 1,438 crore of unutilised cash credit limit and Rs 917 crore of unutilised bank limit, including securitisation/DA limit). Against this, total debt obligation was Rs 2,203 crore over the four months through September 2022.

Environment, social and governance (ESG) profile

CRISIL Ratings believes that IIFL Finance group’s ESG profile supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environmental and other sustainability related factors.

IIFL Finance group has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

Key ESG highlights of the IIFL Finance group

IIFL Finance has replaced 4,207 incandescent lights with light-emitting diode (LED) panels across 15 branches.

Processes have been digitalised and automated to provide a completely paperless journey to customers. As a result, IIFL Home was able to reduce paper consumption by 3.9 tonne in fiscal 2021 (approximately 0.78 million sheets of paper).

Women comprised 18% of the total employees as on December 31, 2021. One out of nine board members is a woman.

Of the company’s board members, 67% are independent directors, split into the chairman and CEO positions. It has extensive investor grievance redressal disclosures and mechanism in place.

There is growing importance of ESG among investors and lenders. The IIFL Finance group’s commitment to ESG will play a key role in enhancing stakeholder confidence given the substantial share of foreign investors as well as access to domestic capital markets.

Outlook Stable

IIFL Finance group will maintain adequate capitalisation and diversified product offerings in the retail segment.

Rating Sensitivity factors

Upward factors

- Significant improvement in the market position and better asset quality

- Improvement in profitability, with RoMA beyond 3.0% on a sustained basis

Downward factors
- Weakening of the asset quality, with GNPAs increasing to above 5% over an extended period, thereby impacting profitability
- Weakening of the capitalisation metrics, with a sustained higher-than-expected gearing

About the Company
IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking non-banking financial company (NBFC). The group offers various retail lending products, including gold loans, home loans, LAP, business loans and microfinance loans which are the core segments and form 93% of the AUM while the rest comprises of capital market-based lending (margin funding and loans against shares) and construction and developer finance. As of March 2022, promoters held 24.9% stake in IIFL Finance, while 22.3% is held by Mr Prem Watsa-owned Fairfax Holdings and 7.8% by CDC Group PLC.

On a consolidated basis, IIFL Finance had total income (net of interest expenses) and profit after tax (PAT) of Rs 4,015 crore and Rs 1,188 crore, respectively, in fiscal 2022 against Rs 3,364 crore and Rs 761 crore, respectively, in the previous fiscal.

On a standalone alone basis, IIFL Finance reported total income (net of interest expenses) and PAT of Rs 2,474 crore and Rs 745 crore, respectively, in fiscal 2022 against Rs 1,881 crore and Rs 343 crore, respectively, in the previous fiscal. On a standalone alone basis, IIFL Home reported total income (net of interest expenses) and PAT of Rs 1,159 crore and Rs 578 crore, respectively, in fiscal 2022 against Rs 1,014 crore and Rs 401 crore, respectively, in the previous fiscal.

Key Financial Indicators: IIFL Finance (Consolidated; CRISIL Ratings-adjusted numbers)

As on / for the period ended March 31,		2022	2021
Total assets	Rs crore	45,910	40,667
Total income (net of interest expenses)	Rs crore	4,015	3,364
PAT	Rs crore	1,188	761
GNPA	%	3.2%	2.1%
RoMA	%	2.1%	1.6%
Gearing	Times	5.5	5.1
Adjusted gearing	Times	8.2	8.1

IIFL Finance (standalone; CRISIL Ratings-adjusted numbers)

As on / for the period ended March 31,		2022	2021
Total income (net of interest expenses)	Rs crore	2,474	1,881
PAT	Rs crore	745	343
GNPA	%	2.9	2.4
Gearing	Times	3.7	3.8
Adjusted gearing	Times	5.6	5.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating assigned with outlook
INE530B07021	Non-convertible debentures#	8-May-20	9.00%	8-May-23	100	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-28	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-29	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures#	30-Jun-21	8.33%	30-Jun-30	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible	30-Jun-21	8.33%	30-Jun-	125	Simple	CRISIL

	debentures#			31			AA/Stable
INE530B07195	Non-convertible debentures#	21-Jan-22	8.50%	21-Jan-32	10	Simple	CRISIL AA/Stable
INE530B07203	Non-convertible debentures#	24-Mar-22	8.60%	24-Mar-32	50	Simple	CRISIL AA/Stable
INE530B07203	Non-convertible debentures#	24-Mar-22	8.60%	24-Mar-32	10	Simple	CRISIL AA/Stable
INE530B08128	Non-convertible debentures#	24-Mar-22	9.35%	24-Mar-32	50	Simple	CRISIL AA/Stable
INE866I07CD6	Non-convertible debentures#	7-Feb-19	9.80%	7-Feb-24	636.81	Simple	CRISIL AA/Stable
INE866I07CF1	Non-convertible debentures#	7-Feb-19	10.20%	7-Feb-24	126.47	Simple	CRISIL AA/Stable
INE866I07CK1	Non-convertible debentures#	6-Sep-19	9.50%	6-Dec-22	37.3	Simple	CRISIL AA/Stable
INE866I07CL9	Non-convertible debentures#	6-Sep-19	9.90%	6-Dec-22	11.51	Simple	CRISIL AA/Stable
INE866I07CM7	Non-convertible debentures#	6-Sep-19	9.90%	6-Dec-22	64.89	Simple	CRISIL AA/Stable
INE866I08279	Non-convertible debentures#	7-Feb-19	10.00%	7-Feb-29	30.77	Simple	CRISIL AA/Stable
INE866I08295	Non-convertible debentures#	7-Feb-19	10.50%	7-Feb-29	15.45	Simple	CRISIL AA/Stable
INE866I08303	Non-convertible debentures#	6-Sep-19	10.00%	6-Jun-25	25.93	Simple	CRISIL AA/Stable
INE866I08311	Non-convertible debentures#	6-Sep-19	10.50%	6-Jun-25	5.78	Simple	CRISIL AA/Stable
NA	Non-convertible debentures#**	NA	NA	NA	2125.09	NA	CRISIL AA/Stable
INE866I08121	Subordinated debt	31-Aug-12	12.20%	30-Aug-22	5	Simple	CRISIL AA/Stable
INE866I08121	Subordinated debt	31-Aug-12	12.20%	31-Aug-22	15	Simple	CRISIL AA/Stable
INE866I08162	Subordinated debt	5-Nov-12	12.20%	4-Nov-22	23	Simple	CRISIL AA/Stable
INE866I07CO3	Subordinated debt	17-Sep-19	9.90%	17-Jan-23	5	Simple	CRISIL AA/Stable
INE530B07120	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	307.53	Simple	CRISIL AA/Stable
INE530B07138	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	71.43	Simple	CRISIL AA/Stable
INE530B07146	Non-convertible debentures&	14-Oct-21	8.50%	14-Oct-24	94.08	Simple	CRISIL AA/Stable
INE530B07153	Non-convertible debentures&	14-Oct-21	8.50%	14-Oct-24	57.31	Simple	CRISIL AA/Stable
INE530B07161	Non-convertible debentures&	14-Oct-21	8.40%	14-Oct-26	147.25	Simple	CRISIL AA/Stable
INE530B07179	Non-convertible debentures&	14-Oct-21	8.80%	14-Oct-26	136.08	Simple	CRISIL AA/Stable
INE530B07187	Non-convertible debentures&	14-Oct-21	8.80%	14-Oct-26	29.31	Simple	CRISIL AA/Stable
INE530B08094	Non-convertible debentures&	24-Mar-21	9.90%	24-Mar-28	274.69	Simple	CRISIL AA/Stable
INE530B08102	Non-convertible debentures&	24-Mar-21	10.00%	24-Mar-28	328.02	Simple	CRISIL AA/Stable
INE530B08110	Non-convertible debentures&	24-Mar-21	9.60%	24-Mar-28	68.14	Simple	CRISIL AA/Stable
NA	Non-convertible debentures&**	NA	NA	NA	5000	Simple	CRISIL AA/Stable
INE866I07CI5	Long-term principal protected market-linked debentures	26-Jun-19	NA	27-Sep-22	25	Highly Complex	CRISIL PPMLD AAr/Stable

INE530B07112	Long-term principal protected market-linked debentures	7-Sep-21	NA	7-Sep-24	100	Highly Complex	CRISIL PPMLD AAr/Stable
NA	Long-term principal protected market-linked debentures**	NA	NA	NA	1000	Highly Complex	CRISIL PPMLD AAr/Stable
NA	Commercial paper programme (IPO financing)	NA	NA	7-30 days	500	Simple	CRISIL A1+
NA	Commercial paper	NA	NA	7-365 days	8500	Simple	CRISIL A1+
NA	Term loan - 1	NA	NA	22-Mar-26	421.05	NA	CRISIL AA/Stable
NA	Term loan - 2	NA	NA	31-Dec-25	1000	NA	CRISIL AA/Stable
NA	Term loan - 3	NA	NA	28-Feb-25	100	NA	CRISIL AA/Stable
NA	Term loan - 4	NA	NA	25-Jan-25	100	NA	CRISIL AA/Stable
NA	Term loan - 5	NA	NA	30-Sep-26	100	NA	CRISIL AA/Stable
NA	Term loan - 6	NA	NA	30-Mar-25	600	NA	CRISIL AA/Stable
NA	Term loan - 7	NA	NA	1-Mar-27	50	NA	CRISIL AA/Stable
NA	Term loan - 8	NA	NA	20-Mar-23	379.25	NA	CRISIL AA/Stable
NA	Cash credit	NA	NA	NA	15	NA	CRISIL AA/Stable
NA	Working capital demand loan	NA	NA	NA	250	NA	CRISIL AA/Stable
NA	Proposed long-term bank loan facility	NA	NA	NA	984.7	NA	CRISIL AA/Stable

 # Interchangeable between secured and subordinated debt
***not yet issued*
&For retail bond issuance

Annexure: Details of instruments withdrawn

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Complexity Level	Issue size
INE530B07047	Non-convertible debentures	19-Aug-20	8.00%	18-Feb-22	NA	100.00
INE530B07062	Non-convertible debentures	30-Sep-20	8.00%	30-Mar-22	NA	125.00
INE530B07062	Non-convertible debentures	30-Sep-20	8.00%	30-Mar-22	NA	100.00
INE530B07070	Non-convertible debentures	17-Nov-20	8.00%	17-May-22	NA	100.00
INE530B07088	Non-convertible debentures	26-Nov-20	8.00%	26-May-22	NA	25.00
INE530B07096	Non-convertible debentures	24-Feb-21	7.70%	24-Mar-22	NA	100.00
INE866I07BY4	Non-convertible debentures	07-Feb-19	9.50%	07-May-22	NA	260.50
INE866I07BZ1	Non-convertible debentures	07-Feb-19	9.60%	07-May-22	NA	39.00
INE866I07CB0	Non-convertible debentures	07-Feb-19	9.60%	07-May-22	NA	49.00
NA	Non-convertible debentures	NA	NA	NA	NA	1726.50
NA	Non-convertible debentures	NA	NA	NA	NA	3486.16
NA	Subordinated debt	NA	NA	NA	NA	300.37
NA	Long-term principal protected market-linked debentures	NA	NA	NA	NA	375.00
NA	Commercial paper programme (IPO financing)	NA	NA	NA	NA	7,500.00

Annexure – List of entities consolidated

Names of Entities Consolidated	Rationale for Consolidation

IIFL Finance Ltd	Parent
IIFL Home Finance Ltd	Subsidiary
IIFL Samasta Finance Ltd	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fund Based Facilities	LT	4000.0	CRISIL AA/Stable	11-03-22	CRISIL A1+ / CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative		--	--
			--		--		--	06-11-20	CRISIL AA/Negative		--	--
			--		--		--	26-06-20	CRISIL AA/Negative		--	--
			--		--		--	18-04-20	CRISIL AA/Stable		--	--
Commercial Paper	ST	8500.0	CRISIL A1+	11-03-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+	20-08-19	CRISIL A1+	CRISIL A1+
			--		--		--	06-11-20	CRISIL A1+		--	--
			--		--		--	26-06-20	CRISIL A1+		--	--
			--		--		--	18-04-20	CRISIL A1+		--	--
Commercial Paper Programme(IPO Financing)	ST	500.0	CRISIL A1+	11-03-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+		--	--
			--		--		--	06-11-20	CRISIL A1+		--	--
			--		--		--	26-06-20	CRISIL A1+		--	--
			--		--		--	18-04-20	CRISIL A1+		--	--
Non Convertible Debentures	LT	10313.84	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative		--	--
			--		--		--	06-11-20	CRISIL AA/Negative		--	--
			--		--		--	26-06-20	CRISIL AA/Negative		--	--
			--		--		--	18-04-20	CRISIL AA/Stable		--	--
Short Term Debt (Including Commercial Paper)	ST		--		--		--		--		--	CRISIL A1+
Subordinated Debt	LT	48.0	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative		--	--
			--		--		--	06-11-20	CRISIL AA/Negative		--	--
			--		--		--	26-06-20	CRISIL AA/Negative		--	--
			--		--		--	18-04-20	CRISIL AA/Stable		--	--
Long Term Principal Protected Market Linked Debentures	LT	1125.0	CRISIL PPMLD AA r /Stable	11-03-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	14-12-20	CRISIL PPMLD AA r /Negative		--	--
			--		--		--	06-11-20	CRISIL PPMLD AA r /Negative		--	--
			--		--		--	26-06-20	CRISIL PPMLD AA r /Negative		--	--
			--		--		--	18-04-20	CRISIL PPMLD AA r /Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	15	HDFC Bank Limited	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility	984.7	Not Applicable	CRISIL AA/Stable
Term Loan	36.05	Indian Overseas Bank	CRISIL AA/Stable
Term Loan	600	State Bank of India	CRISIL AA/Stable
Term Loan	379.25	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Stable
Term Loan	100	Bajaj Finance Limited	CRISIL AA/Stable
Term Loan	100	The Karnataka Bank Limited	CRISIL AA/Stable
Term Loan	50	IDBI Bank Limited	CRISIL AA/Stable
Term Loan	63.95	Indian Overseas Bank	CRISIL AA/Stable
Term Loan	421.05	Canara Bank	CRISIL AA/Stable
Term Loan	1000	National Bank For Agriculture and Rural Development	CRISIL AA/Stable
Working Capital Demand Loan	250	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Stable

This Annexure has been updated on 28-Jun-22 in line with the lender-wise facility details as on 10-Mar-22 received from the rated entity.

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html

ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA

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ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/IIFL Finance Limited/24052023/1
Date: May 24, 2023

Mr. Kapish Jain
Chief Financial Officer
IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 4000693

Dear Sir,

Re: ICRA Credit Rating for Rs. 5,000 crore Non-Convertible Debenture (NCD) Programme of IIFL Finance Limited (instrument details in Annexure)

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the **"[ICRA] AA" (pronounced as ICRA Double A)** rating with a Stable outlook assigned to your captioned programme and last communicated to you vide our letter dated August 02, 2022 stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref. **ICRA/IIFL Finance Limited/02082022/1** dated August 02, 2022.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Amount Rated (Rs. crore)	Current Rating and Outlook
INE530B07252	Non-Convertible Debenture	45.63	[ICRA]AA(Stable)
INE530B07302	Non-Convertible Debenture	30.07	[ICRA]AA(Stable)
INE530B07294	Non-Convertible Debenture	57.21	[ICRA]AA(Stable)
INE530B07286	Non-Convertible Debenture	24.13	[ICRA]AA(Stable)
INE530B07310	Non-Convertible Debenture	158.27	[ICRA]AA(Stable)
INE530B07260	Non-Convertible Debenture	118.93	[ICRA]AA(Stable)
INE530B07278	Non-Convertible Debenture	37.86	[ICRA]AA(Stable)
Not Placed	Non-Convertible Debenture	4,527.89	[ICRA]AA(Stable)
	Total	**5,000.00**	

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/IIFL Finance Limited/23122022/1
Date: December 23, 2022

Mr. Govind Modani
Vice President - Treasury
IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 4000693

Dear Sir,

Re: ICRA Credit Rating for Rs. 5,000 crore (Nil outstanding) Non-Convertible Debenture (NCD) Programme of IIFL Finance Limited.

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the **"[ICRA] AA" (pronounced as ICRA Double A)** rating with a stable outlook assigned to your captioned programme and last communicated to you vide our letter dated **August 02, 2022,** stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref **ICRA/IIFL Finance Limited/02082022/1** dated **August 02, 2022.**

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/IIFL Finance Limited/17112022/1
Date: November 17, 2022

Mr. Govind Modani
Vice President - Treasury
IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 4000693

Dear Sir,

Re: ICRA Credit Rating for Rs. 5,000 crore (Nil outstanding) Non-Convertible Debenture (NCD) Programme of IIFL Finance Limited.

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the **"[ICRA] AA" (pronounced as ICRA Double A)** rating with a stable outlook assigned to your captioned programme and last communicated to you vide our letter dated **August 02, 2022,** stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref **ICRA/IIFL Finance Limited/02082022/1** dated **August 02, 2022.**

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

CONFIDENTIAL

Ref: ICRA/IIFL Finance Limited/02082022/1
Date: August 02, 2022

Mr. Rajesh Rajak
Chief Financial Officer
IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 4000693

Dear Sir,

Re: ICRA Credit Rating for Rs. 5,000 crore Non-Convertible Debenture (NCD) Programme of IIFL Finance Limited

Please refer to the Statement of Work dated July 29, 2022, executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme.

Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your non-convertible debenture (NCD) programme at **"[ICRA] AA" (pronounced as ICRA Double A)**. The outlook on the long-term rating is Stable. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In any of your publicity material or other document wherever you are using above rating, it should be stated as [ICRA]AA(stable).

We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by August 08, 2022, as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017
Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

ICRA

ICRA Limited

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated August 02, 2022, I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of IIFL Finance Limited.

For IIFL Finance Limited

____

Name:

Designation:

Date:

August 03, 2022

IIFL Finance Limited: [ICRA]AA(Stable) assigned to NCDs; ratings for other instruments reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme	-	5,000.00	[ICRA]AA(Stable); assigned
Non-convertible Debenture Programme	4,617.27	4,617.27	[ICRA]AA(Stable); reaffirmed
Subordinated Debt Programme	710.00	710.00	[ICRA]AA(Stable); reaffirmed
Subordinated Debt Programme	35.00	-	[ICRA]AA(Stable); reaffirmed and withdrawn
Long-term Bank Lines	5,775.00	5,775.00	[ICRA]AA(Stable); reaffirmed
Non-convertible Debenture Programme	3,907.96	3,907.96	[ICRA]AA(Stable); reaffirmed
Non-convertible Debenture Programme	341.04	-	[ICRA]AA(Stable); reaffirmed and withdrawn
Long-term Principal Protected Equity Linked Debenture Programme	500.00	500.00	PP-MLD[ICRA]AA(Stable); reaffirmed
Long-term Principal protected Market Linked Debenture Programme	364.00	364.00	PP-MLD[ICRA]AA(Stable); reaffirmed
Commercial Paper Programme	8,000.00	8,000.00	[ICRA]A1+; reaffirmed
Commercial Paper Programme (IPO financing)	8,000.00	8,000.00	[ICRA]A1+; reaffirmed
Total	**32,250.27**	**36,874.23**	

**Instrument details are provided in Annexure I*

Rationale

To arrive at the ratings, ICRA has considered the combined business of IIFL Finance Limited and its subsidiaries (IIFL Home Finance Limited and IIFL Samasta Microfinance Limited), referred to as IIFL/the Group/the company, given their common senior management team and strong financial and operational synergies.

The ratings favourably factor in the Group's diversified lending portfolio with assets under management (AUM) of Rs. 52,761 crore as on June 30, 2022 (retail portfolio constituting 95%) and its widespread presence across 25 states with 3,296 branches. The ratings also consider the Group's adequate capitalisation. With the off-balance sheet portfolio largely driving the growth, the company's capitalisation has remained stable with a consolidated net worth of Rs. 6,470 crore and on-book gearing of 5.7x as on March 31, 2022. IIFL Home Finance has entered into a definite agreement with Abu Dhabi Investment Authority (ADIA) for raising Rs. 2,200 crore of primary capital for a 20% stake, which is likely to support the company's growth plans. Further, given the increasing share of the off-balance sheet portfolio, the capitalisation is expected to remain adequate.

The ratings are constrained by the impact of the Covid-19 pandemic on the Group's profitability and asset quality. The asset quality has moderated on account of pandemic-related issues and slippages in the real estate book. With high slippages and write-offs, the credit costs remained high in FY2022 and FY2021, thereby impacting the profitability. IIFL's ability to manage the asset quality and control the credit costs would remain critical for maintaining the profitability. During the liquidity crisis post September 2018, the company had primarily been relying on the assignment/securitisation of its portfolio. However, since then, it has raised long-term bank loans, retail non-convertible debentures (NCDs), foreign currency bonds and National Housing Bank (NHB) and National Bank for Agriculture and Rural Development (NABARD) refinance in the last two years, which has helped improve the funding profile. A further improvement in the Group's ability to raise funds from diverse sources at competitive rates will also remain a key monitorable.

ICRA has reaffirmed and withdrawn the rating outstanding on the NCD programme and subordinated debt programme of Rs. 341.04 crore and Rs. 35.00 crore, respectively, as these instruments have been redeemed in full and there are no dues outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal and suspension of credit ratings.

Key rating drivers and their description

Credit strengths

Diversified lending book with focus on retail lending provides comfort – The Group has a diversified lending book with AUM of Rs. 52,761 crore as on June 30, 2022. Home loans accounted for 35% of the portfolio, followed by gold loans, (32%), business loans (15%), microfinance (12%), developer and construction finance (5%) and capital market (1%). The total AUM grew by 22% YoY. With a focus on growing its assigned book and the AUM under co-lending, the off-balance sheet book has increased significantly and stood at Rs. 18,418 crore (35% of AUM) as on June 30, 2022 (Rs. 10,259 crore; 24% of AUM as on June 30, 2021). The company has tie-ups with various banks and this is likely to further increase the share of the off-balance sheet book in the medium term.

The AUM growth was largely led by a 29% YoY growth in gold loans, 26% in home loans while microfinance loans grew by 43% (albeit on a relatively smaller base). With the transfer of ~Rs. 1,300 crore of the book to Alternative Investment Funds (AIFs) in Q1 FY2022, construction finance and real estate witnessed a decline (of this, ~Rs. 900 crore was received as investment in the units of AIFs and the balance in cash). Further, unsecured business loans have been declining steadily.

ICRA takes note of the Group's extensive network of 3,296 branches across 25 states as on March 31, 2022, which is likely to support future growth. Going forward, the management intends to focus on retail mortgage loans and other high-yielding loans such as gold loans and microfinance loans and reduce incremental exposure to the wholesale segment (6% of the AUM as on June 30, 2022 – including investment in AIF).

Adequate capitalisation – IIFL Finance's consolidated net worth stood at Rs. 6,470 crore as on March 31, 2022 with on-book gearing of 5.7x (managed gearing, including off-book, of 8.5x). ICRA takes note of the definitive agreement between IIFL Home Finance and ADIA for raising Rs. 2,200 crore of primary capital for a 20% stake. The equity infusion is likely to support the company's growth plans in the medium term. The capitalisation is further supported by the increasing share of the off-balance sheet portfolio. The company's solvency profile remained comfortable with consolidated net stage 3/net worth at 7.3% as on June 30, 2022 (6.0% as on June 30, 2021).

On a standalone basis, the company reported a capital-to-risk weighted assets ratio (CRAR) of 23.9% with a Tier I of 16.0% as of March 31, 2022 (25.4% and 17.5%, respectively, as on March 31, 2021). IIFL Home Finance remained adequately capitalised with a CRAR and Tier I of 30.5% and 21.1%, respectively, as on March 31, 2022 (23.0% and 19.6%, respectively, as on March 31, 2021). Samasta's capitalisation has been supported by regular equity infusions by IIFL Finance and IIFL Home Finance. Samasta reported a CRAR and Tier I of 17.8% and 15.9%, respectively, as on March 31, 2022 (18.5% and 15.1%, respectively, as on March 31, 2021).

Credit challenges

Credit costs remain high; exposed to slippages from real estate and microfinance books – The IIFL Group's reported asset quality indicators were comfortable with the gross and net stage 3 at 2.57% and 1.48%, respectively, as on June 30, 2022

(2.20% and 0.80%, respectively, as on June 30, 2021). While slippages remained high in FY2022 and Q1 FY2023, the company's reported asset quality has been supported by significant write-offs, especially in the real estate book and the unsecured micro, small & medium enterprise (MSME) portfolio. IIFL's collections, like other non-banking financial companies (NBFCs), were impacted by pandemic-related issues. It has seen increased slippages in the unsecured MSME segment and the microfinance institution (MFI) portfolio. While the share of the unsecured MSME segment has been reducing and stood at 4% of the AUM as on June 30, 2022 (8% as on March 31, 2020), the company's ability to control slippages from its MFI segment (12% of the AUM) in light of the impact of the pandemic on the borrower profile will be a key monitorable.

Further, IIFL's asset quality is exposed to slippages from the concentrated wholesale lending portfolio. The wholesale lending portfolio largely comprises higher ticket size real estate loans (funding for the relatively initial stages of the project). ICRA, however, takes note of the decline in the real estate book to 5% of the AUM and 36% of the net worth as on June 30, 2022 (6% and 49%, respectively, including the investment in AIFs) from 9% and 79%, respectively, as on March 31, 2021. Given the delays in project execution, the company had extended the date of commencement of commercial operations (DCCO) for ~58% of its real estate portfolio as on June 30, 2021. While the projects have now come out of the DCCO, the Group's ability to control slippages remains a key monitorable.

Given the moderate seasoning of home loans, the Group's ability to maintain its asset quality through the current business cycles will remain a monitorable. Additionally, MFI loans are given to marginal borrower segments, which have been impacted by the pandemic. Microfinance remains susceptible to the risks associated with unsecured lending to marginal borrowers with limited ability to absorb income shocks and the rising borrower leverage levels owing to an increase in multiple lending in the areas of operations. Further, political and operational risks associated with microfinance may result in high volatility in the asset quality indicators.

With increased slippages, credit costs remained high at 1.5% of the average managed assets (AMA) in FY2022 though lower than FY2021 (2.4% of AMA). The profitability was largely supported by the higher upfront gain on assignment with IIFL reporting a profit after tax (PAT) of 2.1% of AMA in FY2022 (1.6% in FY2021). However, excluding the upfront gain on assignment, the PAT stood at 1.5% of AMA in FY2022 compared to 1.4% in FY2021. The company's ability to manage the asset quality and control the credit costs would remain critical for improving its profitability.

Limited diversification in funding profile despite improvement – The resource profile, as on June 30, 2022, consisted of bank loans of ~37%, assignment and securitisation of ~34%, debentures of ~20%, and refinance facility of ~10%. While the company has been raising long-term bank loans, retail NCDs, foreign currency bonds and NHB refinance in the past two years, the reliance has largely been on banks in terms of the investor profile. ICRA draws comfort from the significant retail exposures (~94% of the AUM) with priority sector loans accounting for 36%, which could be securitised/assigned to generate liquidity. An improvement in the Group's ability to raise diversified funds at competitive rates will remain a key monitorable.

Liquidity position: Adequate

As on June 30, 2022, the company had on-balance sheet liquidity (in the form of cash and unencumbered fixed deposits) of Rs. 2,384 crore and undrawn cash credit limits of Rs. 1,273 crore. Further, it had sanctioned but unutilised bank lines of Rs. 330 crore. The liquidity profile remains adequate in relation to the near-term debt maturities (debt obligations of ~Rs. 3,241 crore due till December 2022 for IIFL Finance consolidated).

Rating sensitivities

Positive factors – ICRA could revise the outlook to Positive or upgrade the ratings if the company reports a substantial and sustained improvement in its business performance, characterised by well-diversified growth and improvement in the profitability, asset quality and funding diversity.

Negative factors – ICRA could downgrade the ratings or change the outlook if there is a weakening in the asset quality, with the reported gross stage 3 increasing to more than 5%, or a deterioration in the profitability with PAT/AMA of less than 1.25% or a substantial increase in the on-book leverage on a sustained basis. Any deterioration in the funding flexibility would also be a key negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	[ICRA's Credit Rating Methodology for Non-banking Finance Companies](#) [Policy on Withdrawal of Credit Ratings](#)
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has done a combined analysis of IIFL Finance Limited and its subsidiaries (IIFL Home Finance Limited and IIFL Samasta Microfinance Limited), given their common senior management team and strong financial and operational synergies, enlisted in Annexure II

About the company

IIFL Finance, a listed non-operating holding company had India Infoline Finance Limited {a systematically important, non-deposit accepting non-banking financial company (NBFC-ND-SI)} as its subsidiary. As a part of a merger scheme, India Infoline Finance was merged with IIFL Finance with effect from March 30, 2020 following the receipt of an NBFC licence by IIFL Finance. IIFL along with its subsidiaries, IIFL Home Finance (registered as a housing finance company) and Samasta Microfinance Limited (registered as an NBFC-MFI) offers home loans, loan against property, MSME loans, gold loans, microfinance and real estate loans.

IIFL Finance Limited's consolidated net worth stood at Rs. 6,880 crore as on June 30, 2022. It reported a PAT of Rs. 1,188 crore in FY2022 on total assets of Rs. 45,910 crore compared to Rs. 761 crore and Rs. 40,667 crore, respectively, in FY2021. The company reported a PAT of Rs. 330 crore in Q1 FY2023 on total assets of Rs. 44,130 crore as on June 30, 2022.

Key financial indicators (audited)

IIFL Finance Limited (consolidated)	FY2020	FY2021	FY2022
Total revenues	4,844	5,840	6,470
Profit after tax	503	761	1,188
Net worth	4,766	5,393	6,470
Loan book (AUM)	37,951	44,688	51,210
Total assets	34,341	40,667	45,910
PAT/AMA	1.2%	1.6%	2.1%
Return on average equity	11.0%	15.0%	20.0%
Gross stage 3	2.0%	2.0%	3.2%^
Net stage 3	0.8%	0.9%	1.8%
Gearing (times)	5.8	6.1	5.7
Solvency (Net stage 3/Net worth)	5.7%	6.0%	9.6%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore
^Including impact of RBI circular of Nov-21; excluding the same, gross stage 3 stood at 2.3%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years			
		Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020
					Aug-03-2022	Oct-06-2021	Jan-22-2021	Apr-21-2020	-
1	**Non-convertible Debenture Programme**	Long Term	5,000.00	-	[ICRA]AA(Stable)	-	-	-	-
2	**Non-convertible Debenture Programme**	Long Term	4,617.27	-	[ICRA]AA(Stable)	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
3	**Subordinated Debt Programme**	Long Term	710.00	153.00	[ICRA]AA(Stable)	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
4	**Subordinated Debt Programme**	Long Term	35.00	-	[ICRA]AA(Stable); withdrawn	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
5	Long-term Bank Lines	Long Term	5,775.00	4,724.96	[ICRA]AA(Stable)	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
6	**Non-convertible Debenture Programme**	Long Term	3,907.96	726.24	[ICRA]AA(Stable)	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
7	**Non-convertible Debenture Programme**	Long Term	341.04	-	[ICRA]AA(Stable); withdrawn	[ICRA]AA(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	-
8	**Long-term Principal Protected Equity Linked Debenture Programme**	Long Term	500.00	0	PP-MLD[ICRA]AA(Stable)	PP-MLD[ICRA]AA(Stable)	PP-MLD[ICRA]AA (Negative)	PP-MLD[ICRA]AA (Negative)	-
9	**Long-term Principal protected Market Linked Debenture Programme**	Long Term	364.00	50.00	PP-MLD[ICRA]AA(Stable)	PP-MLD[ICRA]AA(Stable)	PP-MLD[ICRA]AA (Negative)	PP-MLD[ICRA]AA (Negative)	-
10	**Commercial Paper Programme**	Short Term	8,000.00	25.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-
11	**Commercial Paper Programme (IPO financing)**	Short Term	8,000.00	0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Bank Lines	Very Simple
Non-convertible Debenture Programme	Very Simple/Simple
Subordinated Debt Programme	Simple
Long-term Principal Protected Equity Linked Debenture Programme	Complex
Long-term Principal Protected Market Linked Debenture Programme	Complex
Commercial Paper Programme	Very Simple
Commercial Paper Programme (IPO financing)	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN/ Banker Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-convertible debenture programme#^	NA	NA	NA	5,000.00	[ICRA]AA(Stable)
NA	Long-term debt programme/ Secured NCD programme-Unallocated^	NA	NA	NA	4,617.27	[ICRA]AA(Stable)
INE866I07CD6	Non-convertible debenture programme	Feb-07-19	9.75%	Feb-07-24	171.11	[ICRA]AA(Stable)
INE866I07CF1	Non-convertible debenture programme	Feb-07-19	10.20%	Feb-07-24	113.07	[ICRA]AA(Stable)
INE866I08279	Non-convertible debenture programme	Feb-07-19	10.00%	Feb-07-29	30.77	[ICRA]AA(Stable)
INE866I08295	Non-convertible debenture programme	Feb-07-19	10.50%	Feb-07-29	15.45	[ICRA]AA(Stable)
INE866I07CK1	Non-convertible debenture programme	Sep-06-19	9.50%	Dec-06-22	33.45	[ICRA]AA(Stable)
INE866I07CL9	Non-convertible debenture programme	Sep-06-19	9.85%	Dec-06-22	11.09	[ICRA]AA(Stable)
INE866I07CM7	Non-convertible debenture programme	Sep-06-19	9.85%	Dec-06-22	64.59	[ICRA]AA(Stable)
INE866I08303	Non-convertible debenture programme	Sep-06-19	10.00%	Jun-06-25	25.93	[ICRA]AA(Stable)
INE866I08311	Non-convertible debenture programme	Sep-06-19	10.50%	Jun-06-25	5.78	[ICRA]AA(Stable)
INE530B07211	Non-convertible debenture programme	Jul-15-22	9.00%	Jul-15-32	10.00	[ICRA]AA(Stable)
INE530B08136	Non-convertible debenture programme	Jul-26-22	9.65%	Jul-26-32	125.00	[ICRA]AA(Stable)
INE530B07203	Non-convertible debenture programme	Mar-24-22	8.60%	Mar-24-32	60.00	[ICRA]AA(Stable)
INE530B08128	Non-convertible debenture programme	Mar-24-22	9.35%	Mar-24-32	50.00	[ICRA]AA(Stable)
INE530B07195	Non-convertible debenture programme	Jan-21-22	8.50%	Jan-21-32	10.00	[ICRA]AA(Stable)
NA	Non-convertible debenture programme – Unallocated				3,181.72	[ICRA]AA(Stable)
INE866I07BY4	Non-convertible debenture programme	Feb-07-19	9.50%	May-07-22	260.50	[ICRA]AA(Stable); withdrawn
INE866I07BZ1	Non-convertible debenture programme	Feb-07-19	9.60%	May-07-22	37.35	[ICRA]AA(Stable); withdrawn
INE866I07CB0	Non-convertible debenture programme	Feb-07-19	9.60%	May-07-22	43.19	[ICRA]AA(Stable); withdrawn
INE866I08253	Long-term principal protected market linked debenture programme	Aug-28-18	9.35%	Aug-25-28	50.00	PP-MLD[ICRA]AA(Stable)
NA	Long-term principal protected market linked debenture programme – Unallocated^	NA	NA	NA	314.00	PP-MLD[ICRA]AA(Stable)
NA	Long-term principal protected equity linked debenture programme –Unallocated^	NA	NA	NA	500.00	PP-MLD[ICRA]AA(Stable)
INE866I08121	Subordinated debt programme/Unsecured NCD programme	Aug-31-12	12.15%	Aug-30-22	5.00	[ICRA]AA(Stable)

ISIN/ Banker Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE866I08121	Subordinated debt programme/Unsecured NCD programme	Aug-31-12	12.15%	Aug-31-22	15.00	[ICRA]AA(Stable)
INE866I08162	Subordinated debt programme/Unsecured NCD programme	Nov-05-12	12.20%	Nov-04-22	23.00	[ICRA]AA(Stable)
INE866I08170	Subordinated debt programme/Unsecured NCD programme	May-24-13	12.10%	May-24-23	10.00	[ICRA]AA(Stable)
INE866I08246	Subordinated debt programme/Unsecured NCD programme	Nov-21-17	8.70%	Nov-19-27	100.00	[ICRA]AA(Stable)
NA	Subordinated debt programme/Unsecured NCD programme unallocated^	NA	NA	NA	557.00	[ICRA]AA(Stable)
INE866I08220	Subordinated debt programme/Unsecured NCD programme	Sep-11-15	10.75%	Sep-10-21	20.00	[ICRA]AA(Stable); withdrawn
INE866I08238	Subordinated debt programme/Unsecured NCD programme	Sep-16-15	10.50%	Sep-16-21	15.00	[ICRA]AA(Stable); withdrawn
NA	Long-term bank lines – Fund based/CC	NA	NA	NA	1,103.94	[ICRA]AA(Stable)
NA	Long-term bank lines – Fund-based term loans	NA	NA	NA	3,621.03	[ICRA]AA(Stable)
NA	Long-term bank lines – Unallocated^	NA	NA	NA	1,050.03	[ICRA]AA(Stable)
INE530B14BO8	Commercial paper	May-30-22	5.75%	Aug-26-22	25	[ICRA]A1+
NA	Commercial paper – Unallocated	NA	NA	7-365 days	7,975.00	[ICRA]A1+
NA	**Commercial paper (IPO) – Unallocated^**	**NA**	**NA**	**7-30 days**	**8,000.00**	**[ICRA]A1+**

Source: Company
^Unutilised
#Public issuance of NCD

Annexure II: List of entities for combined analysis with consolidated analysis

Company Name	Ownership	Consolidation Approach
IIFL Home Finance Limited	100%	Combined Analysis
Samasta Microfinance Limited^	99.34%	Combined Analysis
IIHFL Sales Limited	100%	Combined Analysis
IIFL Open Fintech Private Limited	51%	Combined Analysis

^ IIFL Finance's stake stood at 74.41% while the balance is held by IIFL Home Finance

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MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches

ANNEXURE C

DEBENTURE TRUSTEE CONSENT LETTER

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Consent letter from the Debenture Trustee to the Issue

Ref: 116/VTPL/OPR/2022-23
27th June, 2022

IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V,
Plot No. B-23, MIDC,
Thane Industrial Area,
Wagle Estate
Thane 400 604

Dear Ma'am/Sir

Sub: Proposed Public issue of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1000 Each ("NCDs") aggregating up to ₹ 50,000 million ("Issue") in one or more tranches by IIFL Finance Limited ("Company").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus to be filed with the BSE Limited and The National Stock Exchange of India Limited ("**Stock Exchanges**") and with the Registrar of Companies, Mumbai ("**RoC**"), and in all related advertisements and communications sent in connection with the Issue. The following details with respect to us may be disclosed:

Name:	Vardhman Trusteeship Private Limited
Address:	The Capital, 412 A, 4th Floor, A-Wing, Bandra Kurla Complex, Bandr (East) Mumbai – 400 051.
Tel:	022-42648335
Email:	corporate@vardhmantrustee.com
Website:	www.vardhmantrustee.com
Contact Person:	Mr. Nilesh Palav
SEBI Registration No:	IND000000611
Logo:	VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting Your Trust

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely

For **Vardhman Trusteeship Private Limited**

Name: Mr. Nilesh Palav
Designation: Director

CC:

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098
Maharashtra, India

IIFL Securities Limited
10th Floor, IIFL Centre,
Kamala Centre, Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex, N.M. Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India

Trust Investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051,
Maharashtra, India

Khaitan & Co
One World Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000274

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Unit No. 15, Turner Morrison Building
6 Lyons Range
KOLKATA
700001
WEST BENGAL
INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000611**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

This certificate of Registration shall be valid from 15/12/2020 to null, unless Suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**

तारीख Date : **May 20, 2021**

Aradhana Verma

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000611
2.	Date of registration/ Renewal of registration	15th December, 2020
3.	Date of expiry of registration	Unless Suspended or Cancelled by Board
4.	If applied for renewal, date of application	NO
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NO
6.	Any enquiry/ investigation being conducted by SEBI	NO
7.	Details of any penalty imposed by SEBI	NO

Vardhman Trusteeship Pvt. Ltd.

ANNEXURE D

ALM STATEMENT FILED WITH THE STOCK EXCHANGE

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DNBS4BStructuralLiquidity - Statement of Structural Liquidity

All Monetary Items present in this return shall be reported in ₹ Lakhs Only

Table 2: Statement of Structural Liquidity

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total	Remarks		Actual outflow/inflow during last 1 month, starting: 0 day to 7 days	8 days to 14 days	15 days to 30/31 days
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120		X130	X140	X150
A. OUTFLOWS																	
1.Capital (i+ii+iii+iv)	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,608.61	7,608.61			0.00	0.00	0.00
(i) Equity Capital	Y020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,608.61	7,608.61			0.00	0.00	0.00
(ii) Perpetual / Non Redeemable Preference Shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Non-Perpetual / Redeemable Preference Shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Others	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii)	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505,756.40	505,756.40			0.00	0.00	0.00
(i) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186,205.41	186,205.41			0.00	0.00	0.00
(ii) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,044.11	51,044.11			0.00	0.00	0.00
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,053.08	95,053.08			0.00	0.00	0.00
(v) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,011.14	23,011.14			0.00	0.00	0.00
(vi) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,280.39	1,280.39			0.00	0.00	0.00
(vii) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,388.53	8,388.53			0.00	0.00	0.00
(viii) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ix) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(x) Revaluation Reserves (a+b)	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Revl. Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Revl. Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xi) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.09	63.09			0.00	0.00	0.00
(xii) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	966.33	966.33			0.00	0.00	0.00
(xiii) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	139,744.32	139,744.32			0.00	0.00	0.00
3.Gifts, Grants, Donations & Benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
4.Bonds & Notes (i+ii+iii)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Plain Vanilla Bonds (As per residual maturity of the	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Bonds with embedded call / put options including zero coupon / deep discount bonds (As per residual period for the earliest exercise date for the embedded option)	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Fixed Rate Notes	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
5.Deposits (i+ii)	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Term Deposits from Public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Others	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiv)	Y300	648.56	10,000.00	86,130.08	50,671.53	11,989.19	184,204.06	179,711.40	627,048.41	186,108.26	255,656.64	1,592,168.13			63,602.22	7,050.00	199,236.05
(i) Bank Borrowings (a+b+c+d+e+f)	Y310	648.56	0.00	41,830.70	50,671.53	11,989.19	76,379.34	167,211.40	569,232.50	113,725.92	0.00	1,031,689.14			63,602.22	7,050.00	199,236.05
a) Bank Borrowings in the nature of Term Money Borrowings	Y320	648.56	0.00	41,830.70	50,671.53	11,989.19	76,379.34	126,835.20	508,668.20	113,725.92	0.00	930,748.64			63,602.22	7,050.00	199,236.05
b) Bank Borrowings in the nature of WCDL	Y330	0.00	0.00	0.00	0.00	0.00	0.00	40,376.20	60,564.30	0.00	0.00	100,940.50			0.00	0.00	0.00
c) Bank Borrowings in the nature of Cash Credit (CC)	Y340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Bank Borrowings in the nature of Letter of Credit (LCs)	Y350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
e) Bank Borrowings in the nature of ECBs	Y360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
f) Other bank borrowings	Y370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Inter Corporate Deposits (Other than Related Parties) (These being institutional / wholesale deposits, shall be slotted as per their residual maturity)	Y380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Loans from Related Parties (including ICDs)	Y390	0.00	0.00	0.00	0.00	0.00	70,000.00	0.00	0.00	0.00	0.00	70,000.00			0.00	0.00	0.00
(iv) Corporate Debts	Y400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Borrowings from Central Government / State Government	Y410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vi) Borrowings from RBI	Y420	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vii) Borrowings from Public Sector Undertakings (PSUs)	Y430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(viii) Borrowings from Others (Please specify)	Y440	0.00	0.00	37,925.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,925.00			0.00	0.00	0.00
(ix) Commercial Papers (CPs)	Y450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which: (a) To Mutual Funds	Y460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) To Banks	Y470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) To NBFCs	Y480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) To Insurance Companies	Y490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) To Pension Funds	Y500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) To Others (Please specify)	Y510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(x) Non - Convertible Debentures (NCDs) (A+B)	Y520	0.00	10,000.00	5,374.38	0.00	0.00	37,824.72	12,500.00	54,645.12	62,382.34	113,000.00	295,726.56			0.00	0.00	0.00
A. Secured (a+b+c+d+e+f+g)	Y530	0.00	10,000.00	5,374.38	0.00	0.00	37,824.72	12,500.00	54,645.12	62,382.34	113,000.00	295,726.56			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y540	0.00	0.00	0.00	0.00	0.00	18,547.87	0.00	40,067.47	47,532.06	0.00	106,147.40			0.00	0.00	0.00
(b) Subscribed by Banks	Y550	0.00	10,000.00	0.00	0.00	0.00	9,000.00	0.00	500.00	25.00	0.00	19,525.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y570	0.00	0.00	0.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	7,000.00			0.00	0.00	0.00
(e) Subscribed by Insurance	Y580	0.00	0.00	0.00	0.00	0.00	515.85	0.00	2,800.00	524.25	105,000.00	108,840.10			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,020.00	7,000.00	17,020.00			0.00	0.00	0.00
(g) Others (Please specify)	Y600	0.00	0.00	5,374.38	0.00	0.00	2,761.00	12,500.00	11,277.65	4,281.03	1,000.00	37,194.06			0.00	0.00	0.00
B. Un-Secured (a+b+c+d+e+f+g)	Y610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance	Y660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xi) Convertible Debentures (A+B) (Debentures with embedded call / put options As per residual period for the earliest exercise date for the embedded option)	Y690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
A. Secured (a+b+c+d+e+f+g)	Y700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance	Y750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
B. Un-Secured (a+b+c+d+e+f+g)	Y780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y810	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance	Y830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xii) Subordinate Debt	Y860	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	3,170.79	10,000.00	142,656.64	156,827.43			0.00	0.00	0.00
(xiii) Perpetual Debt Instrument	Y870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xiv) Security Finance Transactions(a+b+c+d)	Y880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
a) Repo (As per residual maturity)	Y890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	Y900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
c) CBLO (As per residual maturity)	Y910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Others (Please Specify)	Y920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	9,496.45	4,179.22	111,195.53	5,447.84	810.38	7,624.69	9,426.71	5,637.38	9,924.43	77,116.45	240,859.08			39,711.36	39,507.85	40,772.60
a) Sundry creditors	Y940	5,113.72	0.00	105,751.56	2,845.55	0.00	75.39	1,581.70	1,856.28	0.00	0.00	117,224.20			35,328.63	35,328.63	35,328.63
b) Expenses payable (Other than Interest)	Y950	3,232.49	3,232.49	4,309.99	0.00	0.00	4,120.78	0.00	0.00	0.00	0.00	14,895.75			3,232.49	3,232.49	4,309.99
(c) Advance income received from borrowers pending	Y960	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,799.78	5,799.78			0.00	0.00	0.00
(d) Interest payable on deposits and borrowings	Y970	1,150.24	946.73	1,133.98	2,602.29	810.38	3,428.52	4,140.40	3,218.56	469.38	4,126.88	22,027.36			1,150.24	946.73	1,133.98
(e) Provisions for Standard Assets	Y980	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,399.52	30,399.52			0.00	0.00	0.00
(f) Provisions for Non Performing Assets (NPAs)	Y990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,455.05	1,244.16	10,699.21			0.00	0.00	0.00
(g) Provisions for Investment Portfolio (NPI)	Y1000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Provisions (Please Specify)	Y1010	0.00	0.00	0.00	0.00	0.00	0.00	3,704.61	562.54	0.00	35,546.11	39,813.26			0.00	0.00	0.00
8.Statutory Dues	Y1020	0.00	0.00	1,577.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,577.32			0.00	0.00	1,577.32
9.Unclaimed Deposits (i+ii)	Y1030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Pending for less than 7 years	Y1040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Pending for greater than 7 years	Y1050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
10.Any Other Unclaimed Amount	Y1060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
11.Debt Service Realisation Account	Y1070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
12.Other Outflows	Y1080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
13.Outflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v+vi+vii)	Y1090	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00	0.00	0.00	0.00	86,237.00			0.00	0.00	0.00
(i)Loan commitments pending disbursal	Y1100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii)Lines of credit committed to other institution	Y1110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii)Total Letter of Credits	Y1120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv)Total Guarantees	Y1130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Bills discounted/rediscounted	Y1140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Forward Forex Contracts	Y1160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Futures Contracts	Y1170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Options Contracts	Y1180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Forward Rate Agreements	Y1190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Swaps - Currency	Y1200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Credit Default Swaps	Y1220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Derivatives	Y1230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vii)Others	Y1240	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00	0.00	0.00	0.00	86,237.00			0.00	0.00	0.00
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	Y1250	10,145.01	14,179.22	198,902.93	56,119.37	12,799.57	191,828.75	275,375.11	632,685.79	196,032.69	846,138.10	2,434,206.54			103,313.58	46,557.85	241,585.97
A1. Cumulative Outflows	Y1260	10,145.01	24,324.23	223,227.16	279,346.53	292,146.10	483,974.85	759,349.96	1,392,035.75	1,588,068.44	2,434,206.54	2,434,206.54			103,313.58	149,871.43	391,457.40
B. INFLOWS																	
1. Cash (In 1 to 30/31 day time-bucket)	Y1270	12,313.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,313.01			12,313.01	0.00	0.00
2. Remittance in Transit	Y1280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
3. Balances With Banks	Y1290	22,741.92	0.00	41,020.00	2,225.00	0.00	40,512.30	3,558.82	42,390.80	1,950.00	0.00	154,398.84			22,741.92	0.00	41,020.00
a) Current Account (The stipulated minimum balance be shown in 6 months to 1 year bucket. The balance in excess of the minim balance be shown in 1 to 30 day time bucket)	Y1300	22,741.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,741.92			22,741.92	0.00	0.00
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	Y1310	0.00	0.00	41,020.00	2,225.00	0.00	40,512.30	3,558.82	42,390.80	1,950.00	0.00	131,656.92			0.00	0.00	41,020.00
4.Investments (i+ii+iii+iv+v)	Y1320	0.00	0.00	14,335.13	0.00	0.00	0.00	0.00	97,323.33	0.00	266,083.00	377,741.46			0.00	0.00	0.00
(i)Statutory Investments (only for NBFCs-D)	Y1330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Listed Investments	Y1340	0.00	0.00	506.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	506.75			0.00	0.00	0.00
(a) Current	Y1350	0.00	0.00	506.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	506.75			0.00	0.00	0.00
(b) Non-current	Y1360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Unlisted Investments	Y1370	0.00	0.00	13,828.38	0.00	0.00	0.00	0.00	97,323.33	0.00	266,083.00	377,234.71			0.00	0.00	0.00
(a) Current	Y1380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Non-current	Y1390	0.00	0.00	13,828.38	0.00	0.00	0.00	0.00	97,323.33	0.00	266,083.00	377,234.71			0.00	0.00	0.00
(iv) Venture Capital Units	Y1400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Others (Please Specify)	Y1410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
5.Advances (Performing)	Y1420	72,218.03	50,948.22	58,082.67	130,154.36	164,746.31	227,098.55	215,993.98	427,603.62	96,665.95	4,524.02	1,448,035.71			48,547.17	44,468.04	94,690.43
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	Y1430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Term Loans (The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	Y1440	72,218.03	47,033.89	54,168.34	122,325.69	154,308.09	227,098.55	215,993.98	427,603.62	96,665.95	4,524.02	1,421,940.16			48,547.17	40,553.71	90,776.10
(a) Through Regular Payment Schedule	Y1450	72,218.03	47,033.89	54,168.34	122,325.69	153,108.09	226,770.55	214,626.31	427,603.62	96,665.95	4,524.02	1,419,044.49			48,547.17	40,553.71	90,776.10
(b) Through Bullet Payment	Y1460	0.00	0.00	0.00	0.00	1,200.00	328.00	1,367.67	0.00	0.00	0.00	2,895.67			0.00	0.00	0.00
(iii) Interest to be serviced through regular schedule	Y1470	0.00	3,914.33	3,914.33	7,828.67	10,438.22	0.00	0.00	0.00	0.00	0.00	26,095.55			0.00	3,914.33	3,914.33
(iv) Interest to be serviced to be in Bullet Payment	Y1480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
6.Gross Non-Performing Loans (GNPA)	Y1490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,982.42	2,346.54	22,328.96			0.00	0.00	0.00
(i) Substandard	Y1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,982.42	620.02	20,602.44			0.00	0.00	0.00
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	Y1510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,982.42	620.02	20,602.44			0.00	0.00	0.00
(b) Entire principal amount due beyond the next three years	Y1520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Doubtful and loss	Y1530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,726.52	1,726.52			0.00	0.00	0.00
(a) All instalments of principal falling due during the next five years as also all over dues (In the over 5 years time-bucket)	Y1540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,726.52	1,726.52			0.00	0.00	0.00
(b) Entire principal amount due beyond the next five years	Y1550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
7. Inflows From Assets On Lease	Y1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
8. Fixed Assets (Excluding Assets On Lease)	Y1570	0.00	0.00	0.00	0.00	0.00	785.46	0.00	0.00	0.00	50,996.43	51,781.89			0.00	0.00	0.00
9. Other Assets :	Y1580	13.82	3.22	1,474.57	1,200.06	827.37	21,446.88	93,147.69	64,304.82	5,924.20	93,027.04	281,369.67			0.00	3,914.33	3,914.33

(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	Y1590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.21	297.21			0.00	0.00	0.00
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the	Y1600	13.82	3.22	1.474.57	1.200.06	827.37	17.341.51	80.938.02	1.082.47	5.924.20	92.729.83	201.535.07			0.00	3.914.33	3.914.33
(c) Others	Y1610	0.00	0.00	0.00	0.00	0.00	4.105.37	12.209.67	63.222.35	0.00	0.00	79.537.39			0.00	0.00	0.00
10.Security Finance Transactions (a+b+c+d)	Y1620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
a) Repo (As per residual maturity)	Y1630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	Y1640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
c) CBLO (As per residual maturity)	Y1650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Others (Please Specify)	Y1660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
11.Inflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v)	Y1670	0.00	0.00	86.237.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.237.00			21.559.25	21.559.25	43.118.50
(i)Loan committed by other institution pending disbursal	Y1680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii)Lines of credit committed by other institution	Y1690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			21.559.25	21.559.25	43.118.50
(iii) Bills discounted/rediscounted	Y1700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Forward Forex Contracts	Y1720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Futures Contracts	Y1730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Options Contracts	Y1740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Forward Rate Agreements	Y1750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Swaps - Currency	Y1760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Credit Default Swaps	Y1780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Derivatives	Y1790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v)Others	Y1800	0.00	0.00	86.237.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.237.00			0.00	0.00	0.00
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	Y1810	107.286.78	50.951.44	201.149.37	133.579.42	165.573.68	289.843.19	312.700.49	631.622.57	124.522.57	416.977.03	2.434.206.54			105.161.35	69.941.62	182.743.26
C. Mismatch (B - A)	Y1820	97.141.77	36.772.22	2.246.44	77.460.05	152.774.11	98.014.44	37.325.38	-1.063.22	-71.510.12	-429.161.07	0.00			1.847.77	23.383.77	-58.842.71
D. Cumulative Mismatch	Y1830	97,141.77	133,913.99	136,160.43	213,620.48	366,394.59	464,409.03	501,734.41	500,671.19	429,161.07	0.00	0.00			1,847.77	25,231.54	-33,611.17
E. Mismatch as % of Total Outflows	Y1840	957.53%	259.34%	1.13%	138.03%	1193.59%	51.09%	13.55%	-0.17%	-36.48%	-50.72%	0.00%			1.79%	50.23%	-24.36%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1850	957.53%	550.54%	61.00%	76.47%	125.41%	95.96%	66.07%	35.97%	27.02%	0.00%	0.00%			1.79%	16.84%	-8.59%

DNBS4BIRS - Statement of Interest Rate Sensitivity (IRS)

All Monetary Items present in this return shall be reported in ₹ Lakhs Only

Table 3: Statement of Interest Rate Sensitivity (IRS)

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Non-sensitive	Total
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120
A. Liabilities (OUTFLOW)													
1.Capital (i+ii+iii+iv)	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,608.61	7,608.61
(i) Equity	Y020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,608.61	7,608.61
(ii) Perpetual preference shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Non-perpetual preference shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Others (Please furnish, if any)	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.Reserves & surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii)	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505,693.31	505,693.31
(i) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186,205.41	186,205.41
(ii) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,044.11	51,044.11
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,053.08	95,053.08
(v) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,011.14	23,011.14
(vi) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,280.39	1,280.39
(vii) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,388.53	8,388.53
(viii) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ix) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(x) Revaluation Reserves	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
viii.1 Revl. Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
viii.2 Revl. Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xi) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xii) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	966.33	966.33
(xiii) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	139,744.32	139,744.32
3.Gifts, grants, donations & benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.Bonds & Notes (a+b+c)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Fixed rate plain vanilla including zero coupons	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Instruments with embedded options	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Floating rate instruments	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.Deposits	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Term Deposits/ Fixed Deposits from public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Fixed rate	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)Floating rate	Y300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii)	Y310	8,571.43	10,000.00	96,158.20	58,829.15	2,500.00	242,651.74	264,576.18	363,905.21	160,049.34	255,656.64	21,345.23	1,484,243.12
(i) Bank borrowings	Y320	8,571.43	0.00	89,783.82	58,829.15	2,500.00	204,827.02	252,076.18	306,089.30	87,667.00	0.00	21,345.23	1,031,689.13
a) Bank Borrowings in the nature of Term money borrowings	Y330	8,571.43	0.00	89,783.82	58,829.15	2,500.00	204,827.02	211,699.98	245,525.00	87,667.00	0.00	21,345.23	930,748.63
I. Fixed rate	Y340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y350	8,571.43	0.00	89,783.82	58,829.15	2,500.00	204,827.02	211,699.98	245,525.00	87,667.00	0.00	21,345.23	930,748.63
b) Bank Borrowings in the nature of WCDL	Y360	0.00	0.00	0.00	0.00	0.00	0.00	40,376.20	60,564.30	0.00	0.00	0.00	100,940.50
I. Fixed rate	Y370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y380	0.00	0.00	0.00	0.00	0.00	0.00	40,376.20	60,564.30	0.00	0.00	0.00	100,940.50
c) Bank Borrowings in the nature of Cash Credits (CC)	Y390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bank Borrowings in the nature of Letter of Credits(LCs)	Y420	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Bank Borrowings in the nature of ECBs	Y450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Inter Corporate Debts (other than related parties)	Y480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Loan from Related Parties (including ICDs)	Y510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Corporate Debts	Y540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Fixed rate	Y550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Floating rate	Y560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Commercial Papers	Y570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: (a) Subscribed by Mutual Funds	Y580	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Subscribed by Banks	Y590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Subscribed by NBFCs	Y600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance Companies	Y610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Subscribed by Pension Funds	Y620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Subscribed by Retail Investors	Y630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Non - Convertible Debentures (NCDs) (A+B)	Y650	0.00	10,000.00	5,374.38	0.00	0.00	37,824.72	12,500.00	54,645.12	62,382.34	113,000.00	0.00	295,726.56
A. Fixed rate	Y660	0.00	10,000.00	5,374.38	0.00	0.00	37,824.72	12,500.00	54,645.12	62,382.34	113,000.00	0.00	295,726.56
Of which: (a) Subscribed by Mutual Funds	Y670	0.00	0.00	0.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	7,000.00
(b) Subscribed by Banks	Y680	0.00	10,000.00	0.00	0.00	0.00	9,000.00	0.00	500.00	25.00	0.00	0.00	19,525.00
(c) Subscribed by NBFCs	Y690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance Companies	Y700	0.00	0.00	0.00	0.00	0.00	515.85	0.00	2,800.00	524.25	105,000.00	0.00	108,840.10
(e) Subscribed by Pension Funds	Y710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,020.00	7,000.00	0.00	17,020.00
(f) Subscribed by Retail Investors	Y720	0.00	0.00	0.00	0.00	0.00	18,547.87	0.00	40,067.47	47,532.06	0.00	0.00	106,147.40
(g) Others (Please specify)	Y730	0.00	0.00	5,374.38	0.00	0.00	2,761.00	12,500.00	11,277.65	4,281.03	1,000.00	0.00	37,194.06
B. Floating rate	Y740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: (a) Subscribed by Mutual Funds	Y750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Subscribed by Banks	Y760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Subscribed by NBFCs	Y770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance Companies	Y780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Subscribed by Pension Funds	Y790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Subscribed by Retail Investors	Y800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y810	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Convertible Debentures (A+B)	Y820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Fixed rate	Y830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: (a) Subscribed by Mutual Funds	Y840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Subscribed by Banks	Y850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Subscribed by NBFCs	Y860	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance	Y870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Subscribed by Pension Funds	Y880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Subscribed by Retail Investors	Y890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Floating rate	Y910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: (a) Subscribed by Mutual Funds	Y920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Subscribed by Banks	Y930	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Subscribed by NBFCs	Y940	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Subscribed by Insurance	Y950	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Subscribed by Pension Funds	Y960	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Subscribed by Retail Investors	Y970	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Others (Please specify)	Y980	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(viii) Subordinate Debt	Y990	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	3,170.79	10,000.00	142,656.64	0.00	156,827.43
(ix) Perpetual Debt Instrument	Y1000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(x) Borrowings From Central Government / State Government	Y1010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xi) Borrowings From Public Sector Undertakings (PSUs)	Y1020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(xii) Other Borrowings	Y1030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.Current Liabilities & Provisions (i+ii+iii+iv+v+vi+vii+viii)	Y1040	1,150.24	946.73	1,133.98	2,602.29	810.38	3,428.52	4,140.40	3,218.56	469.38	4,126.88	218,831.72	240,859.08
(i) Sundry creditors	Y1050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	117,224.20	117,224.20
(ii) Expenses payable	Y1060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,895.75	14,895.75
(iii) Advance income received from borrowers pending adjustment	Y1070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,799.78	5,799.78
(iv) Interest payable on deposits and borrowings	Y1080	1,150.24	946.73	1,133.98	2,602.29	810.38	3,428.52	4,140.40	3,218.56	469.38	4,126.88	0.00	22,027.36
(v) Provisions for Standard Assets	Y1090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,399.52	30,399.52
(vi) Provisions for NPAs	Y1100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,699.21	10,699.21
(vii) Provisions for Investment Portfolio (NPI)	Y1110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(viii) Other Provisions (Please Specify)	Y1120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,813.26	39,813.26
8.Repos / Bills Rediscounted	Y1130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.Statutory Dues	Y1140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,577.32	1,577.32
10.Unclaimed Deposits (i+ii)	Y1150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Pending for less than 7 years	Y1160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Pending for greater than 7 years	Y1170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.Any other Unclaimed Amount	Y1180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12.Debt Service Realisation Account	Y1190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13.Others	Y1200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14. Total Outflows account of OBS items (OO)(Details to be given in Table 4 below)	Y1210	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	86,237.00
A. TOTAL OUTFLOWS (1 to 14)	Y1220	9,721.67	10,946.73	97,292.18	61,431.44	3,310.38	246,080.26	354,953.58	367,123.77	160,518.72	259,783.52	755,056.19	2,326,218.44
A1. Cumulative Outflows	Y1230	9,721.67	20,668.40	117,960.58	179,392.02	182,702.40	428,782.66	783,736.24	1,150,860.01	1,311,378.73	1,571,162.25	2,326,218.44	2,326,218.44
B. INFLOWS													
1. Cash	Y1240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,313.01	12,313.01
2. Remittance in transit	Y1250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.Balances with Banks (i+ii+iii)	Y1260	0.00	0.00	41,020.00	2,225.00	0.00	40,512.30	3,558.82	42,390.80	1,950.00	0.00	22,741.92	154,398.84
(i) Current account	Y1270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,741.92	22,741.92
(ii) In deposit accounts, and other placements	Y1280	0.00	0.00	41,020.00	2,225.00	0.00	40,512.30	3,558.82	42,390.80	1,950.00	0.00	0.00	131,656.92
(iii) Money at Call & Short Notice	Y1290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.Investments (net of provisions) (i+ii+iii+iv+v+vi+vii) (Under various categories as detailed below)	Y1300	0.00	0.00	14,335.13	0.00	0.00	0.00	0.00	97,323.33	0.00	75,302.06	190,780.94	377,741.46
(i) Fixed Income Securities	Y1310	0.00	0.00	506.75	0.00	0.00	0.00	0.00	0.00	0.00	3,817.06	0.00	4,323.81
a)Government Securities	Y1320	0.00	0.00	506.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	506.75
b) Zero Coupon Bonds	Y1330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bonds	Y1340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,817.06	0.00	3,817.06
d) Debentures	Y1350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Cumulative Redeemable Preference Shares	Y1360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Non-Cumulative Redeemable Preference Shares	Y1370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) Others (Please Specify)	Y1380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Floating rate securities	Y1390	0.00	0.00	13,828.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,828.38
a)Government Securities	Y1400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Zero Coupon Bonds	Y1410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bonds	Y1420	0.00	0.00	13,828.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,828.38
d) Debentures	Y1430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Cumulative Redeemable Preference Shares	Y1440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Non-Cumulative Redeemable Preference Shares	Y1450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) Others (Please Specify)	Y1460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Equity Shares	Y1470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	190,780.94	190,780.94
(iv) Convertible Preference Shares	Y1480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) In shares of Subsidiaries / Joint Ventures	Y1490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) In shares of Venture Capital Funds	Y1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Others	Y1510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97,323.33	0.00	71,485.00	0.00	168,808.33
5.Advances (Performing)	Y1520	72,218.02	47,033.89	54,168.34	122,325.69	154,308.09	227,098.55	215,993.99	427,603.62	96,665.95	4,524.02	0.00	1,421,940.16
(i) Bills of exchange and promissory notes discounted & rediscounted	Y1530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Term loans	Y1540	18,101.16	182.34	1,464.34	13,564.22	13,357.50	34,849.56	59,796.09	258,744.93	96,665.95	4,524.02	0.00	501,250.11
(a) Fixed Rate	Y1550	18,101.16	182.34	1,464.34	13,564.22	13,357.50	34,849.56	59,796.09	258,744.93	96,665.95	4,524.02	0.00	501,250.11
(b) Floating Rate	Y1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Corporate loans/short term loans	Y1570	54,116.86	46,851.55	52,704.00	108,761.47	140,950.59	192,248.99	156,197.90	168,858.69	0.00	0.00	0.00	920,690.05
(a) Fixed Rate	Y1580	54,116.86	46,851.55	52,704.00	108,761.47	140,950.59	192,248.99	156,197.90	168,858.69	0.00	0.00	0.00	920,690.05
(b) Floating Rate	Y1590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.Non-Performing Loans (i+ii+iii)	Y1600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,982.42	2,346.53	0.00	22,328.95
(i) Sub-standard Category	Y1610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,982.42	620.02	0.00	20,602.44
(ii) Doubtful Category	Y1620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	766.71	0.00	766.71
(iii) Loss Category	Y1630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	959.80	0.00	959.80
7.Assets on Lease	Y1640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.Fixed assets (excluding assets on lease)	Y1650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,781.89	51,781.89
9.Other Assets (i+ii)	Y1660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	307,465.20	307,465.20
(i) Intangible assets & other non-cash flow items	Y1670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.21	297.21
(ii) Other items (e.g. accrued income, other receivables, staff loans, etc.)	Y1680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	307,167.99	307,167.99
10.Statutory Dues	Y1690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.Unclaimed Deposits (i+ii)	Y1700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Pending for less than 7 years	Y1710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Pending for greater than 7 years	Y1720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12.Any other Unclaimed Amount	Y1730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13.Debt Service Realisation Account	Y1740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14.Total Inflow account of OBS items (OI)(Details to be given in Table 4 below)	Y1750	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00
B. TOTAL INFLOWS (B) (Sum of 1 to 14)	Y1760	72,218.02	47,033.89	195,760.47	124,550.69	154,308.09	267,610.85	219,552.81	567,317.75	118,598.37	82,172.61	585,082.96	2,434,206.51
C. Mismatch (B - A)	Y1770	62,496.35	36,087.16	98,468.29	63,119.25	150,997.71	21,530.59	-135,400.77	200,193.98	-41,920.35	-177,610.91	-169,973.23	107,988.07
D. Cumulative mismatch	Y1780	62,496.35	98,583.51	197,051.80	260,171.05	411,168.76	432,699.35	297,298.58	497,492.56	455,572.21	277,961.30	107,988.07	107,988.07
E. Mismatch as % of Total Outflows	Y1790	642.86%	329.66%	101.21%	102.75%	4561.34%	8.75%	-38.15%	54.53%	-26.12%	-68.37%	-22.51%	4.64%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1800	642.86%	476.98%	167.05%	145.03%	225.05%	100.91%	37.93%	43.23%	34.74%	17.69%	4.64%	4.64%

Table 4: Statement on Interest Rate Sensitivity (IRS) : Off-Balance Sheet Items (OBS)

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Non-sensitive	Total
		X130	X140	X150	X160	X170	X180	X190	X200	X210	X220	X230	X240
A. Expected Outflows on account of OBS items													
1.Lines of credit committed to other institutions	Y1810	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	86,237.00

2.Letter of Credits (LCs)	Y1820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.Guarantees (Financial & Others)	Y1830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.Sale and repurchase agreement and asset sales with recourse, where the credit risk remains with the applicable NBFC.	Y1840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.Lending of NBFC securities or posting of securities as collateral by the NBFC-IFC, including instances where these arise out of repo style transactions	Y1850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.Commitment to provide liquidity facility for securitization of standard asset transactions	Y1860	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.Second loss credit enhancement for securitization of standard asset transactions provided as third party	Y1870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.Outflows from Derivative Exposures (i+ ii + iii + iv + v + vi)	Y1880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Futures Contracts ((a)+(b)+(c))	Y1890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Currency Futures	Y1900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Interest Rate Futures	Y1910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Other Futures (Commodities, Securities etc.)	Y1920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Options Contracts ((a)+(b)+(c))	Y1930	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Currency Options Purchased / Sold	Y1940	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Interest Rate Options	Y1950	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Other Options (Commodities, Securities etc.)	Y1960	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Swaps - Currency ((a)+(b))	Y1970	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Cross Currency Interest Rate Swaps (Not Involving	Y1980	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) FCY - INR Interest Rate Swaps	Y1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Swaps - Interest Rate ((a)+(b))	Y2000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Single Currency Interest Rate Swaps	Y2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Basis Swaps	Y2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Credit Default Swaps(CDS) Purchased	Y2030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Swaps - Others (Commodities, securities etc.)	Y2040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.Other contingent outflows	Y2050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Outflow on account of OBS items (OO) : Sum of (1+2+3+4+5+6+7+8+9)	Y2060	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	0.00	86,237.00
B. Expected Inflows on account of OBS Items														
1.Credit commitments from other institutions pending disbursal	Y2070	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00
2.Inflows on account of Reverse Repos (Buy /Sell)	Y2080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.Inflows on account of Bills rediscounted	Y2090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.Inflows from Derivative Exposures (i+ ii + iii + iv + v + vi)	Y2100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Futures Contracts ((a)+(b)+(c))	Y2110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Currency Futures	Y2120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Interest Rate Futures	Y2130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Other Futures (Commodities, Securities etc.)	Y2140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Options Contracts ((a)+(b)+(c))	Y2150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Currency Options Purchased / Sold	Y2160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Interest Rate Options	Y2170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Other Options (Commodities, Securities etc.)	Y2180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Swaps - Currency ((a)+(b))	Y2190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Cross Currency Interest Rate Swaps (Not Involving	Y2200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) FCY - INR Interest Rate Swaps	Y2210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Swaps - Interest Rate ((a)+(b))	Y2220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Single Currency Interest Rate Swaps	Y2230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Basis Swaps	Y2240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Swaps - Others (Commodities, securities etc.)	Y2250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Credit Default Swaps (CDS) Purchased	Y2260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.Other contingent inflows	Y2270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Inflow on account of OBS items (OI) : Sum of (1+2+3+4+5)	Y2280	0.00	0.00	86,237.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86,237.00
C. MISMATCH(OI-OO)	Y2290	0.00	0.00	86,237.00	0.00	0.00	0.00	-86,237.00	0.00	0.00	0.00	0.00	0.00	0.00

ANNEXURE E

ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION

Series I

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment	Thursday, 29 June, 2023
Tenor	24 months
Coupon Rate for all Categories	8.35%
Redemption Date/Maturity Date	Sunday, 29 June, 2025
Coupon Frequency	Annual
Frequency of the interest payment with specified dates	First Interest on June 29, 2024 and second Interest on June 29, 2025
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000
1st Coupon	Saturday, 29 June, 2024	Monday, 1 July, 2024	366	83.5
2nd Coupon	Sunday, 29 June, 2025	Friday, 27 June, 2025	365	83.5
Principal / Maturity Value	Sunday, 29 June, 2025	Friday, 27 June, 2025		1,000

Series II

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment	Thursday, 29 June, 2023
Tenor	24 months
Coupon Rate for all Categories	NA
Redemption Date/Maturity Date	Sunday, 29 June, 2025
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000.00
Coupon/Interest and Principal Payment	Sunday, 29 June, 2025	Friday, 27 June, 2025	731	1,174.25

Series III

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Thursday, 29 June, 2023
Tenor	36 months
Coupon Rate for all Categories	8.50%
Redemption Date/Maturity Date (assumed)	Monday, 29 June, 2026
Coupon Frequency	Annual
Frequency of the interest payment with specified dates	First Interest on June 29, 2024 and subsequently on 29th June of every year

Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000.00
1st Coupon	Saturday, 29 June, 2024	Monday, 1 July, 2024	366	85.0
2nd Coupon	Sunday, 29 June, 2025	Monday, 30 June, 2025	365	85.0
3rd Coupon	Monday, 29 June, 2026	Monday, 29 June, 2026	365	85.0
Principal / Maturity Value	Monday, 29 June, 2026	Monday, 29 June, 2026		1,000.00

Series IV

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Thursday, 29 June, 2023
Tenor	36 months
Coupon Rate for all Categories	NA
Redemption Date/Maturity Date (assumed)	Monday, 29 June, 2026
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000.00
Coupon/Interest and Principal Payment	Monday, 29 June, 2026	Monday, 29 June, 2026	1096	1,277.60

Series V

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Thursday, 29 June, 2023
Tenor	60 months
Coupon Rate for all Categories	8.65%
Redemption Date/Maturity Date (assumed)	Thursday, 29 June, 2028
Coupon Frequency	Monthly
Frequency of the interest payment with specified dates	First interest on August 1,2023 and subsequently on the 1st day of every month.
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000
1st Coupon	Tuesday, 1 August, 2023	Tuesday, 1 August, 2023	33	7.80
2nd Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	31	7.33
3rd Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	7.09

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
4th Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	7.33
5th Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	7.09
6th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	7.33
7th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	7.33
8th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	6.85
9th Coupon	Monday, 1 April, 2024	Tuesday, 2 April, 2024	31	7.33
10th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	7.09
11th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	7.33
12th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	7.09
13th Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	7.35
14th Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	7.35
15th Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	7.11
16th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	7.35
17th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	7.11
18th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	7.35
19th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	7.35
20th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	6.64
21st Coupon	Tuesday, 1 April, 2025	Wednesday, 2 April, 2025	31	7.35
22nd Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	7.11
23rd Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	7.35
24th Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	7.11
25th Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	7.35
26th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	7.35
27th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	7.11
28th Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	7.35
29th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	7.11
30th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	7.35
31st Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	7.35
32nd Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	6.64
33rd Coupon	Wednesday, 1 April, 2026	Thursday, 2 April, 2026	31	7.35
34th Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	7.11
35th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	7.35
36th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	7.11
37th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	7.35
38th Coupon	Tuesday, 1 September,	Tuesday, 1 September,	31	7.35

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
	2026	2026		
39th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	7.11
40th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	7.35
41st Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	7.11
42nd Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	7.35
43rd Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	7.35
44th Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	6.64
45th Coupon	Thursday, 1 April, 2027	Friday, 2 April, 2027	31	7.35
46th Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	7.11
47th Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	7.35
48th Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	7.11
49th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	7.33
50th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	7.33
51st Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	7.09
52nd Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	7.33
53rd Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	7.09
54th Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	7.33
55th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	7.33
56th Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	6.85
57th Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	7.33
58th Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	7.09
59th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	7.33
60th Coupon	Thursday, 29 June, 2028	Thursday, 29 June, 2028	28	6.62
Principal / Maturity Value	Thursday, 29 June, 2028	Thursday, 29 June, 2028		1,000

Series VI

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Thursday, 29 June, 2023
Tenor	60 months
Coupon Rate for all Categories	9.00%
Redemption Date/Maturity Date (assumed)	Thursday, 29 June, 2028
Coupon Frequency	Annual
Frequency of the interest payment with specified dates	First Interest on June 29, 2024 and subsequently on 29th on June of every year
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000.00
1st Coupon	Saturday, 29 June, 2024	Monday, 1 July, 2024	366	90.00

2nd Coupon	Sunday, 29 June, 2025	Monday, 30 June, 2025	365	90.00
3rd Coupon	Monday, 29 June, 2026	Monday, 29 June, 2026	365	90.00
4th Coupon	Tuesday, 29 June, 2027	Tuesday, 29 June, 2027	365	90.00
5th Coupon	Thursday, 29 June, 2028	Thursday, 29 June, 2028	366	90.00
Principal / Maturity Value	Thursday, 29 June, 2028	Thursday, 29 June, 2028		1,000.00

Series VII

Company	IIFL Finance Limited
Face Value per NCD (₹)	1,000.00
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Thursday, 29 June, 2023
Tenor	60 months
Coupon Rate for all Categories	NA
Redemption Date/Maturity Date (assumed)	Thursday, 29 June, 2028
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)
Deemed Date of Allotment	Thursday, 29 June, 2023	Thursday, 29 June, 2023		-1,000.00
Coupon/Interest and Principal Payment	Thursday, 29 June, 2028	Thursday, 29 June, 2028	1827	1,539.35