



## INDIABULLS COMMERCIAL CREDIT LIMITED

Our Company was incorporated as Indiabulls Commercial Credit Limited under the Companies Act, 1956 on July 7, 2006 with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC") and received a certificate for commencement of business from the RoC on February 20, 2008. Our Company's name was subsequently changed to Indiabulls Infrastructure Credit Limited on January 21, 2009 and thereafter to Indiabulls Commercial Credit Limited on March 12, 2015. The CIN of our Company is U65923DL2006PLC150632. The PAN of our Company is AABC15559G. We are registered with Reserve Bank of India to carry on the business of a non-banking financial institution without accepting public deposits and have been issued a Certificate of Registration Number N-14.03136 in pursuance of the same. For further details regarding changes to the name and registered office of our Company, please see "History and other Corporate Matters" on page 117 of this Tranche II Prospectus.

**Registered Office:** 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi-110001, India; **Telephone No.:** +91 11 4353 2950; **Facsimile No.:** +91 11 4353 2947

**Corporate Office:** One International Centre, Tower I, 18th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013, Maharashtra, India and Plot No.422B, Udyog Vihar, Phase - IV, Gurugram - 122016, Haryana, India; **Telephone No.:** +91 22 6189 1400;

**Facsimile No.:** +91 22 6189 1416; **Website:** <http://www.indiabullsccommercialcredit.com>; **Email:** [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com)

**Company Secretary and Compliance Officer:** Mr. Ajit Kumar Singh; **Telephone No.:** +91 124 6681199; **E-mail:** [ajitsingh@indiabulls.com](mailto:ajitsingh@indiabulls.com)

**Chief Financial Officer:** Mr. Ashish Kumar Jain; **Telephone No.:** +91 124 6681199; **Email:** [asjain@indiabulls.com](mailto:asjain@indiabulls.com)

**Joint Statutory Auditors:** Hem Sandeep & Co.; **Address:** D 118, Saket, New Delhi - 110017, India; **Telephone No.:** +91 11 4052 4636

**Email:** [ajay.sardana@hemsandeep.com](mailto:ajay.sardana@hemsandeep.com); **Contact Person:** Mr. Ajay Sardana, Partner; and Rao & Emmar; **Address:** No. 204 and 205, 2nd Floor, Ramanashree Arcade MG Road Bengaluru 560001, India; **Telephone No.:** +91 99106 11114 **Email:** [hemant@raoemmar.com](mailto:hemant@raoemmar.com); **Contact Person:** Mr. Hemant Gupta, Partner

**PUBLIC ISSUE BY INDIABULLS COMMERCIAL CREDIT LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDs"), FOR AN AMOUNT UP TO ₹100 CRORES ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹100 CRORES, AGGREGATING UP TO ₹200 CRORES ("TRANCHE II ISSUE LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹1,000 CRORES AND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED MARCH 27, 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 ROC, STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE II PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS"). THIS TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED AND TO THE EXTENT NOTIFIED.**

### OUR PROMOTER

Our promoter is Indiabulls Housing Finance Limited; **Telephone:** +91 11 4353 2950; **Email:** [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com). For further details refer to the section "Our Promoter" on page 154 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 examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "Risk Factors" and "Material Developments" on pages 18 and 172 of this Tranche II Prospectus, respectively. 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"), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

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

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see "Terms of the Issue" on page 246 of this Tranche II Prospectus. For details relating to Eligible Investors please see "Issue Related Information" on page 237 of this Tranche II Prospectus.

### CREDIT RATING AGENCIES

 <b>CRISIL Ratings</b> <b>CRISIL Ratings Limited (a subsidiary of CRISIL Limited)</b> CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076, Maharashtra <b>Telephone:</b> +91 22 3342 3000 <b>Email:</b> <a href="mailto:crisilratings@crisil.com">crisilratings@crisil.com</a> <b>Contact Person:</b> Mr. Krishnan Sitaraman	 <b>ICRA Limited</b> Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 <b>Telephone:</b> +91 22 6114 3406 <b>Email:</b> <a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a> <b>Contact Person:</b> L.Shivakumar
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### CREDIT RATINGS

The NCDs proposed to be issued under this Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) by CRISIL Ratings vide their letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847 dated September 23, 2022 and further revalidated vide letters dated November 7, 2022, December 7, 2022 and February 6, 2023 and rationale dated September 22, 2022, and "ICRA AA (Stable)" (pronounced as ICRA double A rating with a stable outlook) by ICRA Limited vide their letter bearing reference no. ICRA/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 2022 and further revalidated vide letters dated November 18, 2022, December 19, 2022 and February 10, 2023 and rationale dated April 5, 2022. For the rationale and press release for these ratings, see "General Information" on page 50 of this Tranche II Prospectus, Annexure A and Annexure B of this Tranche II Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to suspension, revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

### LISTING

The NCDs offered through this Tranche II Prospectus along with the Shelf Prospectus are proposed to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" along with BSE, the "Stock Exchanges"). Our Company has received an "in-principle" approval from BSE vide its letter no. DCS/BM/PI-BOND/019/22-23 dated December 28, 2022 and NSE vide its letter no. NSE/LIST/D/2022/0192 dated December 28, 2022. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

### PUBLIC COMMENTS

The Draft Shelf Prospectus dated December 19, 2022, was filed with BSE and NSE, pursuant to Regulation 27(2) of the SEBI NCS Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchanges up to December 27, 2022. No comments were received on the Draft Shelf Prospectus till December 27, 2022.

### LEAD MANAGERS TO THE ISSUE

 <b>Edelweiss</b> Ideas create, values protect <b>EDELWEISS FINANCIAL SERVICES LIMITED</b> Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, Maharashtra, India <b>Telephone No.:</b> +91 22 4086 3535 <b>Email:</b> <a href="mailto:icclncd@edelweissfin.com">icclncd@edelweissfin.com</a> <b>Contact Person:</b> Mr. Lokesh Singh / Ms. Saili Dave	 <b>ElaraCapital</b> <b>ELARA CAPITAL (INDIA) PRIVATE LIMITED</b> One International Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai - 400013 <b>Telephone No.:</b> +91 22 6164 8599 <b>Email:</b> <a href="mailto:iccl.ncd@elaracapital.com">iccl.ncd@elaracapital.com</a> <b>Contact Person:</b> Ms. Astha Daga	 <b>TRUST INVESTMENT ADVISORS PRIVATE LIMITED</b> 109/110, Balarama, Bandra Kurla Complex, Bandra East Mumbai - 400 051, Maharashtra, India <b>Telephone No.:</b> +91 22 4084 5000 <b>Email:</b> <a href="mailto:iccl.ncd@trustgroup.in">iccl.ncd@trustgroup.in</a> <b>Contact Person:</b> Ms. Hani Jalan
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### DEBENTURE TRUSTEE\*\*

 <b>BEACON</b> BEACON TRUSTEESHIP LIMITED** 4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club, Gandhi Nagar, Bandra (East), Mumbai - 400 051, Maharashtra, India <b>Tel:</b> +91 22 2655 8759 <b>Email:</b> <a href="mailto:contact@beacontrustee.co.in">contact@beacontrustee.co.in</a> <b>Contact Person:</b> Mr. Kaustubh Kulkarni <b>Website:</b> <a href="http://www.beacontrustee.co.in">www.beacontrustee.co.in</a>	 <b>KFIN TECHNOLOGIES LIMITED</b> Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India. <b>Telephone No.:</b> +91 40 6716 2222 <b>Email:</b> <a href="mailto:iccl.ncdipo@kfintech.com">iccl.ncdipo@kfintech.com</a> <b>Contact Person:</b> Mr. M. Murali Krishna <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>
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### REGISTRAR TO THE ISSUE

<b>TRANCHE II ISSUE OPENS ON:</b> April 3, 2023	<b>TRANCHE II ISSUE CLOSES ON:</b> April 19, 2023
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\* The Tranche II Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. 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 Bond Issue Committee thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement on or before such earlier or extended date of the Tranche II Issue closure in which pre-issue advertisement and advertisement for opening or closure of this Tranche II Issue have been given. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days, during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5 p.m. 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 5.00 p.m. (Indian Standard Time) on one Working Day post the Tranche II Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 237 of this Tranche II Issue.

\*\*Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated December 14, 2022 given its consent for its appointment as the Debenture Trustee to the Issue and for its name to be included in the Offer Documents and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For further details, please see Annexure C of this Tranche II Prospectus. A copy of the Shelf Prospectus has been filed and this Tranche II Prospectus shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please see "Material Contracts and Documents for Inspection" on page 300 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 “ICCL” are to Indiabulls Commercial Credit Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi-110001. 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 or implies, the following terms have the following meanings in this Tranche II Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

#### Company related terms

Term	Description
₹/Rs./INR/Rupees/Indian Rupees	The lawful currency of the Republic of India
Articles/ 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”	The joint statutory auditors of the Company, HEM Sandeep & Co. and Rao & Emmar
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Bond Issue Committee	The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way of a board resolution dated November 14, 2022.
Chairman	The chairman of our Board of Directors, Mr. Ajit Kumar Mittal.
CEO	Chief Executive Officer of our Company, Mr. Rajiv Gandhi.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Mr. Ajit Kumar Singh.
Corporate Office	One International Centre, Tower 1, 18th Floor, Senapati Bapat Road, Mumbai - 400013, Maharashtra, India and Plot No.422B, Udyog Vihar, Phase – IV, Gurugram - 122016, Haryana, India.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
Director(s)	Director of our Company, unless otherwise specified
DSA	Direct Selling Agent
Equity Shares	Equity shares of our Company of face value of ₹10 each
Erstwhile Auditors	The erstwhile statutory auditors of the Company, Ajay Sardana Associates
Group Companies	Includes such companies, other than our Promoter, with which there were related party transactions, during the period for which financial information is disclosed in this Tranche II Prospectus, as covered under the applicable accounting standards and also other companies as considered material by the Board of the Company
IBFSL	Indiabulls Financial Services Limited
ICCL	Indiabulls Commercial Credit Limited
IHFL	Indiabulls Housing Finance Limited
Independent Director	A Non-executive, independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations, who are currently on the Board of our Company
Key Managerial Personnel	The Key Managerial Personnel of the Company appointed in accordance with the provisions of SEBI ICDR Regulations and the Companies Act, 2013
Limited Review Financial Results	The unaudited interim financial results for the quarter and nine months ended December 31, 2022 prepared in accordance with Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the

<b>Term</b>	<b>Description</b>
	Companies Act, 2013 as amended, read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time and other accounting principles generally accepted in India along with the limited review report dated February 14, 2023 issued thereon by the Joint Statutory Auditors
Memorandum/ Memorandum Association/ MoA	Memorandum of Association of our Company of
Net worth	As defined in Sec 2(57) of the Companies Act, 2013, as follows:  <i>“Net worth 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.”</i>
Nomination Remuneration Committee	and Nomination and remuneration committee of the Board of Directors
Preference Shares	Authorised preference share capital of 22,500,000 preference shares of face value of ₹10 each.
Promoter	Indiabulls Housing Finance Limited
Promoter Group	Includes the Promoter and entities covered by the definition under regulation 2(1)(zb) of the SEBI ICDR Regulations
Reformatted Financial Information	The reformatted financial statements of our Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising the reformatted statement of assets and liabilities, the reformatted statement of profit and loss, the reformatted statement of cash flows and the reformatted statement of change in equity and notes thereto, along with other explanatory information for the years then ended derived from audited financial statements as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind-AS.  The audited financial statements as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India, which were approved by our Board on May 20, 2022, May 19, 2021 and July 3, 2020, respectively, form the basis for such Reformatted Financial Information
Registered Office	5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi-110001
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Shareholder(s)	The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof.
Erstwhile Subsidiary	The erstwhile subsidiary of our Company, namely, Indiabulls Asset Management Mauritius, which was declared defunct on July 18, 2022 by the respective jurisdictional authorities in the country of incorporation. There are no subsidiaries of our Company as of the date of this Tranche II Prospectus, in accordance with the Companies Act, 2013, as amended from time to time.
Tax Auditor	The tax auditors of our Company, Ajay Sardana Associates
Whole-time Director	The whole-time Director on the Board of Directors our Company



## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	The memorandum containing the 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/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Tranche II Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to the Tranche II Issue
Applicant/ Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus and the Application Form for this Tranche II Issue through ASBA process or through UPI Mechanism
Application	An application to subscribe to the NCDs (whether physical or electronic) offered pursuant to the Tranche II Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Shelf Prospectus and this Tranche II Prospectus
Application Amount	The aggregate value of the NCDs applied for as indicated in the Application Form for the Tranche II Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the 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” or “Application Supported by Blocked Amount” or “ASBA Application”	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Tranche II Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the 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 individual investors which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche II Prospectus.
ASBA Account	A bank account maintained by an ASBA Bidder 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 up to ₹5,00,000
Banker(s) to the Issue	Collectively, the Public Issue Account Bank, Sponsor Bank and the Refund Bank, in this case being HDFC Bank Limited
Base Issue Size	₹100 crores
Basis of Allotment	The basis on which the NCDs will be allotted to the Applicant under this Tranche II Issue and described under “ <i>Issue Procedure – Basis of Allotment</i> ” on page 292 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 Members of the 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 <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
BSE	BSE Limited
Category I Institutional Investors	<ul style="list-style-type: none"> <li>Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> </ul>

Term	Description
	<ul style="list-style-type: none"> <li>• Provident funds and pension funds with minimum corpus of ₹25 crore, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended;</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• 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;</li> <li>• Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹500 crores as per its last audited financial statements; and</li> <li>• Mutual Funds registered with SEBI</li> </ul>
Category II – Non-Institutional Investors	<ul style="list-style-type: none"> <li>• Companies within the meaning of section 2(20) of the Companies Act, 2013;</li> <li>• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>• Co-operative banks and regional rural banks;</li> <li>• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorized to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>
Category III – High Net-Worth Individuals	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 Lakh across all series of NCDs in Tranche II Issue
Category IV – Retail Individual Investors	Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹10 Lakh, across all series of NCDs in the Tranche II Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	The agreement dated March 23, 2023 entered into between the Lead Managers, Consortium Members and our Company.
Consortium Members	Nuvama Wealth And Investment Limited ( <i>Formerly known as Edelweiss Broking Limited</i> ), Elara Securities (India) Private Limited, Trust Financial Consultancy Services Private Limited and Trust Securities Services Private Limited
CDP/ Collecting Depository	A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure

<b>Term</b>	<b>Description</b>
Participant	Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Coupon/ Interest Rate	As specified under “ <i>Issue Structure</i> ” on page 237 of this Tranche II Prospectus
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL Ratings Limited and ICRA Limited
CRISIL	CRISIL Limited
CRISIL Ratings	CRISIL Ratings Limited
CRISIL Report	NBFC Report released in Mumbai in November 2022, prepared and issued by CRISIL Limited
Debenture Trustee Agreement	The agreement dated December 14, 2022 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the NCD Holders in this Issue being Beacon Trusteeship Limited
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for this Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee 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 this Tranche II Issue by way of this Tranche II Prospectus) shall be available to the NCD Holders from the Deemed Date of Allotment
Demographic Details	The details of an Applicant, such as his address, bank account details, UPI ID, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> 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 Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) 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, the Consortium Members, agents, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Tranche II Issue
	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, Consortium Members, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹5,00,000)

Term	Description
	are available on the website of the Stock Exchanges at <a href="https://www.bseindia.com/">https://www.bseindia.com/</a> and <a href="https://www.nseindia.com/">https://www.nseindia.com/</a> , as updated from time to time.
Designated Stock Exchange	BSE Limited
Direct Application	An online interface enabling direct applications through UPI by an application based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus	The Draft Shelf Prospectus dated December 19, 2022, filed by our Company with the Stock Exchanges for receiving public comments in accordance with the provisions of the SEBI NCS Regulations and to SEBI for record purpose
Edelweiss	Edelweiss Financial Services Limited
Elara	Elara Capital (India) Private Limited
Face Value	As specified under “ <i>Issue Structure</i> ” on page 237 of this Tranche II Prospectus
Interest/ Coupon Payment Date	As specified under “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
Issue	Public issue by our Company of NCDs of face value of ₹1,000 each, aggregating up to ₹1,000 crores (“ <b>Shelf Limit</b> ”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for relevant tranche issue (each a “ <b>Tranche Issue</b> ”), which should be read together with the Shelf Prospectus.
Issue Agreement	Agreement dated December 15, 2022 between our Company and the Lead Managers
“Issue Documents” or “Transaction Documents”	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form and the Debenture Trust Deed and various 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 Issue. For further details, see “ <i>Material Contracts and Documents for Inspection</i> ” on page 300 of this Tranche II Prospectus.
Lead Managers/ LMs	Edelweiss Financial Services Limited Elara Capital (India) Private Limited Trust Investment Advisors Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	One NCD
NCDs/ Debentures	Secured redeemable non-convertible debentures of face value of ₹1,000 each
NCD Holder/ Debenture Holder(s)/ Bond Holder(s)	Holder of secured redeemable non-convertible debentures of face value of ₹1,000 each
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(s)	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus and/or the Application Form along with supplemental information, if any
Prospectus	Collectively, the Shelf Prospectus and this Tranche II Prospectus
Public Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date as specified under this Tranche II Prospectus
Public Account Bank	HDFC Bank Limited

<b>Term</b>	<b>Description</b>
Public Issue Account and Sponsor Bank Agreement	The agreement dated March 23, 2023 entered into between the Public Issue Account Bank, Sponsor Bank, Refund Bank, Lead Managers, the Registrar to the Issue and our Company
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 or the Bond Issue Committee 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 Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund	A fund which has been created by our Company with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Redemption Amount	As specified under “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
Redemption Date	As specified under “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
Refund Account	The account opened by our Company with the Refund Bank, from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made and as specified in this Tranche II Prospectus
Refund Bank(s)	HDFC Bank Limited
Register of NCD Holders/ Register of Debenture Holders	The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registered Broker or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and the stock exchanges having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar / RTA / Share Transfer Agent	KFin Technologies Limited
Registrar Agreement	Agreement dated December 14, 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
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section “ <i>Issue Related Information</i> ” beginning on page 237 of this Tranche II Prospectus
Security	As specified under “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA and UPI, a list of which is available on <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> and <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> for UPI, updated from time to time or at such other website as may be prescribed by SEBI from time to time
Shelf Limit	The aggregate limit of the Issue, being ₹1,000 crores to be issued under the Draft Shelf Prospectus, the Shelf Prospectus and Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated December 30, 2022 filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Specified Cities/Specified Locations	Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium

<b>Term</b>	<b>Description</b>
	Members, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Sponsor Bank	HDFC Bank Limited - the Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the 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 up to ₹5,00,000 and carry out any other responsibilities in terms of the SEBI Operational Circular.
Stock Exchanges	BSE and NSE
Syndicate or Members of the Syndicate	Collectively, the Consortium Members appointed in relation to the Tranche II Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchanges only in the Specified Cities
Syndicate ASBA	Applications through the Members of the Syndicate or the Designated Intermediaries
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 <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> or at such other website as may be prescribed by SEBI from time to time
Tier I capital	<p>For Fiscal 2021 and 2022:  “Tier I Capital” means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance 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</p> <p>For Fiscal 2020:  “Tier-I capital” means owned fund as reduced by investment in shares of other housing finance companies and in shares, debenture, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund</p>
Tier II capital	<p>For Fiscal 2021 and 2022:  “Tier II Capital” means:</p> <ol style="list-style-type: none"> <li>preference shares other than those which are compulsorily convertible into equity;</li> <li>revaluation reserves at discounted rate of 55%;</li> <li>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;</li> <li>hybrid debt capital instruments;</li> <li>subordinated debt;</li> </ol> <p>to the extent the aggregate does not exceed Tier I capital</p> <p>For Fiscal 2020:  “Tier II Capital” means:</p> <ol style="list-style-type: none"> <li>preference shares other than those which are compulsorily convertible into equity;</li> <li>revaluation reserves at discounted rate of 55%;</li> <li>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;</li> <li>hybrid debt capital instruments;</li> <li>subordinated debt; and</li> </ol>

Term	Description
	(f) perpetual debt instruments issued by a systemically important 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
Tenor	As specified under “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
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, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchanges
Tranche II Issue	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount up to ₹100 crores (“ <b>Base Issue Size</b> ”) with a green shoe option of ₹100 crores aggregating up to ₹200 crores, 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 Shelf Prospectus and this Tranche II Prospectus constitutes the prospectus (“ <b>Prospectus</b> ”).
Tranche II Issue Closing Date	April 19, 2023, with an option to close earlier and/or extend up to a period as may be determined by the Bond Issue Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. For further details, please refer to “ <i>Issue Structure</i> ” on page 237 of this Tranche II Prospectus.
Tranche II Issue Limit	Collectively, the aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche II Issue), and/or the aggregate value of NCDs up to the Base Issue Size, aggregating up to ₹200 crores.
Tranche II Issue Opening Date	April 3, 2023
Tranche II 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 may submit their Application Forms
Tranche II Prospectus	This Tranche II Prospectus dated March 27, 2023 filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Tripartite Agreements	Tripartite agreement dated July 15, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 10, 2010 among our Company, the Registrar and NSDL
Trust	Trust Investment Advisors Private Limited
“UPI” or “UPI Mechanism”	Unified Payments Interface mechanism in accordance with the SEBI Operational Circular as amended from time to time, to block funds for application value up to ₹5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
“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.
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Working Day(s)	Working Day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for non-

<b>Term</b>	<b>Description</b>
	convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

## CONVENTIONAL AND GENERAL TERMS OR ABBREVIATION

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
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
ALM	Asset Liability Management
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act/ Act	The Companies Act, 1956 or the Companies Act 2013, to the extent notified by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended and replaced from time to time
Companies Act, 1956	Companies Act, 1956, as amended and as applicable
Companies Act, 2013	The Companies Act, 2013, as amended
CP	Commercial Paper
CPC	Code of Civil Procedure, 1908, as amended
CRAR	Capital to Risk-Weighted Assets Ratio
CRPC	Code of Criminal Procedure, 1973, as amended
CSR	Corporate Social Responsibility
ECB	External Commercial Borrowings
ECS	Electronic Clearing Scheme
Depositories Act	Depositories Act, 1996, as amended
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Participant	Depository Participant as defined under the Depositories Act
DRR	Debenture Redemption Reserve
EGM	Extraordinary general meeting
FCNR	Foreign Currency Non-Repatriable
FDI	Foreign Direct Investment
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) 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
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year and as at March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HFC	Housing finance company
HNI	High Net-worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended



<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
India	Republic of India
IND AS / Ind AS	Indian accounting standards, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally accepted accounting principles in India, including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
KYC	Know Your Client
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
NHB	National Housing Bank
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
QIP	Qualified Institutions Placement
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RBI Master Directions	RBI's Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, as amended
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Operational Circular	Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
WCDL	Working Capital Demand Loan

## **BUSINESS/ INDUSTRY RELATED TERMS**

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
Adjusted CRAR	Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments)
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ALM	Asset Liability Management
CIBIL	Credit Information Bureau (India) Limited
ECB	External Commercial Borrowings
ECL	Expected Credit Losses
EMI	Equated monthly instalment
ESG	Environmental, social and governance
FSI	Floor Space Index

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured) and non performing quoted and unquoted credit substitute
ICFR	Internal Control over Financial Reporting
KYC	Know Your Customer
LAP	Loan Against Property
Loan Book / Loans excluding Impairment loss allowance	Aggregate of loan assets, credit substitute, accrued interest and redemption premium on loan assets, unamortised loan origination costs, less unamortised processing fee as determined under Ind AS
LTV	Loan-to-value ratio
MICR	Magnetic ink character recognition
MSME	Micro, Small & Medium Enterprises
Net NPAs	Gross NPAs less provisions for NPAs
NPA	Non – Performing Assets
PMLA	Prevention of Money Laundering Act, 2002, as amended
ROE	Return on Equity
SCB	Scheduled Commercial Bank
SMA	Special mention accounts
Stage 1 Asset	Stage 1 Assets includes loans 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 ECL on Stage 1 Assets resulting from default events that are possible within 12 months after the reporting date as defined under IND AS
Stage 2 Asset	Stage 2 Assets includes loans 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 ECL resulting from all default events that are possible over the expected life of the Stage 2 Assets as defined under IND AS
Stage 3 Asset	Stage 3 Assets includes loans that have objective evidence of impairment at the reporting date as defined under IND AS
Stage 3 Provision	Stage 3 provision are life time ECL resulting from all default events that are possible over the expected life of the Stage 3 Assets as defined under IND AS
UIDAI	Unique Identification Authority of India

Notwithstanding anything contained herein, capitalised terms that have been defined in “*Capital Structure*”, “*Regulations and Policies*”, “*History and other Corporate Matters*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Statements*”, “*Financial Indebtedness*”, “*Outstanding Litigations and Defaults*” and “*Issue Procedure*” on pages 63, 119, 117, 70, 141, 171, 173, 188 and 267 of this Tranche II Prospectus respectively, and “*Main Provisions of the Articles of Association of our Company*” on page 349 of the Shelf Prospectus, will have the meanings ascribed to them in such sections.

## **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 and all references to the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

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

### **Presentation of Financial Information**

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Tranche II Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

Our Company publishes its financial statements in Rupees. Our Company’s financial statements as at and for the year ended March 31, 2022, 2021, and 2020 has been prepared in accordance with Ind AS.

The Reformatted Financial Information and the Limited Review Financial Results are included in this Tranche II Prospectus. The examination report on the Reformatted Financial Information and the limited review report on the Limited Review Financial Results, as issued by the Statutory Auditors, are included in this Tranche II Prospectus in “*Financial Statements*” on page 171 of this Tranche II Prospectus.

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

Unless stated otherwise, the financial data for (i) for the quarter and nine months ended December 31, 2022 has been derived from the Limited Review Financial Results included in this Tranche II Prospectus and (ii) the financial years ended on March 31, 2022, March 31, 2021 March 31, 2020 has been derived from the Reformatted Financial Information included in this Tranche II Prospectus.

Further, the Limited Review Financial Results for the quarter and nine months ended December 31, 2022, have been limited reviewed by our Statutory Auditors and they have issued an auditors’ report dated February 14, 2023 based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI. The Limited Review Financial Results are not indicative of full year results and are not comparable with Reformatted Financial Information.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Reformatted Financial Information in this Tranche II Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Tranche II Prospectus should accordingly be limited.

### **Non-GAAP Financial Measures**

Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt/Total Equity (together, “**Non-GAAP Financial Measures**”), presented in this Tranche II Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance

or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies in financial services industry may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

### 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.

### 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 organisations 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, such data 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.

Given that 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.

### Exchange Rates

The exchange rates Rupees (₹) vis-a-vis of USD, as of December 31, 2022, March 31, 2022, 2021, and 2020 are provided below:

Currency	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	82.79	75.80	73.50	75.39

Source: <https://www.fbil.org.in/#/home> and <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

*In the event that any of the aforementioned dates was a public holiday, the previous calendar day not being a public holiday has been considered.*

*The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.*

## 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. However, these are not the exclusive means of identifying 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, planned projects, revenue and profitability, new business and other matters discussed in this Tranche II Prospectus that are not historical facts. The forward-looking statements contained in this Tranche II Prospectus (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause results to differ materially from our Company’s expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations and/or directions issued by the RBI in connection with NBFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- performance of, and the prevailing conditions affecting, the real estate market in India; and
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited, to those discussed under the sections “*Risk Factors*” and “*Our Business*” on pages 18 and 91 of this Tranche II Prospectus and “*Industry Overview*” on page 89 of the Shelf 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 materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates 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 between the date of filing this Tranche II Prospectus with the RoC, the date of the Allotment and the date of obtaining listing and trading approval for the NCDs.

## SECTION II: RISK FACTORS

*An investment in NCDs involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Tranche II Prospectus including “Our Business” on page 91 and “Financial Information” on page 171 of this Tranche II Prospectus, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

*Unless otherwise stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*This Tranche II Prospectus contains forward looking statements that involve risk and uncertainties. Our Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of several factors, including the considerations described below and elsewhere in this Tranche II Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on the Reformatted Financial Information and the Limited Review Financial Results as included in this Tranche II Prospectus.*

*Certain information in this section includes extracts from the CRISIL Report. Neither our Company, the Lead Managers, the Debenture Trustee, nor any other person connected with this Tranche II Issue has independently verified such industry and third-party information. For more information, please see “Industry Overview” on page 89 of the Shelf Prospectus.*

*Prospective investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Tranche II Issue. You must rely on your examination of our Company and this Tranche II Issue, including the risks and uncertainties involved.*

### **RISKS RELATING TO OUR BUSINESS**

#### **1. 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 comprises personal, business and other loans; 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. Our customer base includes, amongst others, retail borrowers. Defaults or delays in repayment of loans, particularly unsecured loans, could materially impact our business, financial condition and results of operations. 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. Any negative trends or financial difficulties affecting our Company’s customers could increase the risk of their default. 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 regulations. 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.

Our Company has in the past faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by our Company. Our Company had in certain instances initiated legal proceedings to recover the dues from its delinquent customers. For further details in relation to litigations, see "*Outstanding Litigation and Defaults*" on page 188 of this Tranche II Prospectus. Customer defaults could also adversely affect our Company's levels of NPAs and provisions made for its NPAs, which could in turn adversely affect our Company's operations, cash flows and profitability. Our Company's gross NPAs as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 was ₹293.32 crores, ₹260.73 crores, ₹620.20 crores and ₹347.37 crores, respectively. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, our gross NPAs as a percentage of our Loan Book was 3.45%, 2.38%, 4.91% and 2.90%, respectively. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 our net NPAs (which reflect our gross NPAs less provisions for ECL on NPAs (Stage 3)) as a percentage of our Loan book was 2.31%, 1.79%, 3.20% and 2.26%, respectively.

Moreover, as our Company's loan portfolio as per Ind AS matures, our Company may experience increased defaults in principal or interest repayments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its loan portfolio as per Ind AS may deteriorate and its results of operations may be adversely affected. Our Company's Stage 3 Provision was ₹65.19 crores as at March 31, 2022, ₹215.40 crores as at March 31, 2021, and ₹ 76.66 crores as at March 31, 2020 and the provisioning coverage ratio (i.e. on Gross NPA for which provisions has been created) was 25.00%, 34.73% and 22.07%, respectively, during these periods, which may not be comparable to that of other similar financial institutions. Moreover, there can be no assurance that there will be no further deterioration in our Company's provisioning coverage ratio or that the percentage of NPAs that our Company will be able to recover will be similar to its past experience in recovering its NPAs. In the event of any further deterioration in the quality of our Company's loan portfolio as per Ind AS, there could be further adverse impact on its results of operations. Defaults for a period of more than 90 days result in such loans being classified as "non-performing". If our Company is unable to effectively monitor credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of its loan portfolio as per Ind AS, the proportion of NPAs in its loan portfolio as per Ind AS could increase, which may, in turn, have a material adverse effect on our Company's business, financial condition, results of operation and future financial performance.

**2. *We have grown in the past but there can be no assurance that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations and financial condition.***

In the past, our Company's growth has been fairly substantial. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Our revenue from operations for the Fiscal year 2022 increased by 13.19%, compared to Fiscal year 2021. Our profit for the Fiscal year 2022 was ₹508.22 crores and profit for the nine months period ended December 31, 2022 was ₹301.44 crores.

Our growth exposes us to a wide range of increased risks within India, including business risks, operational risks, fraud risks, regulatory and legal risks and the possibility that the quality of our Loan Book may decline. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth. Our Company's ability to sustain its rate of growth also depends, to a large extent, upon its ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products which are relevant to its target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. Our Company will need to recruit new employees, who will have to be trained and integrated into our Company's operations. Our Company will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our Company's employees properly may result in an increase in employee attrition rate, a need to hire additional employees, an erosion in the quality of customer service, a diversion of the management's resources, an increase in our Company's exposure to high-risk credit and an increase in costs for our Company.

Our results of operations depend on a number of internal and external factors, including demand for finance in India, competition, our ability to expand geographically and diversify our product offerings and also significantly on our net interest income. Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Furthermore, any adverse publicity, about or loss of reputation of, our Company could negatively impact our results of operations.

If our Company grows its Loan Book too rapidly or fails to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of the Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets and its business, prospects, financial condition and results of operations. Continuous expansion increases the challenges involved in financial management, preserving our Company's culture, values and entrepreneurial environment as well as developing and improving our Company's internal administrative infrastructure.

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

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

We are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations, and these involve proceedings filed by and against our Company. We, our Promoter, our Group Companies and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings, tax investigations, cases filed by us under the Negotiable Instruments Act and applications under the SARFAESI Act challenging proceedings adopted by us towards enforcement of security interests. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter, Group Companies and Directors, see "*Outstanding Litigations and Defaults*" on page 188 of this Tranche II Prospectus.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

**4. *Our top 20 borrowers have an exposure of 37.95% of our total advances as on March 31, 2022. Our inability to maintain relationship with such customers or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.***

Our concentration of advances with our top 20 borrowers is 37.95% of our total advances as on March 31, 2022. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan 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 operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our



business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations. Moreover, failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/ or financial condition.

**5. *The audit reports of the Statutory Auditors for Fiscal Year 2022 and of the Erstwhile Auditor for Fiscal Year 2021 and 2020 on our audited financial statements along with the Statutory Auditors' review report on our unaudited financial results for the quarter and nine months ended December 31, 2022 contain certain emphasis of matter and other matters.***

The audit reports of the Statutory Auditors for the Fiscal Year 2022 and of the Erstwhile Auditor for Fiscal Year 2021 and Fiscal Year 2020 on our audited financial information, and the Statutory Auditors' review report on our unaudited financial results for the quarter and nine months ended December 31, 2022 contain certain emphasis of matter and other matters, extracts of which are set forth below:

**I. The Statutory Auditors' review report dated February 14, 2023 on the unaudited interim financial results as at and for the quarter and nine months ended December 31, 2022 included:**

**Other Matters**

As described in Note 3 of the accompanying Statement, the figures for the quarter ended December 31, 2022 are the balancing figures between reviewed figures in respect of the nine months period ended December 31, 2022 and for the half year ended September 30, 2022. The figures for the quarter ended December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months period ended December 31, 2021 and for the half year ended September 30, 2021.

**II. The Statutory Auditors' audit report dated May 20, 2022 on the audited financial statements as at and for the year ended March 31, 2022 included:**

**Emphasis of matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2022, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

**Other Matters**

The Company's financial statements for the year ended March 31, 2021 prepared in accordance with Ind AS were audited by the predecessor auditor whose audit report dated May 19, 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of the above matter.

**III. The Erstwhile Auditor's audit report dated May 19, 2021 on the audited financial statements as at and for the year ended March 31, 2021 included:**

**Emphasis of matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

**IV. The Erstwhile Auditor's audit report dated July 3, 2020 on the audited financial statements as at and for the year ended March 31, 2020 included:**

## **Emphasis of matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2020, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

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

Our operations are particularly vulnerable to volatility and mismatch in interest rates. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability. If interest rates rise, some or all of our lenders may increase the interest rates at which we borrow resulting in an increase in our effective cost of funds. We may or may not be able to pass on the increased interest rates to our borrowers simultaneously with the increase in our borrowing rates, or at all, thereby affecting our net interest income. Further, an increase in interest rates may result in some of our borrowers prepaying their loans by arranging funds from other sources, thereby impacting our growth and profitability. Additionally, an increase in general interest rates in the economy could reduce the overall demand for finance and impact our growth. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations and financial condition. We may also face potential liquidity risks due to mismatch in the maturity of our assets and liabilities. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium-term funding sources such as bank loans, commercial paper, cash credit or overdraft facilities. Our inability to obtain additional credit facilities or renew our existing credit facilities for matching tenure of our liabilities in a timely and cost effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

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

Our Company's outstanding borrowings (debt securities, borrowings and subordinated liabilities) were ₹7,434.30 crores as at December 31, 2022 and ₹7,563.21 crores as at March 31, 2022. Out of our outstanding borrowings, borrowings worth ₹1,797.37 crores will mature/amortize by March 31, 2024. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of our agreements require us to take the consent from our lenders for undertaking various actions, including, for:

- entering into any schemes of mergers, amalgamations, compromise or reconstruction.
- enter into any borrowing arrangement with any bank, financial institution, company or person.
- changing our registered office.
- effecting any change in our ownership or control.
- effecting any change in our capital structure.
- any material changes in our management or business.
- any amendments to our Memorandum or Articles of Association.
- undertaking guarantee obligations on behalf of any third party.
- declare any dividends to our shareholders unless amounts owed to the lenders have been paid or satisfactory provisions made thereof.
- transfer or dispose of any of our undertakings.

- create or permit to subsist any security over any of its assets.
- entering into any agreements whereby our income or profits are or may be shared with any other person.
- revaluing our assets; and
- entering into any long-term contracts that significantly affect us.

Additionally, some of our loan agreements also require us to maintain certain periodic financial ratios. Some of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of default by our Company under the respective financing agreements. Also, our Company has certain loan facilities which the lenders can recall without any cause.

Our future borrowings may also contain similar restrictive provisions. In the event that we breach any financial or other covenants contained in any of our financing arrangements, commit default thereunder or in the event we had breached any terms in the past which are only identified in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments.

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

- 8. *We derive significant operational benefits, including access to a wide range of resources like office premises, key management and sales teams, business relationships, etc. from our Promoter, IHFL. We have not entered into formal arrangements for the sharing of most of such resources and may be restricted from using IHFL's resources with no recourse against such restriction in the future.***

We are a wholly owned subsidiary of our Promoter, IHFL. Our Company draws upon a range of resources from IHFL, such as key management, common business, sales and credit teams, treasury operations, branches, information technology, business relationships and infrastructure. As of December 31, 2022, we had 36 branches spread across India, out of which 29 premises are our parent's branches, where we have been granted access to certain workstations under a memorandum of understanding with IHFL. Additionally, our Promoter has made regular equity infusions in our Company, depending on the business needs of our Company. In the event our promoter ceases to share such resources or withdraws infrastructural and/or monetary support, we will have no recourse against such actions, resulting into adverse effects on our business, prospects, financial condition and results of operations.

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

- 9. *We depend on third party channel partners and selling agents for referral of a significant portion of our customers, who do not work exclusively for us.***

We depend on external direct selling agents ("DSAs") and channel partners, who are typically proprietorships and self-employed professionals, to source a significant portion of our customers. We have arrangements with 984 direct sales agents and channel partners for referring potential customers, which source 65% of our customers. Such associates pass on leads of any loan requirements of small businesses to us. Our agreements with such DSAs and channel partners typically do not provide for any exclusivity, and accordingly, they can work with other lenders, including our competitors. There can be no assurance that these associates will continue to drive a significant number of leads to us, and not to our competitors, or at all.

- 10. *Our Company has not consolidated the financial statements of its Erstwhile Subsidiary, Indiabulls Asset Management Mauritius.***

Our Company had a wholly owned subsidiary, Indiabulls Asset Management Mauritius, which was incorporated on June 17, 2016, and declared defunct on July 18, 2022 upon its dissolution, by the respective jurisdictional authorities in the country of incorporation.

The financial statements of Indiabulls Asset Management Mauritius have not been consolidated with the financial statements of the Company, in accordance with the notification dated July 27, 2016, issued by the Ministry of Corporate Affairs, Government of India (“**MCA Notification**”) and the relevant provisions of the Companies (Accounts) Rules, 2014, as amended.

Rule 6 of the Companies (Accounts) Rules, 2014, as amended, describes the manner of consolidation of accounts and states that consolidation of financial statements shall be made in accordance with the provisions of Schedule III of the Companies Act, 2013 and the applicable accounting standards. Pursuant to the MCA Notification and the Companies (Accounts) (Amendment) Rules, 2016, the proviso to Rule 6 of the Companies (Accounts) Rules, 2014 was substituted to exempt a company from consolidating the financial statements of its subsidiary if the ultimate or any intermediate holding company files consolidated financial statements with the registrar in compliance with the applicable accounting standards. Accordingly, our Company has not consolidated the financial statements of Indiabulls Asset Management Mauritius with its financial statements. However, in compliance with the provisions of Rule 6 of the Companies (Accounts) Rules, 2014, as amended, our Promoter, IHFL, being the holding company, consolidated the financial statements of our Company and Indiabulls Asset Management Mauritius with its financial statements.

***11. Our Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities and changes in the RBI's regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates could adversely affect its business.***

Our Company is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. It also has reporting obligations to the RBI. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business and financial performance. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs.

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

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

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

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

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

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

**12. *Our Company's inability to comply with observations made by the RBI or any adverse action by the RBI may have a material adverse effect on its business, financial condition and results of operations.***

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 for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which our Company may have failed to furnish when being called upon to do so. The RBI has, by an order dated September 07, 2022, imposed a penalty of ₹12.35 lakh on our Company for non-compliance with certain provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016. In its last inspection report for the period 2020-2021, the RBI had indicated certain observations with respect to, *inter alia*, asset quality, liquidity ratio, management and other supervisory concerns, etc. Our Company has responded to all the observations of RBI and as on date, no penalties have been levied by RBI with regards to its observations as per the inspection report for FY2021. 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. As on date of this Tranche II Prospectus, no regulatory action is pending against the Company or its directors or its Promoter before RBI or SEBI.

**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 time-frame 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 may not be able to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all and as a result, which could adversely affect its financial condition and results of operations.***

Our Company's secured loan portfolio was ₹7,843.29 crores as at March 31, 2022, which represented 73.45% of the aggregate gross value of our Company's total loan portfolio, and our Company's secured loan portfolio was ₹9,596.36 crores as at March 31, 2021, which represented 77.12%, of the aggregate gross value of our Company's total loan portfolio as at March 31, 2021. Our Company's unsecured loan portfolio was ₹2,835.22 crores as at March 31, 2022, which represented 26.55% of the aggregate gross value of our Company's total loan portfolio, and our Company's unsecured loan portfolio was ₹2,846.92 crores as at March 31, 2021, which represented 22.88% of the aggregate gross value of our Company's total Loan Portfolio as at March 31, 2021. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

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. Accordingly, it may be difficult for our Company to recover amounts owed by defaulting customers in a timely manner or at all.

***15. Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its 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 Company's funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as equity capital raised from our Promoter or through private equity investment. 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 term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as equity capital raised from our Promoter or through private equity investment 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 total outstanding borrowing, comprising debt securities, borrowing (other than debt securities) and Subordinated liabilities was ₹7,563.21 crores as at March 31, 2022, ₹7,823.05 crores as at March 31, 2021 and ₹8,878.06 crores as at March 31, 2020. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit 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.

**16. *Instability of global and Indian economies and banking and financial sectors could affect our liquidity, which could have a material adverse effect on our business, financial condition and results of operations.***

The credit markets in India have faced significant volatility, dislocation and liquidity constraints in the past two financial years. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies. In particular, the CRISIL Report notes that post the default by Infrastructure Leasing & Financial Services Limited ("IL&FS"), an NBFC, in mid of fiscal 2019, the stress in NBFCs increased, which restricted their access to market borrowings. NCD issuances saw a dip of 40% in fiscal 2022 with reducing coupon rates due to improved economic conditions. It is expected that issuances will pick up in Fiscal Year 2023 due to improving credit growth and resolution of stressed assets at NBFCs. (Source: CRISIL Report). For further details, see "Industry Overview" on page 89 of the Shelf Prospectus.

Any protracted instability in the Indian credit markets or other macro-economic factors which may impact the overall liquidity available in the Indian credit markets in general or the amount of credit available to non-banking financial companies in particular, could adversely impact our ability to raise funds in a time-bound manner and at commercially acceptable terms.

Non-availability of credit may lead to disruption in our business, including asset-liability mismatches and an inability to grow our business, and may require us to seek alternate sources of funding, which may not be available on commercially acceptable terms or at all.

**17. *We are exposed to fluctuations in real estate prices and any negative events affecting the real estate sector.***

The demand for products, which include retail mortgage loans as well as commercial mortgage loans in the form of construction finance for real estate developers and lease rent discounting, is generally affected by developments in the real estate sector. The demand for our loans is affected by movement in real estate prices. Further, as the underlying security on our loans is primarily mortgages or other form of security over the customers' other real residential or commercial property, a substantial portion of our loan portfolio is exposed to events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the pedigree of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices.

Further, any developments or events that adversely affect the real estate sector, including without limitation, the introduction of any stringent norms regarding construction, floor space index or other compliances, may result in diminishing the value of our collaterals which may in turn have a material adverse effect on our business, financial condition and results of operations if any of our customers default in repayment of their loans. Also, if any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. There can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations and financial condition.

**18. *As an NBFC-ND-SI, we extend products on pre-assessed loan-to-value ratios, and any negative events affecting the value of the underlying collateral could adversely affect our business and result of operations.***

Our lending products include retail mortgage loans, commercial mortgage loans, lease rental finance, project loans and SME loans and are availed for working capital and other business needs and construction of residential projects.

The loans extended *vide* aforementioned products are assessed through a loan-to-value ratio (“LTV”) against a pre-approved benchmark, prior to disbursement. Higher LTV loans possess an inherent risk with them, that requires constant monitoring and valuation of the underlying collateral. The value of this collateral is to a great extent determined by market sentiments. A downgrade in sentiments of the housing market simulated due to a decline of demand for real estate properties, changes in regulations or other trends or events, which negatively impact the real estate sector may reduce the underlying value of the collateral and consequently increase the LTV ratio higher as compared to the LTV ratio at the time of disbursement. This could lead to reduction in margin of percentage that the Company carries in situation of a stress sell-off of the collateral property. 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.

- 19. *We are required to comply with various financial and other covenants under the loan agreements that we are a party to. If we are not in compliance with the covenants contained in such loan agreements, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.***

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Tranche II Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets.

Undertaking this Tranche II Issue without lender consents constitutes a default by our Company under the relevant financing documents and will entitle the relevant lenders to call a default against our Company and to enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of security interests created under the financing documents, and taking possession of the assets given as security pursuant to the financing documents. An event of default would affect our Company’s ability to raise new funds or renew borrowings as needed to conduct our operations and pursue our growth initiatives. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may have a material adverse effect on our Company’s operations, financial position and credit rating.

Consequently, our Company may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of our Company’s cash flow to meet its working capital requirements and use for other general corporate purposes. Further, we cannot assure you that our Company will have sufficient funds to meet its obligations with respect to the NCDs, including paying interest to the NCD Holders or redeeming the NCDs in a timely manner. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts as they fall due.

- 20. *The financing industry is becoming increasingly competitive and our Company’s growth will depend on its ability to compete effectively.***

The sector in which our Company operates in is highly competitive and our Company faces significant competition from banks and other NBFCs. Many of its competitors are large institutions, which may have larger customer base, funding sources, branch networks and capital compared to our Company. Certain of our Company’s competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our Company’s competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising branches as well as the related operational costs. As a result of this increased competition, loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector. This competition is likely to intensify further as a result of regulatory changes and liberalisation. These competitive pressures affect the industry in which our Company operates in as a whole, and our Company’s future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance that our Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector.



**21. *Our Company may be exposed to fluctuations in the market values of its investment and other asset portfolio.***

The financial markets' turmoil has adversely affected economic activity globally including India. Continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Further, the value of our Company's investments depends on several factors beyond its control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our Company's financial condition.

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

We have long-term credit ratings of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings Limited ("CARE Ratings") and "BWR AA+ /Stable" from Brickwork Ratings India Private Limited ("Brickwork") (for the long-term loans and non-convertible debentures) and "[ICRA]AA (Stable)" from ICRA (for our retail non-convertible debentures). Additionally, we have a credit rating of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings and "BWR AA+ /Stable" from Brickwork in relation to our subordinated debt programme. We also have a credit rating of "CRISIL A1+" from CRISIL, "CARE A1+" from CARE Ratings, and "BWR A1+" from Brickwork in relation to our commercial paper borrowing. Our ratings signify high degree of safety, regarding timely servicing of financial obligations and low credit risk. We believe that our ratings result in a lower cost of funds for us. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings. While our Company's borrowing costs have been competitive in the past due to its ability to raise debt products, credit rating and our Company's asset portfolio, our Company may not be able to offer similar competitive interest rates for its loans if our Company is unable to access funds at an effective cost that is comparable to or lower than its competitors. This may adversely impact our Company's business and results of operations.

**23. *COVID 19 outbreak could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations.***

In late 2019, the novel coronavirus disease, commonly known as "COVID-19", was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, it was declared a pandemic. The COVID-19 first and second wave had significant impact on the macroeconomic environment, our business operations and cashflows. While there was nation-wide lockdown declared during the first wave, the second wave saw territory-based lockdowns. Our business operations and cash flows were disrupted during the lockdown period, affecting our business growth, collection efficiency and asset quality. With the advent of vaccines, the pandemic is now brought in control and the number of cases are declining and expected to come down further in the coming months. While our Company will continue to monitor the developments of the COVID-19 situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 pandemic.

The audit reports of the Statutory Auditors for the Fiscal Year 2022 and of the Erstwhile Auditor for Fiscal Year 2021 and Fiscal Year 2020 on our audited financial information contain certain emphasis of matter pertaining to the effects of the COVID-19 pandemic outbreak on our operations that are dependent on future developments, the impact thereof on the impairment assessment of financial assets outstanding as at March 31, 2022 and that such estimates may be affected by the severity and duration of the pandemic. For further details on the emphasis of matter, see "*Risk factors - The audit reports of the Statutory Auditors for Fiscal Year 2022 and of the Erstwhile Auditor for Fiscal Year 2021 and 2020 on our audited financial statements along with the Statutory Auditors' review report on our unaudited financial results for the quarter and nine months ended December 31, 2022 contain certain emphasis of matter and other matters*" on page 21 of this Tranche II Prospectus.

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

As part of our growth strategy, we evaluate attractive growth opportunities to expand our business and pursue new business opportunities in new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets.

As we continue to expand our geographic footprint, our present and/ or future businesses may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations or pursue new business opportunities may adversely affect our business prospects, financial conditions and results of operations.

**25. *We cannot assure you that we will be able to successfully execute our growth strategies, which could affect our operations, results, financial condition and cash flows.***

Our growth strategy includes increasing the number of loans we extend and expanding our customer base. For further details, see “*Our Business – Our Strategy*” on page 98 of this Tranche II Prospectus. We expect that our growth strategy will place significant demands on our management, financial and other resources. While we intend to pursue existing and potential market opportunities, our inability to manage our business plan effectively and execute our growth strategy could have an adverse effect on our operations, results, financial condition and cash flows.

In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations.

Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may have unknown or contingent liabilities, and we may become liable for the past activities of such businesses. Furthermore, any equity investments that we undertake may be subject to market and liquidity risks, and we may be unable to realise any benefits from such investments, in a timely manner, or at all.

**26. *Our Company's growth will depend on our Company's continued ability to access funds at competitive rates which is dependent on a number of factors including our Company's ability to maintain its credit ratings.***

As our Company is an NBFC-ND-SI in terms of applicable RBI regulations, its liquidity and ongoing profitability are primarily dependent upon its timely access to, and the costs associated with raising capital. Our Company's business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our Company's ability to obtain funds at competitive rates will depend on various factors including our Company's ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position and ability to meet its obligations. Thus, any downgrade of our Company's credit ratings would increase borrowing costs and constrain its access to capital and debt markets. Please see “- *Risks Relating to our Business - Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of*

*debt and our ability to borrow on a competitive basis.*” on page 29 of this Tranche II Prospectus. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our Company’s ability to access the debt capital markets. As a result, this would negatively affect our Company’s net interest margin and its business. In addition, any downgrade of our Company’s credit ratings could increase the possibility of additional terms and conditions being imposed on any additional financing or refinancing arrangements in the future. Any downgrade of our Company’s credit ratings could also accelerate the repayment of certain of our Company’s borrowings in accordance with the applicable covenants of its borrowing arrangements. Any such adverse development could adversely affect our Company’s business, financial condition and results of operations.

As an NBFC, our Company also faces certain restrictions on its ability to raise money from international markets which may further constrain its ability to raise funds at attractive rates. While our Company’s borrowing costs have been competitive in the past due to its ability to raise debt products, credit rating and our Company’s asset portfolio, our Company may not be able to offer similar competitive interest rates for its loans if our Company is unable to access funds at an effective cost that is comparable to or lower than its competitors. This may adversely impact our Company’s business and results of operations.

***27. 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. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank’s exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification 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.

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

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

***29. We have contingent liabilities as at December 31, 2022 and March 31, 2022, and our financial condition may be adversely affected if these contingent liabilities materialise.***

We have following contingent liability and commitments, as at December 31, 2022 which could adversely affect our business and results of operations.

i) Contingent liabilities:

- a) The Company is involved in certain appellate and judicial proceedings (including the one described below) concerning matters arising in the normal course of business including claims from customers. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on historical experiences, management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

- b) For ₹6.72 Crores with respect to FY 2019-20 against disallowances under Income Tax Act, 1961 against which appeal is pending before CIT (Appeals).

ii) Capital commitments

Capital commitments (net of capital advances on account of contracts) remaining to be executed and not provided for are estimated at ₹0.04 Crore.

We have following contingent liability and commitments, as at March 31, 2022 which could adversely affect our business and results of operations.

i) Contingent liabilities

- a) The Company is involved in certain appellate and judicial proceedings concerning matters arising in the normal course of business including claims from customers. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

ii) Capital commitments

Capital commitments (net of capital advances on account of contracts) remaining to be executed and not provided for are estimated at Nil.

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

We invest our surplus funds out of our borrowings and operations in mutual funds and / or fixed income securities. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public sector enterprises, mutual fund investments, fixed deposits with banks and other fixed income securities. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations.

**31. *Our Company may face asset-liability mismatches which could affect its liquidity and consequently may adversely affect our Company's operations and profitability.***

A portion of our Company's funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper. However, a significant portion of our Company's assets (such as loans to its customers) have maturities with longer terms than its borrowings. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. 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.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities. As is typical for NBFCs, we maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitization and equity issuances. 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 ALM of our Company as on March 31, 2022:

(₹ in crores)

Particulars	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	263.62	330.59	240.12	878.05	1,479.72	5,995.37	2,431.74	298.72	11,917.93
Investments	16.62	-	0.10	0.25	3.98	943.46	-	58.69	1,023.10
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings	81.55	4.62	143.08	815.69	559.49	3,645.41	1,736.10	577.27	7,563.21
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

\*As per the latest ALM statement filed with the Stock Exchanges

**32. A decline in our Company's capital adequacy ratio could restrict its future business growth.**

NBFCs are required to maintain a minimum CRAR norm of 15% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. The table below sets forth our CRAR as at December 31, 2022 and March 31, 2022, 2021, and 2020:

Particulars	For the nine months ended December 31, 2022	For the Fiscal Year ended March 31,		
		2022	2021	2020
CRAR <sup>1</sup>	46.95%	47.73%	34.48%	32.44%
CRAR – Tier I Capital	43.99%	44.55%	31.44%	29.54%
CRAR – Tier II Capital	2.96%	3.18%	3.04%	2.89%

Note:

1. CRAR is defined as a capital ratio consisting of Tier I and Tier II Capital to its aggregated risk weighted assets (as per the RBI Regulations) and risk adjusted value of off-balance sheet items.

If our Company continues to grow its loan portfolio and asset base, it 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 its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

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

We may introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

**34. If the corporate undertakings provided by us in our assignment of receivables transactions are invoked, it may require outflow in respect of these undertakings and adversely affect our net income.**

We have in the past, assigned and/or securitised a portion of the receivables from our Loan Book to banks and other institutions. The assignment and/or securitisation transactions were conducted on the basis of our internal estimates of our funding requirements. Any change in the applicable government regulations in

relation to assignments/ securitisations by NBFCs could have an adverse impact on our assignment/securitisation program.

Under some of the assignment and pass through certificate transactions that we undertake, we provide credit support in the form of corporate guarantee and/or cash collateral. In the case of increase in losses on such transactions, such guarantee or the cash collateral may be enforced.

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

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see “*Our Business – Risk and Asset-Liability Management*” on page 106 of this Tranche II Prospectus. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, 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.

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

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See “*Risk Factors - 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*” on page 18 of this Tranche II Prospectus.

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.

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

Our business and operations largely depend on the continued services and performance of our senior management and other key employees and our ability to attract and retain such personnel. Considering the compact nature of our management team, our ability to identify, recruit and retain our employees is critical. As common to the non-banking finance industry we also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which we lend. There is significant competition in India for such personnel, and it may be difficult to attract, adequately compensate and retain personnel we need in the future. Inability to attract and retain appropriate and adequate managerial personnel, or the loss of key personnel could adversely affect our business, prospects, results of operations, financial condition. 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. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition. Further, we also do not maintain any key man insurance policies, and as a result, we may be unable to compensate for the loss of service of our key personnel.

**37. *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.***

As on the date of this Tranche II Prospectus, our Promoter holds 100% of our paid-up share capital. Our Company is dependent on the goodwill and brand name of the Indiabulls. Our Company believes that this goodwill contributes significantly to its business. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. There can be no assurance that the “Indiabulls” brand, which our Company believes is a well-recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company’s control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source.

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

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

Any disassociation of our Company from the Indiabulls group and/or our inability to have access to the infrastructure provided by other companies in the Indiabulls 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.

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

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. Our business may suffer materially if a substantial number of branch managers either become ineffective or leave us.

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

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

In addition, some of our Company’s transactions expose it to the risk of misappropriation or unauthorised transactions by its employees and fraud by its employees, agents, customers or third parties. Our Company’s insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases which may adversely affect our Company’s operations and profitability. Furthermore, our Company may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by its representatives and employees which could adversely affect its goodwill. In addition, some of our Company’s collaterals which were provided for the loans may not be adequately insured and this may expose our Company to a loss of value for the collateral. As a result, our Company may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our Company’s profitability and business operations.

**40. Significant fraud, system failure or calamities could adversely impact our Company's business.**

Our Company seeks to protect its 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 Company's computer systems and network infrastructure. Our Company employs security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although our Company intends 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 Company's business and its future financial performance. Although our Company takes adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds. Furthermore, our Company is exposed to many types of operational risks, including the risk of fraud or other misconduct by its employees and unauthorised transactions by its employees. Our Company's reputation may be adversely affected by significant frauds committed by its employees, customers or outsiders.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt/Total Equity, have been included in this section and elsewhere in this Tranche II Prospectus which are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind-AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles and should not be considered in isolation or constructed as an alternative to cash flows, profit/(loss) for the years/period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind-AS, Indian GAAP, IFRS and US GAAP. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks or financial institutions in India or elsewhere.

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

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



While we have internal control in place to minimise the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

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

**43. *Our Company's reliance on any misleading or misrepresented information provided by potential customers or counterparties or an inaccurate credit appraisal by our Company's employees may affect its credit judgments, as well as the value of and title to the collateral, which may adversely affect its reputation, business and results of operations.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, our Company may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. Our Company may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, our Company may rely on reports of the independent auditors in relation to the financial statements. Moreover, our Company has implemented Know Your Customer ("KYC") checklist and other measures to prevent money laundering. There can be no assurance that information furnished to our Company by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our Company's reliance on such information may affect its judgement of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in our Company having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our Company's reputation, business and results of operations may be adversely affected.

Our Company may also be affected by the failure of its employees to adhere to the internal procedures and an inaccurate appraisal of the credit or financial worth of its clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our Company's books of accounts. In the event our Company is unable to mitigate the risks that arise out of such lapses, our Company's business and results of operations may be adversely affected.

**44. *Our Company may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.***

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our Company, in the course of its operations, runs the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although our Company believes that it has adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that our Company 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. Our Company, in certain of its activities and in pursuit of its business, runs the risk of inadvertently offering its financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our Company's business and reputation.

**45. *Our Company's insurance coverage may not adequately protect our Company against losses which could adversely affect our Company's business, financial condition and results of operations.***

Our Company maintains insurance coverage that our Company believes is adequate for its operations. Our Company's insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We currently maintain insurance coverage against fire and allied perils, burglary and housebreaking and damage to portable equipment at our offices and a money insurance coverage for cash that is maintained in our offices and cash in transit. We also maintain a director's and officers' liability policy covering our directors, officers and employees against claims arising out of legal and regulatory proceedings and monetary demands for damages. However, our Company cannot

assure you that the terms of its insurance policies will be adequate to cover any damage or loss suffered by our Company 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. Any successful assertion of one or more large claims against our Company that exceeds our Company's available insurance coverage or changes in our Company's insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our Company's business, financial condition and results of operations.

- 46. *We do not own our registered office, corporate offices and branch offices. Any termination or failure on our part to renew our lease/rent agreements in a favourable, timely manner, or at all, could adversely affect our business and results of operations. Moreover, many of the lease/rent agreements entered into by our Company may not be duly registered or adequately stamped.***

All our branch offices, as well as our registered office and corporate offices, are located on leased/rented premises. Some of the lease/rent agreements may have expired and we maybe currently involved in negotiations for the renewal of these lease/rent agreements. If these lease/rent agreements are not renewed or renewed on unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations.

Further, most of our lease/rent agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of the operations and business of our Company.

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

We have entered into a number of related party transactions, within the meaning of AS-18, and may continue to enter into related party transactions, which may involve conflict of interest. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Further, we have entered and may continue to enter into certain transactions with IHFL, our Promoter which may or may not be at an arm's length. However, such related party transactions are exempted under Section 188 of Companies Act, on account of our Company being a wholly owned subsidiary of IHFL. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to the statement of related party transactions in "*Financial Statements*" on page 171 of this Tranche II Prospectus.

- 48. *Our Company's Promoter, Directors and related entities may have interests in a number of entities which are in businesses similar to our Company's business and this may result in potential conflicts of interest with our Company.***

Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Company's Promoter, Directors and related entities have interests in various entities that are engaged in businesses similar to our Company. Commercial transactions in the future between our Company and related parties may result in conflicting interests. A conflict of interest may occur directly or indirectly between our Company's business and the business of our Company's Promoter which could have an adverse effect on our Company's operations. Conflicts of interest may also arise out of common business objectives shared by our Company, our Company's Promoter, Directors and their related entities. Our Company's Promoter, Directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our Company. Our Company cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

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

Our Company has not made an application for and consequently does not own trademark registrations for the logo used in this Tranche II Prospectus and various Transaction Documents. Accordingly, we may not be able to prohibit the use of our intellectual property by any third party and may, in the future, face claims and

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

**50. *We derive significant operational benefits by association with the Indiabulls brand and may be restricted from using the Indiabulls trademark we currently operate under with no recourse against such restriction in the future.***

We believe that our relationship with the Indiabulls group provides brand recall and enables us to derive significant marketing and operational benefits by association to the Indiabulls brand. The Indiabulls brand that we operate under is shared between members of the Indiabulls group of companies, a diversified set of businesses in the financial services sector. The “*Indiabulls*” trademark is registered in the name of our Promoter, IHFL. We use “Indiabulls” trademark as a ‘common law licensee or permissive user’ under implied permission and consent of IHFL. We have not, in the past, entered into, or do not currently have agreements to share this brand. Accordingly, we will have no recourse if we are restricted to use such trademark in the future, which could materially affect our reputation, business and results of operations.

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

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

As part of its lending business, our Company will rely on third party sources for certain information, such as "Aadhar" or unique identification number, of loan applicants based on which the data analytics software will be able to process the information. For instance, the applicant's details will be sourced from various websites, payment bureau and third-party vendors and settlement of funds will be facilitated by payment processing systems by linking the data analytics software to such websites. Some of these third-party data sources are currently, and may, in the future, be vulnerable to data privacy violation claims. If these claims are established and these data sources are no longer available to us, we will have to find alternate sources for such data which may increase our operational costs and adversely affect our results of operations. These third-party data sources are also susceptible to operational and technology vulnerabilities and are also exposed to changes in regulations, which may impact our business. In addition, these third-party data sources may rely on other parties (sub-contractors), to provide services to us which also face similar risks. For example, external content providers provide us with financial information, market news, quotes, research reports and other fundamental data that we offer to clients.

**52. *Certain of our documents may bear higher stamp duty than we have paid and as a result, our cash flows and results of operations may be adversely affected.***

In relation to assignment/ securitisation transactions executed by us in relation to our Loan Book, we have entered into certain documentation, wherein we have, in accordance with industry practice, agreed to bear all costs in relation to stamp duty payable in respect of the assignment/ securitisation documents. Most of these transactions involve loans (and underlying mortgages) situated across India, and not just the jurisdiction where the documents in relation to the assignment/ securitisation are stamped. If any of the transaction documents in relation to these assignment/ securitisation transactions, are for any reason, taken out of the state in which stamp duty has been paid, including for registration of the same in the state where the underlying property is situated, there may be an additional stamp duty implication us, to the extent of the

difference between the stamp duty payable in such state and the stamp duty already paid. Any such liability may have a financial impact on our cash flows and results of operations.

**53. *We may be required to bear additional tax liability for previous assessment years, which could adversely affect our financial condition.***

According to extant guidelines from the RBI, an NBFC is not permitted to recognise income if the amount due in respect of a loan has not been paid by the borrower for 90 days or more and such amount is considered an NPA. However, under Section 43D read with rule 6EB of the Income Tax Rules, the definition of an NPA under the Income Tax Act is different from that provided by extant guidelines of the RBI in force at present. While we have been following the guidelines of the RBI on income recognition, if the interpretation of the income tax department is different to ours, we may be required to bear additional tax liabilities for previous assessment years, as well as an increased tax liability in the future as a result of our income being recognized by the income tax department at a higher level than the income offered for taxation under the guidelines set out by the RBI.

**54. *The 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 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 the 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 creditors. 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 on 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, Government has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

**55. *A failure or inadequacy or security breach 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.

***56. Our Company's ability to assess, monitor and manage risks inherent in our Company's business differs from the standards of some of its counterparts.***

Our Company is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our Company's risk management is limited by the quality and timeliness of available data. Our Company's hedging strategies and other risk management techniques may not be fully effective in mitigating its risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although our Company has established these policies and procedures, they may not be fully effective.

Our Company's future success will depend, in part, on our Company's ability to respond to new technological advances and emerging market standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will be able to successfully implement new technologies or adapt its transaction processing systems in accordance with the requirements of customers or emerging market standards.

***57. We have not been able to obtain certain records of the educational and professional qualifications of our Director namely Mr. Anil Malhan, and have relied on declarations and undertakings furnished by him for details of his profiles included in this Tranche II Prospectus.***

Our Director, Mr. Anil Malhan, has been unable to trace copies of documents pertaining to his educational and professional qualifications included in this Tranche II Prospectus. Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by him to us and the Lead Managers to disclose details of his educational and professional qualifications in this Tranche II Prospectus. We and the Lead Managers have been unable to independently verify these details prior to inclusion in this Tranche II Prospectus. Further, there can be no assurances that he will be able to trace the relevant documents pertaining to his qualifications in the future, or at all.

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

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

Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

**EXTERNAL RISKS AND RISK RELATING TO INDIA**

**1. *A slowdown in economic growth in India may adversely affect our business and results of operations.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

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

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

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

Inflation rates could be volatile, and we may face high inflation in the future as India has witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, domestic and international economic and political conditions and other factors. Consequently, we may also be affected and fall short of business growth and profitability.

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

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future. As our business consists of sizable contributions from the retail and agricultural segments, any slowdown in the growth of the housing, automobile or agricultural sectors could increase the cost of servicing our non-Rupee-denominated debt, and adversely impact our business, financial conditions and results of operations.

**4. *Our business and activities may be affected by competition law in India.***

The Competition Act, 2002 (“**Competition Act**”) was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, our business, financial condition and results of operations may be materially and adversely affected.

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

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to

time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education and health cess on the tax and the surcharge, is currently up to 25.17%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

**6. *The taxation system in India could adversely affect our business, prospects, financial condition and results of operations.***

The Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented.

The Government has enacted the GAAR provisions which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are invoked, then the Indian tax authorities have wide powers, including the ability to deny a tax benefit or deny a benefit under a tax treaty; and

The Government of India has announced the union budget for Fiscal Year 2023 and the Ministry of Finance notified Finance Act, 2022. There is no certainty on the impact this will have on our business and operations or on the industry in which we operate. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

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

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

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

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it



faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

**9. *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 may 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.

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

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business, financial performance, profits and ability to obtain financing for capital expenditures and the interest and redemption of the NCDs.

**11. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, our future financial performance, our results of operations and financial condition.

**12. *Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.***

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

**13. *A global/regional financial crisis or outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could adversely affect our operations, cash flows, asset quality and growth.***

Our business has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodity prices, investor sentiment, inflation and the availability and cost of capital and credit.

There are a number of uncertainties ahead in the global markets (for example, future bilateral trade relations between the US and China).

Additionally, the outbreak of an infectious disease in India or elsewhere or any other serious public health concern could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. An outbreak of a novel strain of coronavirus (i.e.,

COVID-19), which first emerged in Wuhan City, Hubei province, the PRC in late December 2019, has since spread to other parts of the world. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the SARS epidemic that occurred from November 2002 to July 2003. The COVID-19 outbreak could become more severe, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, the COVID-19 outbreak has caused significant volatility in stock markets worldwide and has impacted economic activity in Asia and worldwide. Any of these factors may have a material adverse effect on our financial condition and results of operations.

Inflationary pressures in emerging markets and Asia are likely to ease on the back of slower global growth. Whilst this gives more leeway for an accommodative stance on monetary policy, central bankers would still have to weigh a decision to cut rates against the need to stabilise their currencies against depreciation pressures.

The implications for the world and us are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay between U.S. fiscal policies vis-à-vis monetary policies pursued by other central banks, particularly those in the emerging markets, may lead to more volatile global capital flows. Third, while our direct exposures outside the Indian financial markets are relatively modest, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on our business, cash flows, financial condition and results of operations.

Investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including us. We remain subject to the indirect economic effect of any potential tightening in global credit conditions, some of which cannot be anticipated and the vast majority of which are not under its control. We also remain subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to us.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability in the global markets could have a negative influence on the Indian economy. While legislators and financial regulators across the globe have implemented several measures designed to add stability to the financial markets, these may not have the intended stabilising effects. Furthermore, in several parts of the world, there are signs of increasing retreat from globalisation of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect the Indian economy. In the event that the current adverse conditions in the global credit markets continue or if there are any significant financial disruption, this could have an adverse effect on our business, cash flows, financial condition, results of operations.

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

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation 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 liberalisation 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 liberalisation 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 liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalisation. 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.

## **RISK FACTORS PERTAINING TO THE NCDs AND THIS TRANCHE II ISSUE**

- 1. 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.

- 2. 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. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 125% asset cover on the outstanding amount of the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

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

- 4. Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt.***

We have long-term credit ratings of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings Limited ("CARE Ratings") and "BWR AA+ /Stable" from Brickwork Ratings India Private Limited ("Brickwork") (for the long-term loans and non-convertible debentures) and "[ICRA]AA (Stable)" from ICRA (for our retail non-convertible debentures). Additionally, we have a credit rating of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings and "BWR AA+ /Stable" from Brickwork in relation to our subordinated debt programme. We also have a credit rating of "CRISIL A1+" from CRISIL, "CARE A1+" from CARE Ratings, and "BWR A1+" from Brickwork in relation to our commercial paper borrowing. Our ratings signify high degree of safety, regarding timely servicing of financial obligations and low credit risk. Any downgrade of our credit ratings would increase borrowing costs and constraint 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. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse

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

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

There are other lenders and debenture trustees of our Company who have pari passu charge over the Security provided for this Tranche II Issue. While our Company is required to maintain 125% asset cover for the outstanding amount of the NCDs and interest thereon, upon our 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.

**6. *Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk and the price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs. Additionally, sale of NCDs by any holder may also give rise to tax liability.

**8. *The fund requirement mentioned in the Objects of the Tranche II Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Tranche II Issue, after meeting the expenditures of and related to the Tranche II Issue, for purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company and for general corporate purposes in accordance with applicable law. For further details, see "*Objects of the Issue*" on page 66 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 this Tranche II Issue. The utilisation details of the proceeds of this Tranche II 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 this Tranche II Issue.

**9. *There may be a delay in making refund to Applicants/ unblocking of funds of Applicants.***

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

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

In accordance with applicable law and practice, permissions for listing and trading of the NCDs issued pursuant to this Tranche II 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 this Tranche II Issue will be listed on Stock Exchanges in a timely manner, or at all.

**11. *We are not required to maintain DRR.***

Our NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited. Pursuant to 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, we are 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. However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not at any time fall below 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.

**12. *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 or at what price will the NCDs trade in the secondary market or whether such market will be liquid or illiquid. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. In addition, the trading of the NCDs may be impacted by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes, among others. 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.

## SECTION III: INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated as 'Indiabulls Commercial Credit Limited', a public limited company under the provisions of the Companies Act, 1956 on July 07, 2006 pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC") and commenced its business on February 20, 2008 pursuant to a certificate of commencement of business issued by RoC. Subsequently, the name of our Company was changed to 'Indiabulls Infrastructure Credit Limited' on January 21, 2009 and thereafter to 'Indiabulls Commercial Credit Limited' on March 12, 2015. The CIN of our Company is U65923DL2006PLC150632.

Our Company is registered as a non-banking financial company under section 45-IA of the Reserve Bank of India Act, 1934. We received a certificate of registration from the RBI to carry on the business of a non-banking financial institution without accepting public deposits on February 12, 2008 having registration number N-14.03136. Pursuant to change of name of our Company from Indiabulls Commercial Credit Limited to Indiabulls Infrastructure Credit Limited on January 21, 2009, the RBI issued fresh certificate of registration on January 30, 2009 to the Company. Further, pursuant to change in name of our Company from Indiabulls Infrastructure Credit Limited to Indiabulls Commercial Credit Limited on March 12, 2015, the RBI issued fresh certificate of registration on April 16, 2015 to the Company.

For further details regarding changes to the name and registered office of our Company, please see "*History and other Corporate Matters*" on page 117 of this Tranche II Prospectus. For further details regarding the business of our Company, see "*Our Business*" on page 91 of this Tranche II Prospectus.

#### Registered Office

5th Floor, Building No. 27,  
KG Marg, Connaught Place,  
New Delhi-110001  
**Telephone No.:** +91 11 4353 2950  
**Facsimile No.:** +91 11 4353 2947  
**Email:** helpdesk@indiabulls.com  
**Website:** www.indiabullsccommercialcredit.com  
**Registration No.:** 150632

#### Corporate Office(s)

One International Centre  
Tower 1, 18th Floor, Senapati Bapat Road  
Mumbai – 400 013  
Maharashtra, India  
**Telephone No.:** +91 22 6189 1400  
**Facsimile No.:** +91 22 6189 1416

Plot No. 422B, Udyog Vihar,  
Phase - IV  
Gurugram 122016, Haryana  
**Telephone No.:** 1800 200 7777 (Toll free)  
**Facsimile No.:** +91 124 668 1111

**Email:** helpdesk@indiabulls.com  
**Website:** www.indiabullsccommercialcredit.com  
**Registration No.:** 150632  
**Corporate Identification Number:** U65923DL2006PLC150632  
**Legal Entity Identifier:** 33580063XY5DJRPSF215  
**PAN No.:** AABCI5559G

## **Contents of the Memorandum of Association of the Company as regards its objects**

For information on the Company's main objects, please see the section titled "*History and Other Corporate Matters – Main Objects of our Company*" on page 117 of this Tranche II Prospectus. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" on page 300 of this Tranche II Prospectus.

## **Liability of the members of the Company**

Limited by shares.

## **Registrar of Companies, National Capital Territory of Delhi and Haryana**

*Registrar of Companies  
NCT of Delhi & Haryana  
4th Floor, IFCI Tower  
61, Nehru Place  
New Delhi – 110019, India  
Telephone No.: +91 11 2623 5703, +91 11 2623 5708  
Fax No.: +91 11 2623 5702*

## **Chief Financial Officer**

The details of our Chief Financial Officer are set out below:

**Mr. Ashish Kumar Jain**  
*Chief Financial Officer*

Plot No.422B,  
Udyog Vihar, Phase - IV  
Gurugram - 122 016,  
Haryana, India  
**Telephone No.:** 0124 6681199  
**Facsimile No.:** 0124 6681240  
**Email:** asjain@indiabulls.com

## **Compliance Officer and Company Secretary**

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

**Mr. Ajit Kumar Singh**  
*Company Secretary and Compliance Officer*

Plot No.422B,  
Udyog Vihar, Phase - IV  
Gurugram - 122 016  
Haryana, India  
**Telephone No.:** 0124 6681199  
**Facsimile No.:** 0124 6681240  
**Email:** ajisingh@indiabulls.com

## **Lead Managers**



**Edelweiss Financial Services Limited**  
Edelweiss House  
Off CST Road, Kalina

Mumbai – 400 098  
Maharashtra, India  
**Telephone No.:** +91 22 4086 3535  
**Facsimile No.:** +91 22 4086 3610  
**Email:** icclncd@edelweissfin.com  
**Investor Grievance Email:** customerservice.mb@edelweissfin.com  
**Website:** www.edelweissfin.com  
**Contact Person:** Mr. Lokesh Singhi / Ms. Saili Dave  
**Compliance Officer:** Ms. Bhavana Kapadia  
**SEBI Registration No.:** INM0000010650  
**CIN:** L99999MH1995PLC094641



**Elara Capital (India) Private Limited**

One International Centre, Tower 3,  
21<sup>st</sup> Floor, Senapati Bapat Marg,  
Elphinstone Road West, Mumbai - 400013  
**Telephone No.:** +91 22 6164 8599  
**Facsimile No.:** +91 22 6164 8589  
**Email:** iccl.ncd@elaracapital.com  
**Investor Grievance Email:** mb.investorgrievances@elaracapital.com  
**Website:** www.elaracapital.com  
**Contact Person:** Ms. Astha Daga  
**Compliance Officer:** Mr. Amit Bondre  
**SEBI Registration No.:** INM000011104  
**CIN:** U65993MH2006PTC164708



**TRUST**  
In Partnership. With Trust.

**Trust Investment Advisors Private Limited**

109/110, Balarama,  
Bandra Kurla Complex, Bandra East,  
Mumbai – 400 051  
Maharashtra, India  
**Telephone No.:** +91 22 4084 5000  
**Facsimile No.:** +91 22 4084 5066  
**Email:** iccl.ncd@trustgroup.in  
**Investor Grievance Email:** customercare@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Ms. Hani Jalan  
**Compliance Officer:** Mr. Brijmohan Bohra  
**SEBI Registration No.:** INM000011120  
**CIN:** U67190MH2006PTC162464

**Consortium Members**



**Nuvama Wealth and Investment Limited** (formerly known as Edelweiss Broking Limited)

2nd Floor, Office No. 201-203  
Zodiac Plaza, Xavier College Road  
Off C G Road, Ahmedabad – 380009  
**Telephone No.:** +91 22 4009 4400  
**Facsimile No.:** N.A.  
**Email:** amit.dalvi@nuvama.com / prakash.boricha@nuvama.com  
**Investor Grievance Email:** helpdesk@edelweiss.in



**Website:** www.edelweissfin.com  
**Contact Person:** Amit Dalvi / Prakash Boricha  
**SEBI Registration No.:** INZ000005231



**Elara Securities (India) Private Limited**  
One International Centre, Tower 3,  
21<sup>st</sup> Floor, Senapati Bapat Marg,  
Elphinstone Road West, Mumbai - 400013  
**Telephone No.:** +91 22 6164 8574  
**Facsimile No.:** +91 22 6164 8589  
**Email:** kamal.sati@elaracapital.com  
**Investor Grievance Email:** investor.grievances@elaracapital.com  
**Website:** www.elaracapital.com  
**Contact Person:** Mr. Kamal Kishore Sati  
**SEBI Registration No.:** INZ000238236



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**Trust Financial Consultancy Services Private Limited**  
1101, Naman Centre, 'G' Block,  
C-31, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051  
**Telephone No.:** +91 22 4084 5000  
**Facsimile No.:** +91 22 4084 5066  
**E-mail:** pranav.inamdar@trustgroup.in; iccl.ncd@trustgroup.in  
**Investor Grievance Email:** grievances@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Mr. Pranav Inamdar  
**SEBI Registration No.:** INZ000238639



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**Trust Securities Services Private Limited**  
1202, Naman Centre, 'G' Block,  
C-31, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051  
**Telephone No.:** +91 22 2656 7536  
**Facsimile No.:** +91 22 2656 6598  
**E-mail:** parth.maniar@trustgroup.in; iccl.ncd@trustgroup.in  
**Investor Grievance Email:** grievances@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Mr. Parth Maniar  
**SEBI Registration No.:** INZ000158031

**Debenture Trustee**



**Beacon Trusteeship Limited**  
4C & D, Siddhivinayak Chambers,  
Opp. MIG Cricket Club, Gandhi Nagar,  
Bandra (East), Mumbai – 400 051  
Maharashtra, India

**Tel:** +91 22 - 26558759  
**Email:** contact@beacontrustee.co.in  
**Investor Grievance e-mail:** investorgrievances@beacontrustee.co.in  
**Website:** www.beacontrustee.co.in  
**Contact Person:** Mr. Kaustubh Kulkarni  
**SEBI Registration Number:** IND000000569  
**CIN:** U74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated December 14, 2022, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see “Annexure C” of this Tranche II Prospectus.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see “*Issue Related Information*” on page 237 of this Tranche II Prospectus.

#### **Registrar to the Issue**



**KFin Technologies Limited** (formerly known as *KFIN Technologies Private Limited*)

Selenium, Tower B, Plot No- 31 and 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi - 500 032,  
Telangana, India.

**Telephone No.:** +91 40 6716 2222

**Facsimile No.:** +91 40 67161563

**Toll free number:** 18003094001

**Email:** iccl.ncdipo@kfintech.com

**Investor Grievance Email:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Contact Person:** Mr. M. Murali Krishna

**SEBI Registration Number:** INR000000221

**CIN:** L72400TG2017PLC117649

KFin Technologies Limited has by its letter dated March 24, 2023, given its consent for its appointment as the Registrar to the Issue and for its name to be included in the relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Investors may contact the Registrar to the Issue or the 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, transfers etc.

All grievances relating to the Issue or 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 Consortium 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 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 center 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 the applications submitted online through the application 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 Exchange mechanisms or through Trading Members may be addressed directly to the respective Stock Exchanges.

### **Joint Statutory Auditors**

#### **Hem Sandeep & Co.**

*Chartered Accountants*

D 118, Saket,

New Delhi – 110017, India

**Telephone No.:** +91 011 4052 4636

**Email:** ajay.sardana@hemsandeep.com

**ICAI Firm registration number:** 009907N

**Contact Person:** Mr. Ajay Sardana

**Date of appointment as Statutory Auditor:** November 24, 2021

**Term of appointment:** 3 years

**Peer review no.:** 013047

#### **Rao & Emmar**

*Chartered Accountants*

No. 204 and 205, 2nd Floor,

Ramanashree Arcade, MG Road

Bengaluru – 560001, India

**Telephone No.:** +91 99106 11114

**Email:** hemant@raoemmar.com

**ICAI Firm registration number:** 003084S

**Contact Person:** Mr. Hemant Gupta

**Date of appointment as Statutory Auditor:** November 24, 2021

**Term of appointment:** 3 years

**Peer review no.:** 014426

### **Credit Rating Agencies**

**CRISIL**  
Ratings

#### **CRISIL Ratings Limited (a subsidiary of CRISIL Limited)**

CRISIL House, Central Avenue,

Hiranandani Business Park,

Powai, Mumbai- 400 076

**Telephone:** +91 22 3342 3000

**Email:** crisilratingdesk@crisil.com

**Website:** www.crisilratings.com

**Contact Person:** Mr. Krishnan Sitaraman

**SEBI Registration No:** IN/CRA/001/1999

**CIN:** U67100MH2019PLC326247

**ICRA Limited**

Electric Mansion, 3<sup>rd</sup> Floor, Appasaheb Marathe Marg

Prabhadevi, Mumbai – 400 025

**Telephone:** +91 22 6114 3406

**Email:** shivakumar@icraindia.com

**Website:** www.icra.in

**Contact Person:** L Shivakumar

**SEBI Registration No:** IN/CRA/008/2015

**CIN:** L74999DL1991PLC042749

**Credit Rating and Rationale**

The NCDs proposed to be issued under this Issue have been rated “CRISIL AA/Stable” (pronounced as CRISIL double A rating with stable outlook) by CRISIL Ratings *vide* their letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847 dated September 23, 2022 and further revalidated *vide* letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/1 dated November 7, 2022, letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/2 dated December 7, 2022 and letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/3 dated February 6, 2023 and rationale dated September 22, 2022, and “[ICRA]AA (Stable)” (pronounced as ICRA double A rating with a stable outlook) by ICRA Limited *vide* their letter bearing reference no. ICRA/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 2022 and further revalidated *vide* letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/18112022/01 dated November 18, 2022, letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/19122022/01 dated December 19, 2022 and letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/10022023/01 dated February 10, 2023 and rationale dated April 5, 2022.

Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. These ratings are subject to suspension, revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see *Annexure A and B* of this Tranche II Prospectus.

**Disclaimer clause of CRISIL Ratings**

CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. Indiabulls Commercial Credit Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings’ rating criteria are available without charge to the public on the website, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.

**Disclaimer clause of ICRA Limited**

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA’s current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any

ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#### **Disclaimer clause of CRISIL Limited**

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. Indiabulls Commercial Credit Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

#### **Legal Advisor to the Issue**



##### **Saraf and Partners Law Offices**

2402, Tower 2, One International Centre,  
Senapati Bapat Marg, Prabhadevi West,  
Mumbai – 400 013, Maharashtra

**Telephone No.:** +91 22 4405 0600

**Website:** [www.sarafpartners.com](http://www.sarafpartners.com)

**Email:** [projectlabh2@sarafpartners.com](mailto:projectlabh2@sarafpartners.com)

#### **Bankers to the Issue**

##### ***Public Issue Account Bank, Refund Bank and Sponsor Bank***



We understand your world

##### **HDFC Bank Limited**

HDFC Bank Limited, FIG- OPS Department- Lodha,

I Think Techno Campus O-3 Level, Next to Kanjurmarg,

Railway Station, Kanjurmarg (East),

Mumbai - 400042, Maharashtra, India

**Telephone No.:** +91 22 30752927, +91 22 30752928, +91 22 30752914

**Facsimile No.:** +91 22 2579 9801

**Email:** [siddharth.jadhav@hdfcbank.com](mailto:siddharth.jadhav@hdfcbank.com), [eric.bacha@hdfcbank.com](mailto:eric.bacha@hdfcbank.com), [vikas.rahate@hdfcbank.com](mailto:vikas.rahate@hdfcbank.com),  
[sachin.gawade@hdfcbank.com](mailto:sachin.gawade@hdfcbank.com)

**Investor Grievance Email:** [siddharth.jadhav@hdfcbank.com](mailto:siddharth.jadhav@hdfcbank.com), [eric.bacha@hdfcbank.com](mailto:eric.bacha@hdfcbank.com),  
[vikas.rahate@hdfcbank.com](mailto:vikas.rahate@hdfcbank.com), [sachin.gawade@hdfcbank.com](mailto:sachin.gawade@hdfcbank.com)

**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Contact Person:** Siddharth Jadhav, Sachin Ramesh Gawade, Eric Bacha, Vikas Rahate  
**SEBI Registration No.:** INBI00000063  
**CIN:** L65920MH1994PLC080618

### **Recovery Expense Fund**

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange 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.

### **Designated Intermediaries**

#### ***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 links.

In relation to Applications submitted to a member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Member of the Consortium at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) or any such other website as may be prescribed by SEBI from time to time.

#### ***Syndicate SCSB Branches***

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

In relation to bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of the ASBA Forms and Application Forms where investors have opted for payment via the UPI Mechanism, from the Members of the Consortium is available on the website of SEBI <http://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 Consortium at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### ***Broker Centres / Designated CDP Locations / Designated RTA Locations***

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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.

### **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.”

### **Underwriting**

This Tranche II Issue is not underwritten.

### **Arrangers to the Issue**

There are no arrangers to this Tranche II Issue.

### **Guarantor to the Issue**

There are no guarantors to this Tranche II Issue.

### **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 the Base Issue Size, prior to the Tranche II Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Operational Circular.

### **Utilisation of Issue proceeds**

For details on utilisation of Issue proceeds, please see “*Objects of the Issue*” on page 66 of this Tranche II Prospectus.

### **Tranche II Issue Schedule**

<b>TRANCHE II ISSUE PROGRAMME*</b>	
<b>TRANCHE II ISSUE OPENS ON</b>	April 3, 2023

<b>TRANCHE II ISSUE PROGRAMME*</b>	
<b>TRANCHE II ISSUE CLOSURES ON</b>	April 19, 2023
<b>PAY IN DATE</b>	Application Date. The entire Application Amount is payable on Application
<b>DEEMED DATE OF ALLOTMENT</b>	The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for this Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee 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 this Tranche II Issue by way of this Tranche II Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

*\* The Tranche II Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. 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 of Directors of our Company or the Bond Issue Committee thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations. 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 on or before such earlier or extended date of the Tranche II Issue closure in all the newspapers in which pre-issue advertisement of the Tranche II Issue have 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 10.00 a.m. and 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 Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) 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 237 of this Tranche II Prospectus.*

Applications Forms for the 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 Exchanges, during the Tranche II Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. 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. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. 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 237 of this Tranche II Prospectus.

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 the 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 Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription and thereafter, if any, where the Allotment will be proportionate.

Such Applications that cannot be uploaded will not be considered for allocation under this Tranche II 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 this Tranche II Issue will be on date priority basis except on the day of oversubscription and thereafter, if any, 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:



<b>S. No.</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Coordinator</b>
1.	Due diligence of Issuer's operations/ management/ business plans/ legal etc. Drafting and design of the Issue Documents. (The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Issue Documents and RoC filing).	Edelweiss, Trust, Elara	Edelweiss
2.	Co-ordination with Auditors. Co-ordination with lawyers for legal opinion.	Edelweiss, Trust, Elara	Edelweiss
3.	Structuring of various issuance options with relative components and formalities etc.	Edelweiss, Trust, Elara	Edelweiss
4.	Preparation and Finalisation of Application form	Edelweiss, Trust, Elara	Trust
5.	Drafting and design of the statutory advertisement	Edelweiss, Trust, Elara	Edelweiss
6.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (5) above including corporate advertisement, brochure, etc.	Edelweiss, Trust, Elara	Elara
7.	Appointment of other intermediaries viz., Registrar(s), Printers, Debenture Trustee, Consortium Members, Advertising Agency and Bankers to the Issue	Edelweiss, Trust, Elara	Edelweiss
8.	Preparation of road show presentation, FAQs	Edelweiss, Trust, Elara	Elara
9.	Individual / HUF marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalize collection centers</li> <li>Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material</li> </ul>	Edelweiss, Trust, Elara	Trust
10.	Institutional and Non-institutional marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalize media, marketing and public relation strategy and publicity budget</li> <li>Finalize the list and division of investors for one on one meetings</li> <li>Finalize centers for holding conferences for brokers, etc.</li> </ul>	Edelweiss, Trust, Elara	Elara
11.	Coordination with the Stock Exchanges for the bidding software	Edelweiss, Trust, Elara	Trust
12.	Coordination for security creation by way of execution of Debenture Trust Deed/ Deed of Hypothecation	Edelweiss, Trust, Elara	Edelweiss
13.	Post-issue activities including - <ul style="list-style-type: none"> <li>Co-ordination with Bankers to the Issue for management of Escrow account(s) and timely submission of application forms to RTA and daily collection figures under different categories.</li> <li>Co-ordination with the Registrars and the Bankers to the Issue for timely submission of certificate, finalization of basis of allotment and allotment of bonds.</li> </ul>	Edelweiss, Trust, Elara	Edelweiss
14.	Co-ordination with the Registrar for dispatch of allotment and refund advices, dispatch of debenture certificates and credit of bonds.	Edelweiss, Trust, Elara	Edelweiss
15.	Finalization of draft of other stationery items like refund order, allotment & refund advice, bond certificate, LoA etc	Edelweiss, Trust, Elara	Edelweiss

<b>S. No.</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Coordinator</b>
16.	Coordination with Registrar & Stock Exchanges for completion of listing and trading.	Edelweiss, Trust, Elara	Edelweiss
17.	Redressal of investor grievances in relation to post issue activities	Edelweiss, Trust, Elara	Edelweiss

## CAPITAL STRUCTURE

### 1. Details of Share Capital and Securities Premium Account

The following table lays down the details of our authorised, issued, subscribed and paid-up share capital and securities premium account as at December 31, 2022:

*(in ₹, except share data)*

PARTICULARS	Aggregate value at face value (except for securities premium)
<b>A. AUTHORISED SHARE CAPITAL</b>	
250,000,000 Equity Shares of ₹10 each	2,500,000,000
22,500,000 Preference Shares of ₹10 each	225,000,000
<b>Total Authorised Share Capital</b>	<b>2,725,000,000</b>
<b>B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	
247,799,324 Equity Shares of ₹10 each	2,477,993,240
<b>Total Issued Subscribed and Paid-Up Capital</b>	<b>2,477,993,240</b>
<b>C. SECURITIES PREMIUM ACCOUNT</b>	
Securities Premium Account as at December 31, 2022	<b>32,494,129,147</b>

*Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs. None of the Equity Shares of our Company are either pledged or encumbered. The Tranche II Issue will not result in any change of the paid-up share capital and securities premium account of our Company.*

### 2. Details of change in authorised share capital of our company as on December 31, 2022, for last three years:

Nil

### 3. Equity Share Capital History of our Company for the last three years as on December 31, 2022

#### a) Details of change in Equity Share Capital

Nil

#### b) Details of change in Preference Share Capital

Nil

### 4. Shareholding pattern of our Company as on December 31, 2022

S. No.	Name	Total No of Equity Shares	As a % of total number of shares
1	Indiabulls Housing Finance Limited	247,799,300 Equity Shares of ₹10 Each	100.00%
2	Mr. Anil Malhan	1* Equity Shares of ₹10 Each	0.00%
3	Mrs. Niharika Bhardwaj	4* Equity Shares of ₹10 Each	0.00%
4	Mr. Somil Rastogi	4* Equity Shares of ₹10 Each	0.00%
5	Mr. Satish Chand	4* Equity Shares of ₹10 Each	0.00%
6	Mr. Naveen Uppal	4* Equity Shares of ₹10 Each	0.00%
7	Mr. Prince Sethi	4* Equity Shares of ₹10 Each	0.00%
8	Mr. Gagan Banga	3* Equity Shares of ₹10 Each	0.00%
<b>Total</b>		<b>247,799,324 Equity Shares of ₹10 Each</b>	<b>100.00%</b>

*\*Held as Nominee of Indiabulls Housing Finance Limited*

**5. Shareholding of the Promoter and Promoter Group in our Company as on December 31, 2022:**

S. No.	Name of the Promoter	Total No. of Equity Shares	No. of Equity Shares in demat form	No. of Equity Shares in physical form	% of holding
1.	Indiabulls Housing Finance Limited	247,799,324*	247,799,300	24	100%

\*Includes one Equity Share held by Mr. Anil Malhan, four Equity Shares held by Mrs. Niharika Bhardwaj, four Equity Shares by Mr. Somil Rastogi, four Equity Shares by Mr. Satish Chand, four Equity Shares by Mr. Naveen Uppal, four Equity Shares by Mr. Prince Sethi, and three Equity Shares by Mr. Gagan Banga, respectively, as a nominee of Indiabulls Housing Finance Limited.

**6. Details of the Directors' shareholding in our Company, as on December 31, 2022**

As on December 31, 2022, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company:

**7. Statement of the aggregate number of securities of the Company and its subsidiaries purchased or sold by the Promoter, Promoter Group and by the Directors of the Company and their relatives within six months immediately preceding the date of filing this Tranche II Prospectus:**

None of the members of the promoter group or directors of the Company which is a Promoter of the Company or the directors of the Company and their relatives or Promoter of the Company have purchased or sold any securities of the Company within six months immediately preceding the date of filing this Tranche II Prospectus.

**8. Details of top 10 equity shareholders of our Company as on December 31, 2022:**

S. No.	Name of the shareholders	No. of Equity Shares	Total shareholding as a percentage of total number of equity shares	Number of Equity Shares in demat form
1.	Indiabulls Housing Finance Limited	247,799,300 Equity Shares of ₹10 Each	100.00%	247,799,300
2.	Mr. Anil Malhan	1* Equity Shares of ₹10 Each	0.00%	-
3.	Mrs. Niharika Bhardwaj	4* Equity Shares of ₹10 Each	0.00%	-
4.	Mr. Somil Rastogi	4* Equity Shares of ₹10 Each	0.00%	-
5.	Mr. Satish Chand	4* Equity Shares of ₹10 Each	0.00%	-
6.	Mr. Naveen Uppal	4* Equity Shares of ₹10 Each	0.00%	-
7.	Mr. Prince Sethi	4* Equity Shares of ₹10 Each	0.00%	-
8.	Mr. Gagan Banga	3* Equity Shares of ₹10 Each	0.00%	-
<b>Total</b>		<b>247,799,324 Equity Shares of ₹10 Each</b>	<b>100.00%</b>	<b>247,799,300 Equity Shares of ₹10 Each</b>

\*Held as nominee of Indiabulls Housing Finance Limited

**9. Top 10 debenture holders (secured and unsecured) of our Company as on December 31, 2022:**

For details of top 10 debenture holders of our Company, please see "Financial Indebtedness" on page 173 of this Tranche II Prospectus.

**10. Total debt to equity ratio:**

The statement of capitalisation (debt to equity ratio) of our Company as at December 31, 2022:

(₹ in crores unless otherwise stated)

Particulars	Prior to the Tranche II Issue (as on December 31, 2022)	Post Tranche II Issue*
<b>Debt</b>		
Debt securities	2,660.38	2,860.38
Borrowings (other than debt securities)	4,423.49	4,423.49
Subordinated liabilities	350.43	350.43
<b>Total Debt (A)</b>	<b>7,434.30</b>	<b>7,634.30</b>
<b>Equity</b>		
Equity Share Capital	247.80	247.80
Other equity	5,091.50	5,091.50
<b>Total Equity (B)</b>	<b>5,339.30</b>	<b>5,339.30</b>
<b>Total debt/ total equity (A/B) (In times)</b>	<b>1.39</b>	<b>1.43</b>

Note: Considering cash and cash equivalents, the net debt to equity ratio as at December 31, 2022 stands at 1.34.

\*The debt - equity ratio post Tranche II Issue is indicative on account of the assumed inflow of ₹200 crores 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 Allotment.

11. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.
12. There has been no change in the Promoter holding of our Company during the last financial year beyond 26% (as prescribed by RBI).
13. **Details of any acquisition or amalgamation in the last one year**  
Nil
14. **Debt securities issued at a premium or a discount**  
Except as set out in “*Financial Indebtedness*” on page 173 of this Tranche II Prospectus, our Company has not issued debt securities at a premium or discount.
15. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Tranche II Prospectus.
16. For details of the outstanding borrowing of our Company, please see “*Financial Indebtedness*” on page 173 of this Tranche II Prospectus.
17. As on the date of this Tranche II Prospectus, our Company does not have any employee stock option plan.

## OBJECTS OF THE ISSUE

### Tranche II Issue Proceeds

Public issue by the Company of secured, redeemable non-convertible debentures of face value ₹1,000 (“NCDs”) for an amount of ₹100 crores (“Base Issue Size”) with an option to retain oversubscription up to ₹100 crores aggregating up to ₹200 crores which is within the Shelf Limit of ₹1,000 crores, being offered by way of this Tranche II Prospectus.

Our Company proposes to utilise the funds which are being raised through this Tranche II Issue, after deducting the Tranche II Issue related expenses to the extent payable by our Company (“Net Proceeds”), towards funding the following objects (collectively referred to herein as the “Objects”):

1. For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company; and
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of this Tranche II Issue are set forth in the following table:

(₹ in crores)		
Sr. No.	Description	Amount
1.	Gross Proceeds of the Tranche II Issue	200
2.	Tranche II Issue Related Expenses*	17.50
3.	Net Proceeds (i.e., Gross Proceeds less Tranche II Issue related expenses)	182.50

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

### Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche II Issue and the amount proposed to be financed from the 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, and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General corporate purposes**	Up to 25%
	<b>Total</b>	<b>100%</b>

\*Our Company shall not utilise the proceeds of this Tranche II Issue towards payment of prepayment penalty, if any.

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

### Tranche II Issue Related 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 related expenses:

S. No.	Particulars	Amount (₹ in crores)	As percentage of the Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
1.	Fee Payable to Intermediaries including Registrar and Debenture Trustees to the Tranche II Issue	1.50	0.75%	8.57%
2.	Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	10.00	5.00%	57.14%
3.	Advertising and Marketing, Printing and Stationery Costs	4.00	2.00%	22.86%
4.	Other Miscellaneous Expenses	2.00	1.00%	11.43%
<b>Grand Total</b>		<b>17.50</b>	<b>8.75%</b>	<b>100.00%</b>

The expenses are indicative and are subject to change depending on the actual level of subscription to the 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 Managers/ Members of the Consortium/ 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 ₹8 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.

#### **Purpose for which there is a Requirement of Funds**

As stated in “Issue Proceeds” above.

#### **Funding plan**

NA

#### **Summary of the project appraisal report**

NA

#### **Schedule of implementation of the project**

NA

#### **Interim Use of Proceeds**

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from this Tranche II Issue. Pending utilisation 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 investment policies approved by the Board or Bond Issue Committee from time to time.

#### **Monitoring of Utilisation of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board and Audit Committee shall monitor the utilisation of the proceeds of this Tranche II Issue. For the relevant Financial Years commencing from Financial Year 2022-2023, our Company will disclose in our financial statements, the utilisation 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 utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of this Tranche II Issue only upon the execution of the documents for creation of security, the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges as stated in the section titled “*Issue Related Information*” on page 237 of this Tranche II Prospectus. Further, in accordance with the SEBI Listing Regulations, our Company shall within forty-five days from the end of every quarter submit to the Stock Exchange(s), a statement indicating the utilization of issue proceeds of the NCDs, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. In case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

### **Other Confirmation**

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche II Issue. In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company

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

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

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

The Tranche II 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.

### **Variation in terms of contract or objects**

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche II Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

### **Utilisation of Tranche II Issue Proceeds**

1. All monies received pursuant to the 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 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all utilised and unutilised monies out of the monies collected out of this Tranche II Issue and previous issues made by way of public offers, if any, shall be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such issue remain unutilised, indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested;



4. The Tranche II Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia*, by way of a lease, of any immovable property;
5. We shall utilise the Tranche II Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to this Tranche II Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of *pari passu* charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Tranche II Prospectus in the section titled “*Issue Structure*” on page 237 of this Tranche II Prospectus;
6. The Tranche II Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further, the Tranche II Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
7. 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 or Interest accruing to Promoters or Directors out of the objects of this Tranche II Issue**

There is no benefit or interest accruing to the Promoter or Directors from the objects of this Tranche II Issue.

## STATEMENT OF TAX BENEFITS

Date: March 27, 2023

Ref. No.: ASA/2022-23/050

To,  
**The Board of Directors**  
**Indiabulls Commercial Credit Limited**  
5th Floor, Building No. 27, KG Marg  
New Delhi -110001

Dear Sirs,

**Subject: Proposed public issue by Indiabulls Commercial Credit Limited (the “Company” or the “Issuer”) of secured redeemable non-convertible debentures of face value of ₹1,000 each (the “NCDs”) up to ₹100 crores (“Base Issue Size”) with an option to retain oversubscription up to ₹100 crores, for an amount aggregating up to ₹200 crores (the “Tranche II Issue Size”) which is within the Shelf Limit of ₹1,000 crores (the “Tranche II Issue”).**

1. We confirm that the enclosed Annexure prepared by Indiabulls Commercial Credit Limited (“the Company”) provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (“the Act”) as on date, taking into account the amendments proposed by the Finance Bill, 2023 (“FB 2023”) which are yet to be enacted and may vary in accordance with amendments to the law or enactments thereto, for the purpose of inclusion in the Tranche II Prospectus in connection with the “Tranche II Issue” of the Company, and has been prepared by the Management of the Company, which we have initialed for identification purposes. Several of these benefits are dependent on the Company or its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its debenture holders may or may not choose to fulfill.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
3. We are informed that the debentures of the Company will be listed on recognized stock exchanges in India. The Annexure has been prepared on that basis.
4. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its debenture holders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This report has been issued at the request of the Company for the purpose of inclusion in the Tranche II Prospectus in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

For Ajay Sardana Associates  
Chartered Accountants  
Firm Registration No. 016827N  
ICAI Peer review certificate No.: 013527

Rahul Mukhi  
Partner  
Membership No. 099719  
Place: New Delhi  
Date: March 27, 2023  
UDIN: 23099719BGZACU8982

Encl: Annexure A

## **Annexure A**

### **STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 (“IT ACT”) AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA**

The information provided below sets out the possible tax benefits available to the Debenture Holders of the Company under the Act presently in force in India. The Annexure is based on the provisions of the IT Act, as on date, taking into account the amendments proposed by the Finance Bill, 2023 (FB 2023) which are yet to be enacted and may vary in accordance with amendments to the law or enactments thereto.

This Annexure intends to provide general information on the applicable provisions of the IT Act. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Several of these benefits are dependent on the Company or its Debenture Holders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest money based on this Statement.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of the Debentures in your particular situation.

#### **Taxability under the IT Act**

##### **1. Taxability under various heads of Income**

The returns received by the investors from NCDS in the form of interest and the gains on the sale/transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other sources.

The returns from the investment in the form of interest would generally be subject to tax under the head “income from other sources”. Under certain circumstances, depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

The gains from the sale of the instrument or security may be characterized either as “Profits and gains from business” or as “Capital Gains”.

This is discussed in the following paragraph.

“Profit and gains from business” versus “Capital gains”

## **1. Taxability under various heads of Income (continued)**

Gains from the transfer of securities/instruments of the investee companies may be characterized as “Capital Gains” or as “Profits and gains from business” in the hands of an investor, depending upon whether the investments in the NCD are held as ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention to earn a profit from sale or to earn interest etc.).

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.*

## **2. Taxation of interest, profits from business and capital gains**

### ***Taxation of Interest***

Income by way of interest received on debentures, bonds, and other debt instruments held as investments will be charged to tax as under the head “Income from Other Sources” at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures, bonds or other debt instruments held as stock in trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as “business income” (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterized as “capital gains” (treatment separately discussed below).

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.*

### ***Taxation of Profits and gains from business***

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of “Profits and gains from business”.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a ‘net’ basis (that is, net of allowable deductions for expenses/allowances under Chapter IV –Part D of the IT Act). The “Profits and gains from business” so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e., cash or mercantile).

## **2. Taxation of interest, profits from business and capital gains (continued)**

*Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.*

### ***Taxation of Capital Gains***

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of “capital gains”.

As per section 2(14) of the IT Act, the term ‘capital asset’ had been defined to inter alia mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

### ***Period of holding –long-term &short-term capital assets.***

A security (other than a unit) listed on a recognized stock exchange in India or zero-coupon bond (as defined) held for a period of more than 12 months is considered long-term capital asset.

In case of share of an unlisted company and immovable property, it will be considered as a long-term capital asset where it is held for a period of more than 24 months. Any assets (other than as described above), are considered long-term capital assets where they are held for a period of more than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, will be treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains.

The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

### ***Computation of capital gains***

Capital gains are computed after reducing from the consideration received from the transfer of the capital asset, the cost of acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

### ***Nature of transactions and resultant capital gain treatment***

The capital gains tax treatment of transactions is given in Note 4.

The following transactions would attract the “regular” capital gains tax provisions:

- Transactions of sale of debentures, bonds, listed or otherwise; and
- Transactions in structured debentures.

### ***Set off of capital losses.***

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be set off against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can be set off against both short-term and long-term capital gains of the same year.

## **2. Taxation of interest, profits from business and capital gains (continued)**

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years immediately succeeding the assessment year for which the first loss was computed. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

### ***Certain deductions available under Chapter VI-A of the IT Act***

Individuals and Hindu Undivided Families would be allowed a deduction in computing total income, inter alia, under section 80C of the IT Act for an amount not exceeding INR 150,000 with respect to sums paid or deposited in the previous year in certain specified schemes.

However, where the individual or HUF exercises the option to be assessed to tax as per provisions of section 115BAC of the IT Act introduced by the Finance Act, 2020 (“FA 2020”), such individual or HUF shall not be entitled to deduction specified, inter alia, under section 80C of the IT Act.

Further, the option to be assessed to tax in accordance with the provisions of section 115BAC of the IT Act once exercised by an individual or HUF carrying on business or profession for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, such individual or HUF shall never be eligible to exercise the option to be assessed in accordance with the provisions of section 115BAC of the Act except where such individual or HUF ceases to have any income from business or profession, in which case, the option to be assessed to tax as per the provisions of section 115BAC of the IT Act shall be available.

**The Finance Bill 2023 has proposed certain amendments in section 115BAC which, once enacted, will be effective from Assessment Year 2024-25.**

### ***Alternate Minimum Tax (“AMT”)***

The IT Act provides for the levy of AMT to tax investors (other than companies) at the rate of 18.5 per cent (plus applicable surcharge and health and education cess) on the adjusted total income. In a situation where the income-tax computed as per the normal provisions of the IT Act is less than the AMT on “adjusted total income”, the investor shall be liable to pay tax as per AMT. “Adjusted total income” for this purpose is the total income before giving effect to the deductions claimed under section C of chapter VI-A (other than section 80P) and deduction claimed, if any, under section 10AA and deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed. AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs. As per sub-section (5) to section 115JC of the IT Act, inserted by FA 2020, the provisions of AMT shall not be applicable in case of, inter alia, an individual or HUF who has exercised the option to be taxed as per the provisions of section 115BAC of the IT Act. Further, the credit of AMT can be further carried forward to fifteen subsequent years and set off in the year(s) where regular income tax exceeds the AMT. Vide Finance Act, 2022, the rate of AMT, from AY 2023-24, in case of Co-operative society has been reduced to 15% from the existing rate of 18.5%. Further, in case of unit located in an International Financial Services Centre and who derives its income solely in convertible foreign exchange, the rate of AMT has been reduced to 9%.

## 2. Taxation of interest, profits from business and capital gains (continued)

The provisions of AMT also provide that the Foreign Tax Credit (FTC) claimed against AMT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under AMT.

**Vide Finance Bill 2023, certain amendments have been proposed in section 115JC and 115JD which will be applicable from AY 2024-25. Pursuant to these amendments, the provisions of section 115JC and JD will not be applicable to the persons who have exercised option referred to in sub-section (5) of section 115BAC or Sub-section (5) of section 115BAD or Sub-section (5) of section 115BAE or where income tax in respect of such person is computed under sub-section (1A) of section 115BAC.**

### *Minimum Alternative Tax (“MAT”)*

The IT Act provides that where the tax liability of a company (under the regular provisions of the IT Act) is less than 15 per cent of its 'book profit', then the book profit is deemed to be its total income and tax at the rate of 15 per cent (plus applicable surcharge and health and education cess –Refer Note 2) is the MAT payable by the company.

Tax credit is allowed to be carried forward for fifteen years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax is payable on the total income is in accordance with the regular provisions of the IT Act and not under MAT.

The CBDT vide its Circular no. 29 of 2019 dated 2 October 2019 has clarified that MAT credit is not available to a domestic company exercising option under section 115BAA of the IT Act. The circular further clarifies that there is no time limit within which the option under section 115BAA of the IT Act can be exercised and accordingly, a domestic company having accumulated MAT credit may, if it so desires, exercise the option of section 115BAA of the IT Act at a future date, after utilizing the MAT credit against tax payable as per the regime existing prior to the Taxation Laws (Amendment) Act, 2019.

As per the provisions of section 115JB of the IT Act, the amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, royalty, or fees for technical services chargeable to tax at the rates specified in Chapter XII of the IT Act, shall be excluded from the purview of MAT, if such income is credited to the Profit and Loss Account and the tax payable on such income under the normal provisions is less than the MAT rate of 15 per cent. Consequently, corresponding expenses shall also be excluded while computing MAT.

Further, Explanation 4 to section 115JB of the IT Act clarifies that provisions of MAT will not apply to a foreign company if:

- (a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
- (b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

Further, it is provided that the FTC claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.



## **2. Taxation of interest, profits from business and capital gains (continued)**

Also, sub-section 5A to section 115JB, provides that the provisions of section 115JB shall not apply to a person who has exercised the option referred under section 115BAA or section 115BAB of the IT Act.

### ***Taxability of non-resident investors under the tax treaty***

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) (which is in force) income-tax is payable at the rates provided in the IT Act, as discussed below, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident investor.

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining of a Tax Residency Certificate (“TRC”) from the home country tax authority.

Section 90(5) of the IT Act provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 (“Rules”) has been issued prescribing the format of information to be provided under section 90(5) of the IT Act, i.e., in Form No 10F. Where the required information<sup>1</sup> is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

### ***Widening of taxability of Capital Gains***

In the context of taxation of capital gains, the definitions of “capital asset” and “transfer” are widened with retro-effect from 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets situated in India.

### ***General Anti Avoidance Rules (“GAAR”)***

The General Anti Avoidance Rules (“GAAR”) were introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

### ***Withholding provisions***

The withholding provisions provided under the 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, please refer Notes 1 and 2 below.

---

<sup>1</sup> Status (individual, company, firm etc.) of the taxpayer

-Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

-Taxpayer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the taxpayer claims to be a resident);

-Period for which the residential status, as mentioned in the certificate of residence is applicable; and

-Address of the taxpayer in the country or specified territory outside India, during the period for which the certificate is applicable

## 2. Taxation of interest, profits from business and capital gains (continued)

S. No.	Scenario	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	<ul style="list-style-type: none"> <li>• 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.</li> <li>• No tax is required to be deducted on interest paid to an individual of a HUF, in respect of debentures issued by a company in which the public is substantially interested if;               <ul style="list-style-type: none"> <li>- the amount of interest paid to such person in a financial year does not exceed INR 5,000; and</li> <li>- such interest is paid by an account payee cheque</li> </ul> </li> <li>• Further, no tax is required to be deducted 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 (42 of 1956) and the rules made thereunder.</li> <li>• Vide Finance Bill 2023, it is proposed to replace clause (ix) to proviso to section 193. As a result, the exemption available at present with respect to non deduction of TDS on the amount of 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, will no longer will be available.</li> </ul>
		•
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investors (FPI)	<ul style="list-style-type: none"> <li>• Interest on NCD issued to FPI may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act.</li> <li>• If section 194LD of the IT Act is not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e., at 20 per cent subject to relief under the relevant DTAA, if any.</li> <li>• If both sections i.e. 194LC and 194LD of the IT Act are not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any.</li> <li>• Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable.</li> </ul>

S. No.	Scenario	Provisions
3	Withholding tax rate on interest on NCD issued to non-residents other than FPIs	<ul style="list-style-type: none"> <li>• Interest payable to non-resident (other than FPI) 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.</li> </ul> <p>Alternatively, benefits of concessional rates of 5 per cent under section 194LC of the IT Act could be availed provided specific approval is obtained from the Central Government with respect to the rate of interest.</p> <ul style="list-style-type: none"> <li>• Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</li> </ul>
	Withholding tax rate on purchase of 'goods'	<ul style="list-style-type: none"> <li>• As per section 194Q of the IT Act, inserted by Finance Act, 2021 ("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.</li> <li>• 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.</li> <li>• TDS shall not be applicable where; <ul style="list-style-type: none"> <li>a) Tax is deductible under any of the provisions of the IT Act; or</li> <li>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</li> </ul> </li> <li>• Given that the term 'goods' has not been defined under the section 194Q of the Act and there exists lack of clarity on whether the term 'goods' would include 'securities', it is advisable that the investors obtain specific advice from their tax advisors regarding the same.</li> </ul>

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## 2. Taxation of interest, profits from business and capital gains (continued)

### Notes:

#### Note 1: Tax rates Resident Individuals and Hindu Undivided Families

The individuals and HUFs are taxed in respect of their total income at the following rates:

Income tax slab	Income tax rate*
Total income up to Rs 250,000#	Nil
More than Rs 250,000# but up to Rs 500,000**	5 per cent of excess over Rs 250,000
More than Rs 500,000 but up to Rs 1,000,000	20 per cent of excess over Rs 500,000 plus Rs 12,500 ##
Exceeding Rs 1,000,000	30 per cent of excess over Rs 1,000,000 plus Rs 112,500##

\* Plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge (if applicable)

\*\*A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.”

# for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 250,000 has to be read as Rs. 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen) Rs 250,000’ has to be read as Rs 500,000.

## Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 12,500 has to be read as Rs 10,000 and Rs. 112,500 has to be read as Rs. 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs. 112,500 has to be read as Rs. 100,000.

Alternatively, where an individual or a HUF exercises the option to be assessed to tax under the provisions of section 115BAC of the IT Act inserted by FA 2020, the following shall be the rate of tax applicable:

Income tax slab	Income tax rate*
Total income up to Rs 250,000	Nil
More than Rs 250,000 but up to Rs 500,000**	5 per cent of excess over Rs 250,000
More than Rs 500,000 but up to Rs 750,000	10 per cent of excess over Rs 500,000 plus Rs 12,500
More than Rs 750,000 but up to Rs 1,000,000	15 per cent of excess over Rs 750,000 plus Rs 37,500
More than Rs 1,000,000 but up to Rs 1,250,000	20 per cent of excess over Rs 1,000,000 plus Rs 75,000
More than Rs 1,250,000 but up to Rs 1,500,000	25 per cent of excess over Rs 1,250,000 plus Rs 1,25,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 plus Rs 1,87,500

\* plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

\*\*A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

## 2. Taxation of interest, profits from business and capital gains (continued)

Vide Finance Bill 2023, certain amendments are proposed to section 115BAC which inter-alia include the change in the Income Tax slabs. The Income Tax slabs and Income tax rates, as proposed, will be as under:

Income tax slab (Proposed)	Income tax rate (Proposed)*
Total income up to Rs 300,000	Nil
More than Rs 300,000 but up to Rs 600,000**	5 per cent of excess over Rs 300,000
More than Rs 600,000 but up to Rs 900,000**	10 per cent of excess over Rs 600,000 plus Rs 15,000
More than Rs 900,000 but up to Rs 1,200,000	15 per cent of excess over Rs 900,000 plus Rs 45,000
More than Rs 1,200,000 but up to Rs 1,500,000	20 per cent of excess over Rs 1,200,000 plus Rs 90,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 plus Rs 1,50,000

\* plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

\*\*Finance Bill 2023 has proposed to amend section 87A. Under the proposed amendment:

a) an assessee (whose total income does not exceed Rs 700,000 and who has opted for exercising the option under sub-section (1A) of 115BAC can avail rebate of upto 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less.

b) an assessee (whose total income exceeds Rs 700,000 and the income tax payable on such total income exceeds the amount by which the total income is in excess of Rs. 700,000) and who has opted for exercising the option under sub-section (1A) of 115BAC shall be able to claim deduction from the amount of income-tax (as computed before allowing the deductions under Chapter VIII) on his total income, of an amount equal to the amount by which the income tax payable on such total income is in excess of the amount by which the total income exceeds Rs 700,000.

### Partnership Firms & LLPs

The tax rates applicable would be 30 per cent (plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

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## 2. Taxation of interest, profits from business and capital gains (continued)

### Domestic Companies

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of less than Rs 400 Cr in FY 2020-21	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

### Note 2: Surcharge (as applicable to the tax charged on income)

#### Non-corporate assesses other than firms and co-operative societies (other than FPIs)

Particulars	Rate of surcharge
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) does not exceed Rs 50 lakhs	Nil
Where total income (including dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act) exceeds Rs 50 lakhs but does not exceed Rs 1 Crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act) exceeds Rs 1 Crore but does not exceed Rs 2 Crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, 112 and section 112A of the Act) does not exceed Rs 2 Crore but total income (including dividend income and income under the provisions of section 111A, 112 and section 112A of the Act) exceeds Rs 2 Crore	15 per cent on total tax

**Note 2: Surcharge (as applicable to the tax charged on income) (continued)****Non-corporate assesses other than firms and co-operative societies (other than FPIs)**

<b>Particulars</b>	<b>Rate of surcharge</b>
Where total income (excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) exceeds Rs 2 Crore but does not exceed Rs 5 Crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act  - 15 per cent on tax on dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act
Where total income (excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) exceeds Rs 5 Crore	- 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act  - 15 per cent on tax on dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act
In case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed fifteen per cent.	

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## 2. Taxation of interest, profits from business and capital gains (continued)

### FPIs (Non corporate)

Particulars	Rate of surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lakhs but does not exceed Rs 1 Crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 Crore but does not exceed Rs 2 Crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 Crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 Crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 Crore but does not exceed Rs 5 Crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act  - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 Crore	- 37 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act  - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

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## 2. Taxation of interest, profits from business and capital gains (continued)

For assessees other than those covered above

Assessee	Rate of surcharge applicable
Non-corporate taxpayers being firms	- Nil where taxable income does not exceed Rs 1 Crore  - 12 per cent where income exceeds Rs 1 Crore
Non-corporate taxpayers being co-operative society	- Nil where taxable income does not exceed Rs 1 Crore  - 7 per cent where income exceeds Rs 1 Crore but does not exceed 10 crore  - 12 percent where income exceeds Rs. 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	- Nil where taxable income does not exceed Rs 1 Crore  - 7 per cent where taxable income does not exceed Rs 1 Crore but does not exceed Rs 10 Crore  - 12 per cent where taxable income exceeds Rs 10 Crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of taxable income)
Foreign Companies (including corporate FPIs)	- Nil where taxable income does not exceed is equal to or less than Rs 1 Crore  - 2 per cent where taxable income exceeds Rs 1 Crore but does not exceed Rs 10 Crore  - 5 per cent where taxable income exceeds Rs 10 Crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Vide Finance Bill 2023, it is proposed to revise the rate of surcharge applicable to certain categories of assessees.

### Note 3: Taxability of interest income

*For all Residents (including Indian Corporates)*

In case of residents, where interest income is taxable as 'income from other sources' or 'income from business or profession' should be chargeable to tax as per the rates given in Note 1 and Note 2 above.

## **2. Taxation of interest, profits from business and capital gains (continued)**

*For Non-residents (other than Foreign Portfolio Investors (FPIs) FPI entities)*

In case of non-residents, under the IT Act, the interest income should 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.

*For FPI entities*

In case of FPI, interest on NCD may be eligible for concessional tax rate of 5 per cent (plus applicable surcharge and health and education cess) under section 194LD of the IT Act. Further, in case where section 194LD 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.

However, the above is subject to any relief available under DTAA and any CTA entered into by the Government of India.

### **Note 4: Regular capital gains tax rates**

#### **1. Tax on Long-term Gains**

##### **1.1 For all Residents (including Indian Corporates)**

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 Note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess–Refer Note 2) 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, except capital indexed bonds. Accordingly, long term capital gains on listed bonds arising to the bond 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.

##### **1.2 For Resident Individuals and HUFs only**

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess –Refer Note 2).

## **2. Taxation of interest, profits from business and capital gains (continued)**

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess –Refer Note 2) 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, except capital indexed bonds. Accordingly, long term capital gains arising to the bond 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.

### **1.3 For Non-Resident Individuals**

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities 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 –Refer Note 2) 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–Refer Note 2) without indexation.

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, except capital indexed bonds. Accordingly, long term capital gains arising to the bond 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.

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

### **1.4 For FPI entities**

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent (plus applicable surcharge and cess). The above-mentioned rates would be subject to applicable treaty relief.

## ***2. Tax on Short-term Capital Gains***

Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 and Note 2 above).

In case of FPI, 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 –Refer Note 2).

### **Note 5: Relevant definitions under the IT Act**

a) “Securities” shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation) Act, 1956, which, inter alia, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

## 2. Taxation of interest, profits from business and capital gains (continued)

For the purpose of section 112 of the IT Act:

- “Listed securities” means the securities which are listed on any recognized stock exchange in India.
- “Unlisted securities” means securities other than listed securities.

b) “Zero coupon bond” means a bond-

- issued by any infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank] on or after 1 June 2005;
- in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank]; and
- which the Central Government may, by notification in the Official Gazette, specify in this behalf.

### Note 6: Amendments in the withholding tax provisions

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

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

## **2. Taxation of interest, profits from business and capital gains (continued)**

- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Further, the FA, 2021 has introduced a new section for punitive 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%

In cases, where both section 206AA and section 206AB are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of this section, specified person means any person-

- Who has not filed an income-tax return for one 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;
- The aggregate amount of TDS/TCD exceeds INR 50,000 or more in the said previous years

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

### **Note 7: Other Provisions**

No income tax is deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act. However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the applicable Double Taxation Avoidance Agreement (DTAA), whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

However, the non-resident investor will have to furnish a certificate of his being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA of the Act read with Rule 37BC of Rules, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

## **Note 8: Other Notes**

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures.
- b) The stated benefits will be available only to the sole/ first named holder in case the debentures are held by joint holders.
- c) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- d) This Statement does not discuss any tax consequences in the country outside India of an investment in the Debentures. The subscribers of the Debentures in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.
- e) The above Statement covers only certain relevant direct tax law benefits under the Act and does not cover any indirect tax law benefits or benefit under any other law.
- f) The above Statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment year 2023-24 i.e. Financial Year 2022-23, taking into account the amendments proposed by the Finance Bill, 2023 which are yet to be enacted and may vary in accordance with amendments to the law or enactments thereto. Several of these benefits are dependent on the Company or its Debenture Holders fulfilling the conditions prescribed under the relevant tax laws.
- g) This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.
- h) 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 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.
- h) This Statement does not cover analysis of provisions of Chapter X-A of the Act dealing with General Anti- Avoidance Rules and provisions of Multilateral Instruments.

## SECTION IV: ABOUT OUR COMPANY

### OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 17 of this Tranche II Prospectus for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 18 of this Tranche II Prospectus for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Reformatted Financial Statements as at and for Fiscals 2022, 2021, and 2020, and our Limited Review Financial Results as at and for the quarter and nine months period ended December 31, 2022. For further information, see “Financial Statements” on page 171 of this Tranche II Prospectus.*

*Unless otherwise indicated, industry and market data used in the context of NBFCs in this section has been derived from the industry report titled “NBFC Report” dated November 2022 prepared and issued by CRISIL Limited on an “as is where is basis” (the “CRISIL Report”).*

*The following information is qualified in its entirety and should be read together with the more detailed financial and other information included in this Tranche II Prospectus, including the information contained in “Financial Information” and “Risk Factors” on pages 171 and 18, respectively, of this Tranche II Prospectus. Except as indicated otherwise, all references in this section to “we”, “us”, “our” or “our Company” are to Indiabulls Commercial Credit Limited.*

### OVERVIEW

#### Our Company’s Evolution

Our Company, as an incorporated legal entity, came into existence on July 7, 2006, under the Companies Act, 1956, having been registered on such date with the Registrar of Companies, National Capital Territory of Delhi and Haryana under CIN U65923DL2006PLC150632 with the name Indiabulls Commercial Credit Limited.

The name of the Company was changed to Indiabulls Infrastructure Credit Limited on January 21, 2009, and further changed to Indiabulls Commercial Credit Limited on March 12, 2015. The RBI had issued us a certificate of registration bearing No. N-14.03136 on February 12, 2008, to carry on the business of NBFC without accepting public deposit, and consequent to the change in the name of the Company, RBI had issued us a fresh certificate of registration bearing No. N-14.03136 on April 16, 2015.

#### Our Business

We are a non-deposit taking NBFC registered with the RBI and a 100% subsidiary of IHFL, a listed housing finance company (“HFC”). We are also a notified financial institution under the SARFAESI Act.

We predominantly offer long term mortgage loans, which comprise (a) retail mortgage loans to self-employed individuals, proprietorships, and small businesses; and (b) corporate mortgage loans to developers of residential projects. As at March 31, 2022, our Loan book was ₹10,950.30 crores, 74% of which comprised mortgage loans. Our target client base comprises salaried and self-employed individuals as well as small and medium-sized enterprises. We offer mortgage loans to real estate developers in India in the form of lease rental discounting for commercial premises and construction finance. Personal loans, as a product line of our business, has been discontinued and our vintage book is in run-down mode.

Set forth below is the split of our Loan Book\* as on December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020:

(₹ in crores)

Particulars	As of December 31, 2022	As of March 31,		
		2022	2021	2020
<b>Type of Loan</b>				
Secured	6,040.98	7,843.29	9,596.36	9,534.34
Unsecured	2,160.66	2,835.22	2,846.92	2,288.26
<b>Products</b>				
Retail Mortgage Loans	3,831.79	4,872.34	5,235.89	4,170.99
Corporate Mortgage Loans	4,075.25	5,277.90	6,452.03	6,191.93
Personal Loans <sup>#</sup>	294.60	528.27	755.36	1,459.68

\*Excluding interest and provisions.

<sup>#</sup> Personal loans have been discontinued and our vintage book is in run-down mode.

As of December 31, 2022, we had 36 branches spread across India, out of which 29 premises are our parent's branches, where we have been granted access to certain workstations under a memorandum of understanding with IHFL. Our network (including that of our parent company IHFL) gives us a pan-India presence across Tier I, Tier II and Tier III cities in India which also allows us to interact with and service our customers at the local level, whilst ensuring that credit decisions are taken at regional hubs in accordance with defined and identified internal parameters and protocols as per our retail credit and commercial credit policies.

We rely on internal as well as external channels for sourcing customers. We have arrangements with 984 direct sales agents and channel partners for referring potential customers, which source 65% of our customers. The remaining customers are sourced through our in-house direct sales team, comprising over 2,200 employees across our network (including that of IHFL). Our Company draws upon a range of resources from IHFL for procuring customers, such as IHFL's sales team, branches, relationships with business associates, etc.

Our borrowings as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, amounted to ₹7,434.30 crores, ₹7,563.21 crores, ₹7,823.05 crores and ₹8,878.06 crores, respectively. We rely on long-term and medium-term borrowings from banks, amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings ("PSUs"), private banks, mutual funds, provident funds, pension funds and others. We also sell down parts of our portfolio through securitization and/or direct assignment of loan receivables primarily to various banks, which results in an additional source of liquidity for us.

We have long-term credit ratings of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings Limited ("CARE Ratings") and "BWR AA+ /Stable" from Brickwork Ratings India Private Limited ("Brickwork") (for the long-term loans and non-convertible debentures) and "[ICRA]AA (Stable)" from ICRA (for our retail non-convertible debentures). Additionally, we have a credit rating of "AA; Stable" from CRISIL, "AA; Negative" from CARE Ratings and "BWR AA+ /Stable" from Brickwork in relation to our subordinated debt programme. We also have a credit rating of "CRISIL A1+" from CRISIL, "CARE A1+" from CARE Ratings, and "BWR A1+" from Brickwork in relation to our commercial paper borrowing.

The following table sets forth details of our non-performing loans as a percentage of loan book as at December 31, 2022 and March 31, 2022, 2021 and 2020:

Particulars	As at December 31, 2022	As at March 31,		
		2022	2021	2020
% of gross NPAs to loan book	3.45%	2.38%	4.91%	2.90%
% of net NPAs to loan book	2.31%	1.79%	3.20%	2.26%

As at December 31, 2022, and March 31, 2022, 2021, and 2020, our capital to risk (weighted) assets ratio ("CRAR") was 46.95%, 47.73%, 34.48% and 32.44%, respectively.

For the nine months ended December 31, 2022, and the Fiscal Years 2022, 2021, and 2020, our total revenue from operations was ₹1,426.58 crores, ₹1,833.08 crores, ₹1,619.41 crores and ₹2,190.47 crores, respectively and our net profit after taxes was ₹301.44 crores, ₹508.22 crores, ₹139.04 crores and ₹19.81 crores, respectively.



The following table sets forth our revenue from operations for the financial years ended March 31, 2022, March 31, 2021, March 31, 2020 and the nine months ended December 31, 2022:

Particulars	Nine months ended December 31, 2022	FY ended March 31,		
		2022	2021	2020
Revenue from Operations	1,426.58	1,833.08	1,619.41	2,190.47

We have implemented a robust risk management architecture which is reflected in our asset quality. Over years, we have studied and developed credit assessment models for various types of customers. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We have leveraged technology in various facets of our operations and have robust systems and processes to assist us with our underwriting and collections functions and to monitor asset quality. These systems and processes are also technology enabled with a view to ultimately digitize the entire life cycle of a loan from origination to closure. We have also implemented digitized collection models, which has led to an increase in our collection efficiencies.

Our key operating and financial metrics as at March 31, 2022, 2021 and 2020 were as follows:

Parameters	As at and for the year ended March 31,		
	FY 2022	FY 2021	FY 2020
<b>Balance Sheet</b>			
Property, plant and equipment and other intangible assets	1.71	2.64	7.28
Investments	1,001.01	949.87	1,590.43
Cash and cash equivalents	324.22	1,809.93	2,000.27
Financial assets (excluding Cash and cash equivalents and Investments) <sup>(1)</sup>	10,849.81	12,391.91	11,888.40
Non-financial assets (excluding property, plant and equipment and other intangible assets) <sup>(2)</sup>	966.90	718.91	900.92
<b>Total Assets</b>	<b>13,143.65</b>	<b>15,873.26</b>	<b>16,387.30</b>
Debt Securities	2,159.42	2,192.77	2,440.38
Borrowings (other than debt securities)	5,053.79	5,280.88	6,088.82
Subordinated liabilities	350.00	349.40	348.86
Financial liabilities (excluding debt securities, borrowings (other than debt securities) and subordinated liabilities) <sup>(3)</sup>	291.13	3,407.28	3,067.28
Current tax liabilities (net)	51.82	1.05	3.52
Provisions	4.94	4.83	5.67
Deferred tax liabilities (net)	-	-	-
Other Non-Financial Liabilities	167.71	83.85	25.82
Equity (equity share capital and other equity)	5,064.84	4,553.20	4,406.95
<b>Total liabilities and equity</b>	<b>13,143.65</b>	<b>15,873.26</b>	<b>16,387.30</b>
<b>Statement of Profit and Loss</b>			
Total revenue from operations	1,833.08	1,619.41	2,190.47
Other income	8.80	13.53	0.81
Total Expenses	1,229.34	1,480.15	2,164.03
Profit for the Year	508.22	139.04	19.81
Other comprehensive (loss) /income	(0.14)	0.28	(0.05)
Total comprehensive Income for the Year	508.08	139.32	19.76
Earnings per equity share			
Basic (₹)	20.51	5.61	0.80
Diluted (₹)	20.51	5.61	0.80
<b>Cash Flow</b>			
Net cash generated from operating activities (A)	376.62	20.31	5,217.70
Net cash (used in)/from investing activities (B)	(150.81)	851.68	(1,596.72)
Net cash (used in) financing activities (C)	(1,711.52)	(1,062.33)	(2,108.87)

Parameters	As at and for the year ended March 31,		
	FY 2022	FY 2021	FY 2020
Net increase / (decrease) in cash and cash equivalents (D)=(A+B+C)	(1,485.71)	(190.34)	1,512.11
Cash and cash equivalents at the beginning of the year (E)	1,809.93	2,000.27	488.16
Cash and cash equivalents at the close of the year (D + E)	324.22	1,809.93	2,000.27
<b>Additional information</b>			
Net worth <sup>(4)</sup>	5,064.84	4,553.20	4,406.95
Loan Book	10,950.30	12,640.72	11,974.26
Interest income (Including treasury income) <sup>#</sup>	1,822.50	1,617.09	2,184.73
Interest expense <sup>(5)</sup>	932.45	990.66	1,147.99
Finance costs	941.48	997.29	1,158.18
Gross NPA (%) <sup>*</sup>	2.38%	4.91%	2.90%
Net NPA (%) <sup>**</sup>	1.79%	3.20%	2.26%
CRAR - Tier I Capital (%) <sup>##</sup>	44.55%	31.44%	29.54%
CRAR - Tier II Capital (%) <sup>##</sup>	3.18%	3.04%	2.89%
Off balance sheet assets-loans assigned	2,418.03	1,366.96	1,739.25
Total debts to total assets <sup>(6)</sup>	57.54%	49.28%	54.18%
Debt service coverage ratios	1.92	1.59	1.85
Interest coverage ratio <sup>(7)</sup>	223.89%	171.55%	190.15%
Provisioning & write-offs <sup>***</sup>	248.92	426.88	952.92
Bad debts to loan assets <sup>(8)</sup>	2.84%	0.26%	7.03%

Notes:

(1) Financial assets (excluding Cash and cash equivalents and Investments) = Bank balance other than Cash and cash equivalents + Receivables + Loans + Other financial assets.

(2) Non-financial assets (excluding property, plant and equipment and other intangible assets) = Current tax assets (net) + Deferred tax assets (net) + Right-of-use assets + Other Non-financial assets + Assets held for Sale

(3) Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) = Trade Payables + Other financial liabilities.

(4) Net Worth = Equity share capital + Other equity

(5) Interest Cost = Interest on Debt Securities+Interest on Borrowings (other than debt) +Interest on Subordinated liabilities+Interest on leased liability+Other interest expenses.

(6) Total Debts to Total assets = (Debt Securities + Borrowings (other than Debt Securities) +Subordinated liabilities)/Total Assets

(7) Interest coverage ratio = Profit before tax, non-cash expenses and Interest Cost /Interest Cost

(8) Bad Debts to Loan Assets = Bad Debts/ Loans

\* Gross NPA% = Gross NPA/(loan book).

\*\* Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(loan book).

\*\*\* Provisioning & write-offs = Impairment on financial instruments.

# Interest Income (Including Treasury Income) = Interest Income + Dividend Income + Net gain/(loss) on fair value changes + Net gain on derecognition of financial instruments under amortised cost category.

## Computed in accordance with the RBI Master Directions.

**Our key operating and financial metrics as at December 31, 2022 are as follows:**

₹ In crores unless otherwise stated

Parameters	As at and for the period ended December 31, 2022
<b>Balance Sheet</b>	
Property, plant and equipment and other intangible assets	1.42
Investments	960.11
Cash and cash equivalents	258.97
Financial assets (excluding cash and cash equivalents and Investments) <sup>(1)</sup>	9,118.66
Non-financial assets (excluding property, plant and equipment and other intangible assets) <sup>(2)</sup>	3,144.74
Total assets	13,483.90
Debt securities	2,660.38

<b>Parameters</b>	<b>As at and for the period ended December 31, 2022</b>
Borrowings (other than debt securities)	4,423.49
Subordinated liabilities	350.43
Financial liabilities (excluding debt securities, borrowings (other than debt securities) and subordinated liabilities) <sup>(3)</sup>	552.24
Current tax liabilities (net)	-
Provisions	5.29
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	152.77
Equity (equity share capital and other equity)	5,339.30
Total liabilities and equity	13,483.90
<b>Statement of Profit and Loss</b>	
Total revenue from operations	1,426.58
Other income	0.23
Total expenses	1,024.25
Profit for the period	301.44
Other comprehensive (loss) /income	(0.01)
Total comprehensive income for the period	301.43
Earnings per equity share	
Basic (₹)	12.16
Diluted (₹)	12.16
<b>Cash Flow</b>	
Net cash generated from operating activities (A)	2,345.28
Net cash (used in) investing activities (B)	(2,137.62)
Net cash (used in) financing activities (C)	(272.91)
Net increase / (decrease) in cash and cash equivalents (D)=(A+B+C)	(65.25)
Cash and cash equivalents at the beginning of the year (E)	324.22
Cash and cash equivalents at the close of the year (D + E)	258.97
<b>Additional information</b>	
Net worth <sup>(4)</sup>	5,339.30
Loan book	8,509.53
Interest income (including treasury income) <sup>#</sup>	1,412.33
Interest expense (5)	614.66
Finance costs	638.40
Gross NPA (%)*	3.45%
Net NPA (%)**	2.31%
CRAR - Tier I Capital (%)##	43.99%
CRAR - Tier II Capital (%)##	2.96%
Off balance sheet assets-loans assigned	4,908.05
Total debts to total assets <sup>(6)</sup>	55.13%
Debt service coverage ratios	2.19
Interest coverage ratio <sup>(7)</sup>	224.20%
Provisioning & write-offs***	354.57
Bad debts to loan assets <sup>(8)</sup>	0.08%

Notes:

(1) Financial assets (excluding Cash and cash equivalents and Investments) = Bank balance other than Cash and cash equivalents + Receivables + Loans + Other financial assets.

(2) Non-financial assets (excluding property, plant and equipment and other intangible assets) = Current tax assets (net) + Deferred tax assets (net) + Right-of-use assets + Other Non-financial assets + Assets held for Sale

(3) Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) = Trade Payables + Other financial liabilities.

(4) Net Worth = Equity share capital + Other equity

(5) Interest expense = Interest Cost = Interest on Debt Securities+Interest on Borrowings (other than debt)+Interest on Subordinated liabilities+Interest on leased liability+Other interest expenses.

(6) *Total Debts to Total assets = (Debt Securities + Borrowings (other than Debt Securities)+Subordinated liabilities)/Total Assets*

(7) *Interest coverage ratio = Profit before tax, non cash expenses and Interest Cost /Interest Cost*

(8) *Bad Debts to Loan Assets = Bad Debts/ Loans*

\* *Gross NPA% = Gross NPA/(loan book).*

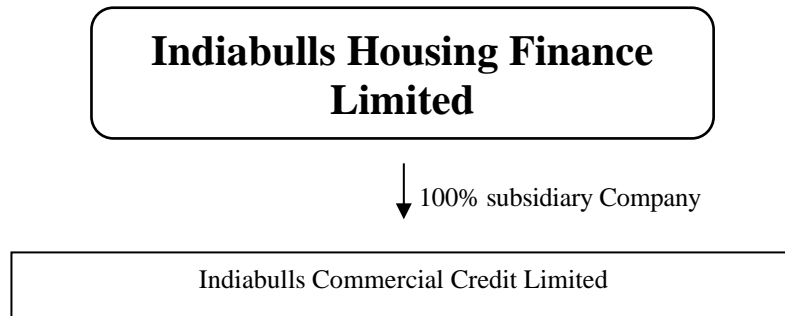
\*\* *Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(loan book).*

\*\*\* *Provisioning & write-offs = Impairment on financial instruments.*

# *Interest Income (Including Treasury Income) = Interest Income + Dividend Income + Net gain/(loss) on fair value changes + Net gain on derecognition of financial instruments under amortised cost category.*

## *Computed in accordance with the RBI Master Directions*

## Corporate Structure



Our Company had one subsidiary, Indiabulls Asset Management Mauritius, which was declared defunct on July 18, 2022, upon its dissolution by the respective jurisdictional authorities in the country of incorporation.

### Our Strengths

Our primary strengths are as follows:

#### ***Support from parent and strong operational and business linkages within Indiabulls group:***

We operate under the “Indiabulls” brand name, which is a reference to the Indiabulls group of companies, a diversified set of businesses in the financial services and securities sectors, which provides brand recall and enables us to derive significant marketing and operational benefits by association to the Indiabulls group.

We believe that being part of the Indiabulls group significantly enhances our ability to attract new clients and the brand value and scale of the business operations of the Indiabulls group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the Indiabulls group to grow our business.

We are a wholly owned subsidiary of our Promoter, IHFL. Our Company draws upon a range of resources from IHFL, such as key management, common business, credit and sales teams, treasury operations, branches, information technology, business relationships and infrastructure. We leverage IHFL’s experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. In addition, our Promoter has made regular equity infusions in our Company, depending on the business needs of our Company.

#### ***Stable financial performance, capitalization and credit ratings***

In the past, our Company's growth has been fairly substantial. In the Fiscal Year 2022, our revenue from operation grew by 13.19%, from ₹1,619.41 crores in Fiscal Year 2021 to ₹1,833.08 crores in Fiscal Year 2022. As at December 31, 2022 and March 31, 2022, our Loan book was ₹8,509.52 crores and ₹10,950.30 crores, respectively. As at December 31, 2022 and March 31, 2022, our borrowings (being the sum of the debt securities, borrowings (other than debt securities) and subordinated liabilities of the Issuer) outstanding were ₹7,434.31 crores and ₹7,434.30 crores, respectively.

In the nine months ended December 31, 2022 and the year ended March 31, 2022, we earned ₹301.44 crores and ₹508.22 crores, respectively, as net profit after taxes. As of December 31, 2022, our CRAR (%) was 46.95%, as against the regulatory minimum requirement of 15 per cent. For more information on our CRAR, please refer to “*Our Business - Capital Adequacy*” on page 108 of this Tranche II Prospectus.

We have long-term credit ratings of “AA; Stable” from CRISIL, “AA; Negative” from CARE Ratings Limited (“**CARE Ratings**”) and “BWR AA+ /Stable” from Brickwork Ratings India Private Limited (“**Brickwork**”) (for the long-term loans and non-convertible debentures) and “[ICRA]AA (Stable)” from ICRA (for our retail non-convertible debentures). Additionally, we have a credit rating of “AA; Stable” from CRISIL, “AA; Negative” from CARE Ratings and “BWR AA+ /Stable” from Brickwork in relation to our subordinated debt programme. We also have a credit rating of “CRISIL A1+” from CRISIL, “CARE A1+” from CARE Ratings, and “BWR A1+” from Brickwork in relation to our commercial paper borrowing.

We believe that our strong financial record and high credit ratings position us to take advantage of the growth in the NBFC industry, provide us with significant competitive advantages, contribute to the growth of our business and provide a high degree of comfort to our stakeholders.

### ***Access to diversified funding sources***

Over the years, we have developed a diversified funding base and have established strong relationships with our lenders. Our lenders include PSU and private banks, mutual funds, insurance companies, provident funds and pension funds, amongst others.

As at December 31, 2022 our borrowings (other than debt securities) were ₹4,423.49 crores, debt securities were ₹2,660.38 crores and subordinated liabilities were ₹350.43 crores. We fund our capital requirements through multiple sources. Our primary sources of funding are long-term loans and issuances of non-convertible debentures. In addition, we sell down parts of our portfolio through the securitisation or direct assignment of loan receivables to various banks and other financial institutions, which is another source of liquidity for us. As at December 31, 2022, our borrowings (i.e., the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities) were through banks and financial institutions (59.46%), issuances of debentures and other debt instruments, including subordinated debt (40.50%) and lease liability (0.04%).

We believe that our strong financial performance, capitalisation levels and high credit ratings give comfort to our lenders and enable us to borrow funds at competitive rates, thereby lowering our overall cost of borrowings.

### ***Prudent credit and collection policies***

Our credit policies specify the types of loans to be offered, the documentary requirements and limits placed on loan amounts. We have separate policies tailored for retail loans and commercial loans. These policies are aimed at supporting the growth of our business by minimising the risks associated with growth in our loan book. We have also established protocols and procedures to be followed when engaging with customers, as well as to determine the authority and levels to which credit decisions can be taken at various offices. Over the years, we have gained significant experience in mortgage loan underwriting and this is now a key contributor to our business.

We also have an experienced collection team, which has, with the support of our legal team, enabled us to maintain high collection efficiencies through economic cycles. Our centralized credit analysis processes combined with our dedicated collection team help maintain the quality and growth of our total loan book.

As at December 31, 2022, gross NPAs as a percentage of our loan book were 3.45% and our net NPAs (which reflect our gross NPAs less ECL provisions for NPAs, as a percentage of Loan book) were 2.31%.

For further details on our information security measures, please see “– *Liability Management – Operational Risk Management*” on page 109 of this Tranche II Prospectus.

### ***Expertise in providing retail mortgage loans to self-employed individuals and small businesses***

We primarily provide retail mortgage loans to self-employed individuals, proprietorships and businesses. These loans are secured against the cash-flow of businesses and through mortgages of, among others, business premises and self-occupied residential properties of customers. We have over six years of experience with retail mortgage

loans, with demonstrated portfolio performance across business cycles including demonetisation, GST transition as well as the recent liquidity squeeze.

We believe that the speed of underwriting retail mortgage loans by NBFCs will be a catalyst for growth of the retail mortgage loan market. Specifically, since the implementation of goods and services tax (“GST”) in India, the filing of GST returns has been made mandatory for SMEs with turnover of over ₹40 lakh and involved in the intra-state supply of goods. We believe that the ready availability of historical GST returns for verification from a reliable source, will make underwriting a loan for a product as complex as retail mortgage loans quicker and safer. We ultimately believe that our experienced team and processes are well-positioned to take advantage of the new opportunities in the retail mortgage loan market.

We have developed an in-depth understanding of the requirements of customers in these regions and methods to determine their credit worthiness. Over years, we have studied and developed credit assessment models specific to over different types of customer profiles. Some of our profiles are customized to regions and specific types of employment. We update these profiles on a frequent basis for regional and local market specific developments and macro disruptions. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We believe that on account of our domain expertise, we have been able to effectively serve customers, grow our business and create a business model.

### ***Our Strategy***

Set forth below are the elements of our medium to long-term business strategy.

### ***Leverage our financial strength and ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs***

Our cost of borrowings is driven by our credit ratings, our financial discipline and our business performance. We have long-term credit ratings of “AA; Stable” from CRISIL, “AA; Negative” from CARE Ratings Limited (“**CARE Ratings**”) and “BWR AA+ /Stable” from Brickwork Ratings India Private Limited (“**Brickwork**”) (for the long-term loans and non-convertible debentures) and “[ICRA]AA (Stable)” from ICRA (for our retail non-convertible debentures). Additionally, we have a credit rating of “AA; Stable” from CRISIL, “AA; Negative” from CARE Ratings and “BWR AA+ /Stable” from Brickwork in relation to our subordinated debt programme. We also have a credit rating of “CRISIL A1+” from CRISIL, “CARE A1+” from CARE Ratings, and “BWR A1+” from Brickwork in relation to our commercial paper borrowing. Based on our ratings, we expect to continue to source funding at competitive rates from the debt markets. We believe that this competitive pricing combined with our loan service levels will allow us to attract more customers with good credit records, to grow our portfolio and attain a higher incremental market share.

We also seek to continue to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity.

Our funding mix is as follows:

Source of funding	(₹ in crores)			
	As at	As at March 31,		
	December 31, 2022	2022	2021	2020
Loans from banks and others*	4,420.36	5,050.45	5,277.05	6,083.10
Debentures	2,660.38	2,159.42	2,192.77	2,440.38
Subordinated debt	350.43	350.00	349.40	348.86
Lease Liability	3.13	3.34	3.83	5.72
<b>Total</b>	<b>7,434.30</b>	<b>7,563.21</b>	<b>7,823.05</b>	<b>8,878.06</b>

\*Loans from banks and others includes cash credit facility/working capital demand loans/ overdraft from banks, loans from related parties and securitisation liability.

### ***Collaboration with banks for retail mortgage loans***

As a consequence of the tightening of liquidity conditions and macro disruptions, we believe that a successful retail business will have to go through a cyclical shift wherein asset-heavy balance sheets and high leverage levels will have to transform into leaner balance sheets by following an asset light model of business. Accordingly, we

intend to follow an asset-light growth model, comprising two elements: co-origination with banks; and increased portfolio sell-downs.

We aim to originate retail mortgage loans which we can then securitise to banks and other financial institutions. Of all the retail mortgage loans originated, only about one-third will stay on-balance sheet while the rest will be off-balance sheet (i.e., either securitised or onward lent by us). Thus, we believe the asset-light model will be return on equity accretive.

#### *Co-origination model*

Pursuant to the RBI's policy on co-origination by banks and NBFCs for priority sector lending, we have entered into co-origination arrangements with various banks for retail mortgage loans and are in discussions with certain other banks regarding such arrangements. We believe these banks are looking to grow their loan book and we can offer them cost-efficient distribution and quality underwriting of loans. The co-origination model involves the sharing of risks and rewards between banks and NBFCs, through 80:20 participation, whereby 80% of the loan is provided by the bank and the remaining 20% is provided by NBFCs. Accordingly, for our co-originated loans, we recognise 20% of the total loan amount on our balance sheet. As the customer gets a rate that is a blend of 80% bank rate and 20% ours, we believe we can realise a healthy yield while the yield for the end-customer still remains very reasonable and competitive. The credit policy for co-originated loans is jointly prepared by the bank and us.

Under this model, we earn a spread on our portion of the loan (i.e., 20% of the total loan amount). In addition, we also receive a processing fee from the customer, an origination fee from the bank (on their 80% of the loan amount), annual servicing fees from the bank (on their 80% of the loan amount) and insurance income in relation to insurance provided to the customer.

#### *Sell-down*

We have sell down relationships with 17 financial institutions, primarily banks, that are well acquainted with our portfolio and underwriting quality. We sell down loans at a spread from the yield received from end customers. This spread is earned on 100% of the sold loans, while only 10% to 20% of such loans remain on our balance sheet. While we have consistently been selling down loans in the past, going forward, our strategy is to further increase the sell down portion of our portfolio.

#### ***Continue to maintain prudent risk management policies for our loan book***

Risk management forms an integral part of our business. We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. We have implemented a robust risk management architecture which is reflected in our asset quality. Over years, we have studied and developed credit assessment models for various types of customers. This has helped us reduce subjectivity in forecasting the future income of potential customers, thus enabling robust credit underwriting. We have leveraged technology in various facets of our operations and have robust systems and processes to assist us with our underwriting and collections functions and to monitor asset quality.

We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to mitigate and address such risks. Our risk management framework is driven by our Board and its sub-committees including the Asset Liability Management Committee and the Risk Management Committee and is overseen by our full-time Chief Risk Officer. We accord the necessary importance to prudent lending practices and have implemented adequate measures for risk mitigation, which include verification of credit history from credit information bureaus, multiple verifications of a customer's business and residence, verification of income and KYC documents submitted by the customer, technical and legal verifications, and required term cover for insurance.

As we focus on building a large loan book with low credit risk, we will continue to maintain strict risk management standards to reduce credit risks and promote a robust recovery process.

### ***Leverage on technology to improve customer reach and operating efficiency***

We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

### **OUR LENDING AND OTHER FINANCIAL PRODUCTS**

Our lending products primarily include retail mortgage loans and corporate mortgage loans. As at March 31, 2022, mortgage loans (comprising of retail mortgage loans and corporate mortgage loans) constituted 74% of our loan book. As at March 31, 2022, the average ticket size of our mortgage loans was ₹1.84 crores.

The following table sets forth the split between of the products offered by the Company as well as their average tenure:

<i>(₹ in crores)</i>			
<b>Parameters</b>	<b>As at March 31, 2022</b>	<b>As at December 31, 2022</b>	<b>Average Tenure</b>
Retail Mortgage Loans	4,872.34	3,831.79	7-8 Years
Corporate Mortgage Loans	5,277.90	4,075.25	3-4 Years
Personal Loans	528.27	294.60	NA
Total*	10,678.51	8,201.64	-

\* Excluding interest and provisions

#### **Retail Mortgage Loans**

We provide retail mortgage loans primarily to self-employed individuals, proprietorships and small businesses for working capital or business expansion needs. The loans are secured against business cash flow or with a mortgage against a self-occupied residential/ commercial /mixed use property owned by the customer. The minimum loan amount for retail mortgage loans is ₹5 lakhs and the maximum loan amount varies as per the underwriting methods/programs. The average tenure of the loans offered under this product is eight years.

#### **Corporate Mortgage Loans**

We extend large ticket loans to business entities (mainly developers of residential projects) or corporates with the end - use of funding of working capital gap for residential project completion or for corporate purposes. These loans are assessed on multiple parameters like past earnings, future prospects, expected cash flows of project being undertaken, promoter experience, business sustainability and strength of the underlying collateral.

The maximum permissible Loan to Value Ratio (“LTV”) for such loans is 75% of the security cover. The maximum loan amount is governed by the single borrower limit (SBL) & group borrower limit (GBL) norms issued by RBI. The average tenure of the loans offered under this product is around four years. The tenor is maintained in line with expected cash flows of the project and is restricted to estimated project completion, inclusive of principal moratorium period (if any).

The collateral security for these loans usually include:

- Project land & rights related to development
- Residential/ commercial property
- Non-Agricultural approved land
- Pledge on shares of the SPV or key operating entity of the promoter group
- Personal guarantee of the promoters
- Corporate guarantee of key promoter group entities
- Hypothecation of project/rental receivables
- Hypothecation of other current and fixed assets of the borrower.
- Equitable mortgage by deposit of all original title documents of the project
- Registered mortgage (RM) along with the deposit of all title deed
- Additional collateral as deemed fit on case-to-case basis.



- Additional collateral to the project may be mandated as per sanction condition.

We provide finance to real estate developers through corporate mortgage loans. Corporate mortgage loans are made available through two main types of structures: (i) construction finance and (ii) lease rental discounting loans for commercial properties.

#### **a) Construction Finance**

Under construction finance or project finance, funding is for the construction of residential or commercial premises. Term loans are extended to developers for completion of their residential or commercial projects based on the projected sales cash-flows of the project. The land and the housing/ commercial units and/ or projects being constructed, as well as all the sales and other receivables from such units and/ or projects are mortgaged or charged in our favour to secure the loan and other dues. The product is offered to developers who have under construction or near completion projects with substantial sales velocity in the previous quarters.

#### **b) Lease Rental Discounting (“LRD”)**

Lease rental discounting loans are loans provided against hypothecation of the rental receivables (which are routed through an escrow account) of an operational commercial property, which is the primary source of repayment/payment of the loan and the other dues. The commercial property is also mortgaged to secure the loan and the other dues. Additionally, the promoter’s guarantee and mortgagor’s shares may be pledged to further secure the loan and other dues. A key consideration in the credit appraisal process is the enforceability of the mortgaged property and the other security and the rents receivable from the leased out underlying property is considered as the basis for income assessment of the entity. The end use for this product is towards the funding of construction costs of residential projects or business purposes.

LRD is typically offered against prime commercial buildings in metros since the rentals are from known corporates and are therefore predictable and have periodic escalations.

### **Lending Policies and Procedures**

#### **Overview**

We are an NBFC registered with the RBI, which is the regulator for NBFC in India. The RBI stipulates prudential guidelines, directions and circulars in relation to NBFCs. For further details, please see “*Regulations and Policies*” on page 119 of this Tranche II Prospectus.

Within the RBI guidelines, directions and circulars, NBFCs can establish their own credit approval processes. As such, once a company has obtained an NBFC license, the terms, credit levels, and interest rates of loans and any credit approvals would be based upon the NBFC’s established internal credit approval processes framed in accordance with applicable regulations by the RBI. Each NBFC undergoes annual inspections by the RBI. The inspections are exhaustive and can last for a period of three to four weeks during which the regulators review the NBFC’s adherence to regulatory guidelines, scrutinize the loan book and individual loan files, including security documents, review the functioning of the Board of Directors and its committees and their adherence to minutes of various internal meetings, review the NPA and delinquent cases, review and evaluate the credit approval policies and credit assessment standards, review implementation of decisions and policies of the Board of Directors and review adherence to prescribed formats in the filing of regulatory reports.

We have a team of experienced officers in our credit appraisal and risk management teams to develop and implement our credit approval policies. Our credit approval policies focus on credit structure, credit approval authority, customer selection and documentation provided by the customer. Our risk management and appraisal systems are regularly reviewed and upgraded to address changes in the external environment.

#### **Customer Appraisal and Approval Process**

We have dedicated units that appraise and approve loan applications operating at the branch office, master service centre and head office levels. Each office must independently approve a prospective customer’s loan application before any loan offer is made. Additionally, our master service centres are staffed by more senior personnel who are involved in more complex credit decision making. We follow an exhaustive internal appraisal process that includes, amongst other things, checking the following:

- applicant's credit worthiness;
- quality, value and enforceability of the collateral;
- applicant's repayment sources and ability; and
- purpose and end-use of the loan.

We believe that our thorough credit approval process has, in part, allowed us to grow our high-quality loan book with low delinquency rates.

### **Retail Loans**

The customer appraisal process begins at the branch office level. All applications for retail mortgage loans by prospective customers must be submitted on our standardised forms. In addition to submitting a duly signed application form and processing fee cheque, prospective customers are required to submit certain KYC documents, including proof of name, date of birth, address and signature, as well as documents relating to the property to be purchased. To be eligible for a retail mortgage loan, each prospective customer must either be presently employed and receiving a salary from a corporation or be self-employed with an established business track record and sufficient earnings. Each such prospective customer is also required to provide requisite documentation for income verification purposes. If salaried, prospective customers are required to submit salary slips, bank statements and Form 16, a certificate issued to salaried personnel in India by their respective employers certifying the tax deducted at source from salary disbursements for such employees. If self-employed, prospective customers are required to submit income tax returns along with financial statements and bank statements. Borrowers which are proprietorships or companies are also required to submit certain approvals maintained by them in respect of their business and operations.

Once a prospective customer has submitted a completed application, credit officers in the branch office verify various details and empanelled third-party agencies conduct various on-site checks to verify the prospective customer's work and home addresses, as well as telephone numbers. We check the credit history and credit worthiness of the customer on various credit bureaus to ascertain the financial obligations of the customer and to ensure that the customer has a clean repayment track record, such as consumer credit reports from CIBIL for delays/defaults by the borrower. We also carry out various reference checks with the customer's bankers and debtors, creditors, as well as with the customer's neighbours. Internally, we check databases for any information and feedback on the customer. We carry out title and legal checks, including interest checks through filings made to Central Registry of Securitisation Asset Reconstruction and Security Interest of India, on the collateral to ensure that it has the first and sole charge on it. We conduct property valuations internally and also engage external property valuers to assess the property. The lower of the two valuations is considered by the credit officer. Additional checks are also undertaken by our fraud control unit to make sure that the customer is genuine.

Once the application review process is completed, the loan is sanctioned by the mandated approval authority. A credit decision is then communicated to the customer.

Before disbursing the loan, we must receive either electronic clearance instructions or post-dated cheques from the customer for the EMI payments. We also receive an additional cheque for the principal amount of the loan, which we can present if the loan becomes pre-payable for any reason. Once the direct debit authorizations and/or cheques have been received, the funds are disbursed to the customer.

### **Corporate Loans**

These loans are defined as large ticket loans extended to business entities (mainly developers of residential projects) or corporates. These loans are assessed on multiple parameters like past earnings, future prospects, expected cash flows of project being undertaken, promoter experience, business sustainability and strength of the underlying collateral.

To be eligible for financing, the project and the developer must meet a few requirements, which are summarized below:

- All approvals required for commencement of construction of the project should be obtained prior to first disbursement.
- Construction of the project should not have been halted for more than 12 months.
- In case of an under-construction project, there must be reasonable sales velocity in last previous quarters for the project.

- The project should not have received adverse feedback in the market.
- The developer should not have any history of corporate debt restructuring / one time settlement / restructuring with any bank/financial institution/NBFCs.
- The developer should not be reflecting in RBI/NHB's defaulters list (including willful defaulters list)
- The developer should be of repute and his projects should be approved for retail funding by the leading banks/financial institution/NBFCs.
- The developer should have a satisfactory CIBIL score.
- The developer should preferably have prior commercial credit history.

The documents required for sanction of a corporate loan are clearly listed in our commercial credit policy, and include a duly filled application form, KYC documents for both, the borrowing entity as well as the partners/ directors /proprietors/ trustee, etc. of such entity (in line with the RBI/NHB guidelines applicable at the time), charter documents depending upon the type borrower (company/ partnership firm/ sole proprietorship/ trust / etc.), last two years' financial statements of the borrower and the group, as well as any project related financial statement of estimated cash flows, projections, etc.

The documents required in relation to the collateral include copies of all title ownership documents, mutations, development agreements, conversion orders and approved building plan, etc., copies of all statutory approvals and construction permissions, copies of three sale agreements of individual units in the project, sold and unsold stock statement, etc.

The due diligence process is divided into two stages: the initial due diligence, which include preliminary steps like name clearance with senior management for the applicant, checking the CIBIL score, meeting with client to understand requirement of the loan, site visits to the project location and market reference checks, followed by a more details credit appraisal by undertaking the following steps:

- Financial and cash flow assessment basis historical financial statements and projected cash flows of the project.
- Assessment of the collateral including title search by empanelled lawyer and valuation by empanelled valuer of the group, including review of approved plans.
- Other checks like RBI willful defaulter list, registrar of companies search, etc.
- Review of project related documents like plans, approvals, environmental clearance etc.
- Senior management meeting with the client is conducted to understand the project and overall business plans of the client in detail.
- Industry assessment/ micro market assessment in case of project loans.
- Preparation of committee note for credit committee discussion.

The business of corporate mortgage loans, being large ticket in nature, is subject to enhanced scrutiny and due diligence and all transactions are structured under the guidance of a credit committee. All commercial credit loans are approved by the organization level credit committee. The composition and authority of the committee is approved and notified by the Board from time to time. The roles and responsibilities of the credit committee have been detailed as follows:

1. Review of the case details/ loan proposal and inputs from the various departments. The committee reviews assessment of the proposal basis eligibility & underwriting parameters, due diligence & background checks of the borrower, legal & technical parameters and inputs from the risk team on the deal structure
2. Review of timely and accurate adherence to the sanction conditions (pre-disbursement and post disbursement) and security creation/ perfection with the relevant authorities post disbursement basis obtaining original/ copy of title deeds of the mortgaged property
3. The committee reviews the outcome of the site visit reports such as status of the project completion, utilization of funds as mentioned at the time of sanctioning. In case of commercial property tenants are paying rentals
4. The committee also monitors the escrow account in addition to the site visits for adequate and timely receipt of funds and escalate (in case required) to the borrower by taking appropriate action in case adversity is noted such as irregularity in rental income to the borrower may lead to risk of default.

Post detailed due diligence all proposals are put up for credit committee discussion. The committee deliberates on various aspects of the proposal like credit risk, collateral, risk reward, etc. and agrees of the final structure of the transactions in terms of the amount to be offered, collateral and interest rate. Based on credit committee's inputs

a final term sheet on the proposal is prepared and shared with the client for acceptance. In situations where the client requests for a change in structure the same is put up for discussion with the credit committee members.

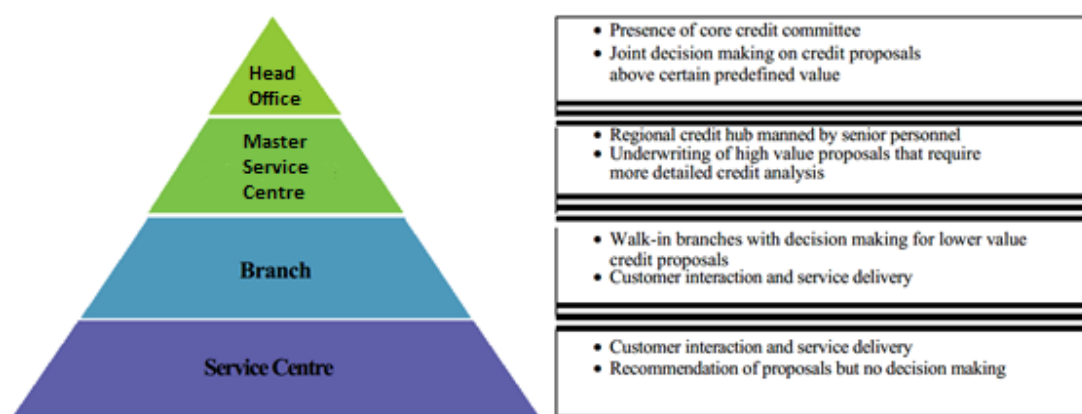
The term sheet is also shared with various internal departments like legal, finance, operations, compliance & secretarial to seek specific views on the nature of transaction. Post finalisation of term sheet and acceptance of the same by client a sanction letter is prepared in the pre-defined format which captures all the key aspects of the transaction approved including loan amount, rate of interest, fee, loan tenor, repayment terms, collateral requirement, conditions precedent to disbursement and post disbursement covenants.

### Direct Sales Team, Direct Sales Agents and Channel Partners

Our customers are sourced by our in-house direct sales team (“DST”), external direct sales agents (“DSAs”), external channel partners and through branch walk-ins (including that of our parent IHFL). Our "feet-on-street" DST covers and penetrates the urban and semi-urban customer segments. As of December 31, 2022, we had a DST of over 2,200 employees located across our network (including that of our parent IHFL).

The DST employees supervise approved and under-construction residential projects across India. They engage with customers at the time that the customers are selecting housing units for purchase. Often the DST employees show various developments to the customers and help the customers with the purchase decision. Once the sale is ready to close, the DST employees also assist the customers in obtaining a housing loan.

We also rely on DSAs and channel partners for referring potential customers. Our DSAs and channel partners are typically proprietorships and self-employed professionals who primarily work with multiple small businesses providing consulting services. They pass on leads of any loan requirements of these small businesses to us. These associates do not work exclusively with us and may also work with other lenders, including our competitors. They pass on leads to us and document collection, credit appraisal and eventual loan fulfilment are done by us in-house.



### Portfolio Monitoring

Our risk audit and collection department reviews and monitors our loan portfolio. This department monitors debt repayment levels of particular loan exposures on a continuous basis. This allows us to identify potentially problematic loans at an early stage and prepares us for immediate action if any principal or accrued interest repayment problems arise.

The portfolio is monitored by way of various analyses consisting of:

- bucket-wise ageing analysis (that is, the number of days past due) of the outstanding portfolio;
- concentration risk monitoring in segments of the portfolio;
- early warning delinquency analysis; and
- historical case review on a periodical basis, including review of credit risks and operational risks.

## Asset Recovery and Non-Performing Loans

Once an account is classified as a NPA, in accordance with the RBI Master Directions, proceedings under the SARFAESI Act commence. The proceedings commence with the issuance of a notice to the borrower and/ or the guarantor calling upon them to pay the demanded amount within 60 days. In the case of non-compliance, another notice is issued for taking over symbolic possession of mortgaged property. Thereafter, applications seeking police assistance for taking physical possession of the mortgaged property are filed before the magistrates and collectors concerned.

We then obtain a valuation of the mortgaged property and fix the reserve price and put it up for auction. At times, the property is also sold through private arrangements after obtaining consent of the borrower. Portions of the portfolio where the likelihood of repayment is remote are written off. Subsequent recoveries on these portions are recognized directly in our income statement but the asset itself is not regularized and remains written off.

In addition to initiating proceedings under the SARFAESI Act, in the event that EMI or principal repayment cheques issued by our customers are dishonoured on account of insufficiency in funds, we undertake proceedings under the Negotiable Instruments Act, 1881 (the “**Negotiable Instruments Act**”) or the Payment and Settlement Systems Act, 2007 (“**PSS Act**”) for asset recovery and NPAs. Upon the receipt of the relevant information and documents such as the physical cheque and bouncing memo, proceedings under the Negotiable Instruments Act may be initiated by serving a notice demanding payment. If no payment is received within the stipulated period, a criminal complaint is filed before the competent court having jurisdiction to try the case. After the trial, if the accused person(s) are convicted, they are liable for imprisonment or fine or both.

We also initiate arbitration proceedings based on arbitration clauses in our loan agreements. Once the arbitrator accepts the request for appointment, he/ she sends acceptance in writing to all the parties to the dispute and calls upon the claimant to file the statement of claim. We file our statement of claim before the arbitrator and if required, an application under the Arbitration and Conciliation Act, 1996 seeking appropriate interim reliefs. If the respondent(s) do not appear in the arbitration proceedings even after due service, they are proceeded *ex-parte*. The proceedings are conducted as per procedure laid down in law and by the arbitrator. After adjudication, *ex-parte* or otherwise, an award is passed by the arbitrator.

The following table is a summary of the risk classification of the Company’s gross NPAs as per the RBI directions (in absolute terms and as a percentage of its consolidated gross NPAs):

(₹ in crores unless otherwise stated, except percentages)

Non-Performing Assets	2022		2021		2020	
	Amount	% of total NPAs	Amount	% of total NPAs	Amount	% of total NPAs
<b>Commercial Real Estate Loans</b>						
Substandard Assets	175.04	67.13%	107.70	17.37%	111.94	32.22%
Doubtful Assets	0.14	0.05%	114.21	18.42%	114.99	33.10%
<b>Total Commercial Real Estate Loans (A)</b>	<b>175.18</b>	<b>67.19%</b>	<b>221.91</b>	<b>35.78%</b>	<b>226.93</b>	<b>65.33%</b>
<b>Others</b>						
Substandard Assets	78.86	30.25%	387.49	62.48%	86.71	24.96%
Doubtful Assets	6.69	2.57%	10.80	1.74%	33.74	9.71%
<b>Total Other Loans (B)</b>	<b>85.55</b>	<b>32.81%</b>	<b>398.29</b>	<b>64.22%</b>	<b>120.44</b>	<b>34.67%</b>
<b>Total Loans (A+B)</b>	<b>260.73</b>	<b>100.00%</b>	<b>620.20</b>	<b>100.00%</b>	<b>347.37</b>	<b>100.00%</b>

The following table sets forth details of our non-performing loans (in absolute terms and also as a percentage of loan book) and our provision for impairment due to expected credit loss as at December 31, 2022 and March 31, 2022, 2021 and 2020:

Particulars	As at December 31, 2022	As at March 31,		
		2022	2021	2020
	(in ₹ crores, except percentages)			
Gross NPAs	293.32	260.73	620.20	347.37

Particulars	As at December 31, 2022	As at March 31,		
		2022	2021	2020
	<i>(in ₹ crores, except percentages)</i>			
% of gross NPAs to loan book	3.45%	2.38%	4.91%	2.90%
Net NPAs	196.79	195.54	404.80	270.71
% of net NPAs to loan book	2.31%	1.79%	3.20%	2.26%
Provision for impairment due to expected credit loss	144.95	170.39	339.56	267.77

### Liability Management

We have a liability management program that leads to stable borrowings at reasonable costs. We have lending relationships with Indian public sector banks, private banks, mutual funds, provident funds, pension funds, insurance companies and others financial institutions.

Our borrowing is mainly in the form of term loans from banks and non-convertible debentures. We do not currently rely on short-term borrowings through commercial paper.

### Risk and Asset-Liability Management

Our Board of Directors has formed a Risk Management Committee and Asset Liability Management Committee to help prudently manage major risks within the company.

The Risk Management Committee is responsible for, among other things:

- approving, reviewing and modifying the credit and operation policy from time to time.
- review of grievance redressal mechanism and customer services
- reviewing the applicable regulatory requirements.
- approving all of our functional policies.
- putting in place appropriate mechanisms to detect customer fraud and cyber security during the loan approval process.
- reviewing the profiles of the high loan customers from time to time.
- reviewing branch audit reports.
- reviewing compliances of lapses.
- reviewing the implementation of Fair Practice Codes (“FPCs”), KYC and Prevention of Money Laundering Act, 2002 guidelines.
- defining loan sanctioning authorities, including credit committee vetting processes, for various types/values of loans as specified in the credit policy approved by the Board of Directors.
- recommending bad debt write off in terms of the policy, for approval to audit committee, and
- any other matter involving risk to the asset/business of us.

The Asset Liability Management Committee is responsible for, among other things:

- Evaluating market risk involved in launching new products.
- Deciding our transfer pricing policy, and
- Approving and regularly reviewing our business plan and targets.

Our Board of Directors has constituted various other committees, namely the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Bond Issue Committee, the Stakeholder Relationship Committee, the IT Strategy Committee and the Management Committee, which act in accordance with the terms of reference determined by the Board of Directors, as well as applicable corporate governance requirements. These committees comprise independent directors on our Board of Directors along with experienced members of our management team who have put in place preventive measures to mitigate various risks. Our Company has a mechanism in place to ensure the ongoing review of systems, policies, processes and procedures to contain and mitigate risks that arise from time to time.

The key principles we apply to address and mitigate market risk, interest rate risk, liquidity risk, credit risk and operational risk are summarized below.

## **Market Risk**

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with regulatory requirements, we have a Board approved Risk Management and ALM policy. This policy provides the framework for assessing market risk, tracking events happening in market place, changes in policies and guidelines of the Government and regulators, exchange rate movement, equity market movements and money market movements.

## **Interest Rate Risk**

We are in the business of lending. We borrow funds at floating and/ or fixed rates of interest, while we primarily extend credit at floating rates of interest. Our profitability is linked to interest rates. This exposes us to an interest rate risk. Consequently, exposure to interest rate fluctuations and increases needs to be managed in order to mitigate the risk.

As at December 31, 2022, a significant majority of our loan assets and borrowings were floating rate. Our business is impacted by a change in interest rates although the floating rate loans only re-price on a periodic basis.

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our financing sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. We adopt financing strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and our asset liability management committee prepares an interest rate sensitivity report periodically for assessment of interest rate risks.

For more information on our liquidity risk, see “*Risk Factors – We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues*” on page 22 of this Tranche II Prospectus.

## **Liquidity Risk**

Any liquidity risk arising due to non-availability of adequate funds at an appropriate cost is minimized through a mix of strategies, including asset securitization and assignment and temporary asset liability gap. We have an Asset Liability Management Policy in place, to manage liquidity risk, which provides for several risk management measures including diversifying our sources of capital to facilitate flexibility in meeting our financing requirements and maintaining strong capital adequacy.

We monitor liquidity risk through our Asset Liability Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related financing requirements. We classify our assets and liabilities as current and non-current based on their contracted maturities. However, our classification of assets and liabilities into various maturity profiles reflects various adjustments for prepayments and renewals in accordance with the guidelines issued by the RBI. We manage our balance sheet while drawing new debt and extending credit so as to minimize potential asset-liability mismatches.

The following table sets out an analysis of the maturity profile of certain of our interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2022:

**Asset Liability Management maturity pattern of certain items of Assets and Liabilities as of March 31, 2022:**

(₹ in crores)

Particulars	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	263.62	330.59	240.12	878.05	1,479.72	5,995.37	2,431.74	298.72	11,917.93
Investments	16.62	-	0.10	0.25	3.98	943.46	-	58.69	1,023.10
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings	81.55	4.62	143.08	815.69	559.49	3,645.41	1,736.10	577.27	7,563.21
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

\*As per the latest ALM statement filed with the Stock Exchanges.

**Capital Adequacy**

NBFCs are required to maintain a minimum CRAR norm of 15% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. The table below sets forth our CRAR as at December 31, 2022 and March 31, 2022, 2021, and 2020:

Particulars	For the nine months ended December 31, 2022	For the Fiscal Year ended March 31,		
		2022	2021	2020
CRAR <sup>1</sup>	46.95%	47.73%	34.48%	32.44%
CRAR – Tier I Capital	43.99%	44.55%	31.44%	29.54%
CRAR – Tier II Capital	2.96%	3.18%	3.04%	2.89%

Note:

1. CRAR is defined as a capital ratio consisting of Tier I and Tier II Capital to its aggregated risk weighted assets (as per the RBI Regulations) and risk adjusted value of off-balance sheet items.

**Credit Risk**

Credit risk is the risk of loss that may result from a borrower's or counterparty's failure to meet the contractual obligation of repaying debt as per the agreed terms. Credit risk is actively monitored and controlled by our risk management committee. The committee reviews and updates the credit policy, which is strictly adhered to by our underwriting teams. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of the prospective customer thoroughly at the lead generation stage. Our extensive local presence also enables us to maintain regular direct contact with our customers. The underwriting team works closely with our fraud control unit, which uses internal and external sources to identify all possible fraudulent loan applications.

Our team ensures the implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents and highlight early warning signals and industry developments enabling pro-active field risk management.

The Risk Management Committee is comprised of three members, including members of our senior management team with significant experience in the industry. The Risk Management Committee meets multiple times during the year and actively monitors emergent risks to which we may be exposed. The Risk Management Committee has put in place enhanced control measures in an attempt to minimise these risks. We have also appointed a chief



risk officer whose scope of domain includes assessment and mitigation of various types of risks including strategic risk, operational risk, compliance, market risk and legal risk.

### **Operational risk management**

Our Risk Management Committee manages the integrated risk which includes credit risk and operational risk. Our Board is informed about the risk assessment and risk reduction procedures undertaken. Our Board periodically reviews the risk management policies and practices followed by our Company.

Operational risk is the risk of loss resulting from (i) inadequate or failed internal processes, (ii) people and systems, or (iii) external events. Operational risk is associated with human errors, system failures, and inadequate procedures and controls. Operational risk exists in all kinds of products and business activities.

We have identified certain types of the operational risk events which are more likely to result in substantial losses to our business. These include (i) credit risk, (ii) technology risk, (iii) employee risk, (iv) regulatory risk and (v) the risks arising from fraud and anti-money laundering transactions.

We have implemented strategies and methods to safeguard against these risks:

#### ***Credit risk***

We have an in-house internal audit team, which conducts periodic audits for all our businesses and functions.

The objective of credit risk management is to minimize the risk and maximize ICCL's risk adjusted rate of return (RARR) by assuming and maintaining credit exposure within the acceptable parameters.

ICCL lays a lot of stress on directions and oversight from the Senior Management for managing its Credit Risk. It is construed as the overall responsibility of ICCL's senior management to approve the company's credit risk strategy and lending policies relating to credit risk and its management.

#### ***Technology risk***

We have an in-house IT team, including that of IHFL, which ensures that the software and hardware systems are not only the best but also continuously upgraded and safeguarded against any kind of technology-related threats. The IT team is responsible for ensuring that the occurrence and frequency of IT downtimes is kept to a minimum. The team is also responsible for the accessibility of our IT system to authorized users and password management.

We have instituted security protocols such as firewalls, intrusion prevention system to detect and stop threats and have separations for internet facing applications and critical internal applications. We periodically assess our IT infrastructure and applications to find potential security threats and remedy threats discovered as well as monitor critical applications and systems for any suspicious activity. We have internal policies for acceptable use of corporate systems, confidential data, email, mobile devices and passwords. We also have deployed tools such as 'data loss prevention' and 'identity and access management' to handle different threats and unauthorised access to our systems and networks.

#### ***Employee risk***

We have implemented an effective screening programme to conduct pre-employment background checks. Adequate and proper reference checks and screening of the prospective employee's credentials are conducted prior to recruitment.

#### ***Regulatory risk***

We require our employees to follow a clear procedure to ensure that all the regulatory clearances are obtained for the underlying projects before providing any types of financial support to such projects. Any communication received by us, including legal notices, customer letters, banks communications, regulatory notices or orders are promptly recorded and forwarded to the relevant departments who are required to process such communication in a timely manner. This process is managed by our in-house regulatory compliance team.

### ***Fraud and anti-money laundering transactions***

At the time of appraisal of a loan or a business proposal, we review the underlying documents from KYC as well as money laundering and fraud prevention perspectives. Our fraud control unit also conducts spot checks on a random basis. We also ensure the preservation of records in compliance with the Prevention of Money Laundering Act of 2002.

### **Competition**

The finance industry in India is highly competitive. We face competition from other HFCs, NBFCs, small finance banks, as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, reach of branches, turnaround time and simple, transparent and efficient loan process, as well as trained and skilled employee base, with our competitors.

### **Sales and marketing**

We rely on our in-house direct sales team, referrals, branch walk-ins across our network (including that of our parent IHFL) as well as external direct sales agents and channel partners to increase sales and generate leads. For more information on the efforts of our DST, DSAs and channel partners, see “*Our Business – Direct Sales Team, Direct Sales Agents and Channel Partners*” on page 104 of this Tranche II Prospectus.

We also have a dedicated call-centre to address enquires generated from various mediums and also resolve customer queries.

### **Technology**

We realize the importance of information technology and use both internally developed and externally subscribed tools to improve our overall productivity. All our branches are connected through the Virtual Private Network to the central servers located at Mumbai and Noida data centres. Data is processed and analysed using various tools, enabling us to manage our nationwide network of branches efficiently and cost-effectively and appropriately monitor various risks.

Our IT systems have the capability of end-to-end customer data capture, computation of income, collateral data capture and repayment management. Loan approval is controlled by the loan application system and the monthly analytics reports, including through-the-door and credit information tracking to ensure risk management control and compliance. For our employees, many key workflow processes are accessible through hand-held devices and mobile apps. We have also implemented security tools to ensure data security.

Information technology acts as an enabler in our business and helps us in achieving growth, scale of operations, ease of use, customer focus and secure operations. We implement process automation across various functions in an effort to reduce manual processes, increase efficiency and reduce errors.

### **Customer service and grievance redressal processes**

We have implemented a grievance redressal policy and a well-defined structured system to resolve any issues faced by our customers in a just, fair and timely manner.

Customers can register their grievances through email, telephone or complaint books available at all our offices. Customer complaints are promptly recorded in a complaint register, after which our representatives contact the client in order to find out more facts about the complaint and resolve it on an urgent basis. The relevant office where the complaint was lodged is primarily responsible for ensuring that the complaint is resolved to the customer’s satisfaction. All escalations are further sent to our Head Office for guidance/ resolution. All complaints are acknowledged within three working days from receipt and are endeavored to be resolved within 30 days of receipt.

### **Insurance**

We currently maintain insurance coverage against fire and special perils, burglary, cash in safe, cash in transit, electronic equipment, machinery breakdown and damage to portable equipment at our branch offices located across the country. We also maintain a director’s and officers’ liability policy covering, among others, the

directors, officers and employees of the Company (“**Directors and Officers**”) against loss incurred by such Directors and Officers or on their behalf in respect of any claim against the Directors and Officers. The policy also covers costs incurred in availing the services of public relations firms in regard to any claim against our directors in their capacity as directors of another company, provided that such directorship was held at the request of the Company.

For a discussion of certain risks relating to our insurance coverage, please see “*Risk Factors – Our Company’s insurance coverage may not adequately protect our Company against losses which could adversely affect our Company’s business, financial condition and results of operations*” on page 37 of this Tranche II Prospectus.

### **Intellectual property**

Our Company has not made an application for and consequently does not own trademark registrations for certain logos used in our business, including the logo used on the first page of this Tranche II Prospectus. We conduct our operations under the “Indiabulls” brand name. The “Indiabulls” trademark is registered in the name of our Promoter, IHFL. We use “Indiabulls” trademark as a ‘common law licensee or permissive user’ under implied permission and consent of IHFL. See also “*Risk Factors – We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business.*” and “*Risk Factors – We derive significant operational benefits by association with the Indiabulls brand and may be restricted from using the Indiabulls trademark we currently operate under with no recourse against such restriction in the future*” on page 39 of this Tranche II Prospectus.

### **Legal proceedings**

We are party to various legal proceedings which arise primarily in the ordinary course of our operations. For further details, please see “*Outstanding Litigations and Defaults*” on page 188 of this Tranche II Prospectus.

### **Property**

Our registered office is located at 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi, 110 001. Our operations are conducted on premises that we lease from third parties, including our Registered Office, Corporate Office, branch offices and service centres.

### **Employees**

As of December 31, 2022, we had a dedicated workforce of 226 employees. Each of our businesses are led by senior executives who are generally, also responsible for certain organisational functions at the group level. Our senior managers have diverse experience in various financial services and functions related to our business. We have instituted training and mentorship programs for our junior and mid-management employees and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. We have recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our recruitment and retention initiatives. In addition to our full-time employees, we have arrangements with various contractors for contract labour services including for our housekeeping and manned security requirements. Our performance appraisal system helps to analyse the qualitative aspects of our business and managerial dimensions of our employees.

### **Corporate social responsibility (“CSR”)**

We are firmly committed towards corporate social responsibility initiatives which we implement through the Indiabulls Foundation (“**IBF**”). We have spent ₹4.21 crores in fiscal year 2022 for the purpose of undertaking corporate social responsibility activities. Indiabulls Foundation’s key focus areas are health, education, nutrition, sanitation, renewable energy, sustainable livelihood, sports and disaster management and rural development.

### **Non-GAAP Reconciliation**

Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt/Total Equity (together, “**Non-GAAP Financial Measures**”), presented in this Tranche II Prospectus are supplemental measure

of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies in the financial services industry may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

**Below are the reconciliations of certain non-GAAP financial measures as at and for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022:**

**Net Worth**

	(₹ in crores) As at March 31,		
	2022	2021	2020
Equity Share capital (I)	247.80	247.80	247.80
Other Equity (II)	4,817.04	4,305.40	4,159.15
<b>Net worth (I+II)</b>	<b>5,064.84</b>	<b>4,553.20</b>	<b>4,406.95</b>

**Loan Book**

	(₹ in crores) As at March 31,		
	2022	2021	2020
<b>Loans</b>			
Term Loans (Net of Assignment)	10,950.30	12,640.72	11,974.26
<b>Loan Book</b>	<b>10,950.30</b>	<b>12,640.72</b>	<b>11,974.26</b>

**Financial assets (excluding Cash and cash equivalents and Investments)**

	(₹ in crores) As at March 31,		
	2022	2021	2020
Bank balance other than Cash and cash equivalents	21.84	38.17	52.36
Loans	10,779.91	12,301.16	11,706.49
Other financial assets	48.06	52.58	129.55
<b>Financial assets (excluding Cash and cash equivalents and Investments)</b>	<b>10,849.81</b>	<b>12,391.91</b>	<b>11,888.40</b>

**Non-financial assets (excluding property, plant and equipment and other intangible assets)**

	(₹ in crores) As at March 31,		
	2022	2021	2020
Current tax assets (net)	240.36	187.38	240.28
Deferred tax assets (net)	18.23	70.61	28.37

	(₹ in crores)		
	As at March 31,		
	2022	2021	2020
Right-of-use assets	3.01	3.67	5.37
Asset Held for Sale	672.82	384.70	580.52
Other Non- Financial Assets	32.48	72.55	46.38
<b>Non-financial assets (excluding property, plant and equipment and other intangible assets)</b>	<b>966.90</b>	<b>718.91</b>	<b>900.92</b>

**Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)**

	(₹ in crores)		
	As at March 31,		
	2022	2021	2020
Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.40	0.01
Other financial liabilities	291.13	3,406.88	3,067.27
<b>Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)</b>	<b>291.13</b>	<b>3,407.28</b>	<b>3,067.28</b>

**Interest Cost**

	(₹ in crores)		
	For the Fiscal Years ended March 31,		
	2022	2021	2020
Interest on			
Debt Securities	196.18	212.67	253.11
Borrowings (Other than Debt Securities)*	704.91	746.68	863.59
Subordinated Liabilities	31.36	31.31	31.29
<b>Interest Cost</b>	<b>932.45</b>	<b>990.66</b>	<b>1,147.99</b>

\*Includes Interest on leased liability and other interest expenses

**Interest Coverage Ratio**

	(₹ in crores unless otherwise stated)		
	For the Fiscal Years ended March 31,		
	2022	2021	2020
Profit before tax (I)	612.54	152.79	27.25
Non cash expenses			
Depreciation, amortisation and impairment	1.64	4.54	8.87
Impairment on financial instruments	248.92	426.88	952.92
Bad debt recovery	292.08	124.56	45.89
Non cash expenses (II)	542.64	555.98	1,007.68
Interest cost (III)	932.45	990.66	1,147.99
Total (IV)=(I)+(II)+(III)	2,087.63	1,699.43	2,182.92
<b>Interest coverage Ratio (IV)/(III)</b>	<b>223.89%</b>	<b>171.55%</b>	<b>190.15%</b>

**Total Debts to Total assets**

	(₹ in crores unless otherwise stated)		
	As at March 31,		
	2022	2021	2020
Debt Securities (I)	2,159.42	2,192.77	2,440.38
Borrowings (other than Debt Securities) (II)	5,053.79	5,280.88	6,088.82
Subordinated liabilities (III)	350.00	349.40	348.86
Total Debts (IV)=(I)+(II)+(III)	7,563.21	7,823.05	8,878.06
Total Assets (V)	13,143.65	15,873.26	16,387.30
<b>Total Debts to Total assets (IV)/(V)</b>	<b>57.54%</b>	<b>49.28%</b>	<b>54.18%</b>

**Bad Debts to Loan Assets**

	(₹ in crores unless otherwise stated)		
	For the Fiscal Years ended March 31,		
	2022	2021	2020
Bad Debt /advances written off (Net of Bad Debt Recoveries) (I)	14.42	(92.09)	776.63
Bad Debt Recovery (II)	292.08	124.56	45.89
Bad Debts (III)=(I)+(II)	306.50	32.47	822.52
Loan Assets (IV)	10,779.91	12,301.16	11,706.49
<b>Bad Debts to Loan Assets (III)/(IV)</b>	<b>2.84%</b>	<b>0.26%</b>	<b>7.03%</b>

Below are the reconciliations of certain non-GAAP financial measures as at and for the nine months ended December 31, 2022:

**Net worth**

	(₹ in crores)
	As at December 31, 2022
Equity Share capital (I)	247.80
Other Equity (II)	5,091.50
<b>Net worth (I+II)</b>	<b>5,339.30</b>

**Loan Book**

	(₹ in crores)
	As at December 31, 2022
<b>Loans</b>	
Term Loans (Net of Assignment)	8,509.53
<b>Loan Book</b>	<b>8,509.53</b>

**Interest Cost**

	(₹ in crores)
	For the nine months ended December 31, 2022
<b>Interest on</b>	
Debt Securities	168.76
Borrowings (Other than Debt Securities)*	422.29
Subordinated Liabilities	23.61
<b>Interest Cost</b>	<b>614.66</b>

\*Includes Interest on leased liability and other interest expenses

*Non-financial assets (excluding property, plant and equipment and other intangible assets)*

	(₹ in crores) As at December 31, 2022
Current tax assets (net)	207.31
Deferred tax assets (net)	12.46
Right-of-use assets	2.69
Other Non- Financial Assets	26.96
Assets Held for Sale	2,895.32
<b>Non-financial assets (excluding property, plant and equipment and other intangible assets)</b>	<b>3,144.74</b>

*Financial assets (excluding Cash and cash equivalents and Investments)*

	(₹ in crores) As at December 31, 2022
Bank balance other than Cash and cash equivalents	127.61
Loans	8,364.58
Other financial assets	626.47
<b>Financial assets (excluding Cash and cash equivalents and Investments)</b>	<b>9,118.66</b>

*Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)*

	(₹ in crores) As at December 31, 2022
Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.04
Other financial liabilities	552.20
<b>Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)</b>	<b>552.24</b>

*Interest Coverage Ratio*

	(₹ in crores unless otherwise stated) For the nine months ended December 31, 2022
Profit before tax (I)	402.56
Non cash expenses	
Depreciation and amortization	1.23
Impairment on financial instruments (net of recoveries)	354.57
Bad debt recovery	5.07
Non cash expenses (II)	360.87
Interest cost (III)	614.66
Total (IV)=(I)+(II)+(III)	1,378.09
<b>Interest coverage Ratio (IV)/(III)</b>	<b>224.20%</b>

**Total Debts to Total assets**

	<b>(₹ in crores unless otherwise stated)</b>
	<b>As at December 31, 2022</b>
Debt Securities (I)	2,660.38
Borrowings (other than Debt Securities) (II)	4,423.49
Subordinated liabilities (III)	350.43
Total Debts (IV)=(I)+(II)+(III)	7,434.30
Total Assets (V)	13,483.90
<b>Total Debts to Total assets (IV)/(V)</b>	<b>55.13%</b>

**Bad Debts to Loan Assets**

	<b>(₹ in crores unless otherwise stated)</b>
	<b>As at and for the nine months ended December 31, 2022</b>
Bad Debt /advances written off (Net of Bad Debt Recoveries) (I)	0.07
Bad Debt Recovery (II)	5.07
Bad Debts (III)=(I)+(II)	5.14
Loan Assets (IV)	8,364.58
<b>Bad Debts to Loan Assets (III)/(IV)</b>	<b>0.08%</b>



## HISTORY AND OTHER CORPORATE MATTERS

### Brief background of the Company

Our Company was incorporated as Indiabulls Commercial Credit Limited, a public limited company under the provisions of the Companies Act, 1956 on July 7, 2006, pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana (“RoC”), dated July 7, 2006 and received a certificate for commencement of business from the ROC on February 20, 2008. The name of the Company was changed to Indiabulls Infrastructure Credit Limited on January 21, 2009. Subsequently the name of the Company was changed to Indiabulls Commercial Credit Limited on March 12, 2015.

The CIN of our Company is U65923DL2006PLC150632. Our Company is registered as a non-banking financial company under section 45-IA of the Reserve Bank of India Act, 1934. We received a certificate of registration from the RBI to carry on the business of a non-banking financial institution without accepting public deposits on February 12, 2008 having registration number N-14.03136. Pursuant to change of name of our Company from Indiabulls Commercial Credit Limited to Indiabulls Infrastructure Credit Limited on January 21, 2009, the RBI issued fresh certificate of registration on January 30, 2009 to the Company. Further, pursuant to change in name of our Company from Indiabulls Infrastructure Credit Limited to Indiabulls Commercial Credit Limited on March 12, 2015, the RBI issued fresh certificate of registration on April 16, 2015 to the Company.

Our Company entered into scheme of arrangement under sections 391-394 of the Companies Act, 1956 between IFCP (the transferor company), Indiabulls Commercial Credit Limited (the transferee company) and their respective shareholders and creditors, which had been approved by Hon'ble High Court of Delhi, New Delhi on March 15, 2016.

We operate under the "Indiabulls" brand name, which is a reference to the Indiabulls group of companies, a diversified set of businesses in the financial services.

### Registered Office and change in Registered Office of our Company

The registered office of our Company is located at 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi-110001. The registered office of our Company was shifted from F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi – 110 001 to M – 62 and 63, First Floor, Connaught Place, New Delhi – 110 001 with effect from October 1, 2013 and further w.e.f April 30, 2022, the registered office was shifted from M – 62 and 63, First Floor, Connaught Place, New Delhi – 110 001 to 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi - 110001.

### Corporate Office

The corporate office of our Company is located at One International Centre, Tower I, 18th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India and Plot No.422B, Udyog Vihar, Phase – IV, Gurugram - 122016, Haryana, India.

### Main objects of our Company

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

1. To carry out infrastructure lending activities by providing credit facilities to different infrastructure projects.
2. To carry on the business of financing, leasing, instalment financing, refinancing, money lending, corporate lending, consortium finance with other institutions or bodies corporate for development of infrastructure projects including construction, power, telecommunication, roads, ports etc.
3. To receive funds, deposits and investments from the public, Government agencies, financial institutions and corporate bodies; grant advances and loans; provide consultancy services for infrastructure projects, conduct advisory services related to banking activities, project financing, funding of mergers and acquisition activities; fund management and activities related to money market operations.

4. To hold investments in various step-down subsidiaries for investing, acquiring, holding, purchasing or procuring equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by the company.
5. To act as financial consultants, investment, marketing and management consultants/advisors and provide consultancy in various fields including general administrative, secretarial, managerial, commercial, banking, financial, economic, public relations, personal and corporate finance and direct and indirect taxation and other levies.
6. To carry on the business of portfolio management services, investment advisory services; custodial services; asset management services; leasing and hire purchase; mutual fund services and to act as brokers of real estate and financial instruments.
7. To carry on the business of long term finance or otherwise finance for Industrial or agricultural development, development of infrastructure facility, development of Housing in India or for constructions or purchase of residential houses/ residential projects in India.
8. To provide finance to any person or persons, co-operative society, association of persons, body of individuals, companies, institutions, firms, builders, developers, contractors and others with or without any security, for leasing, financing for acquisition of all types of vehicles including trucks, buses, taxis, auto rickshaws, motorize vehicles for earth moving, mining, road laying, fire brigade, ambulance, aircraft, water transport (boat, steamer, ship, oil tanker) etc. for commercial and/or for personal uses and/or for construction, erection, building, repair, remodelling, development, improvement, purchase of houses, apartments, flats, bungalows, rooms, shops, offices, commercial buildings, SEZs, townships and/or other buildings and real estate of all descriptions or convenience there on and/or other related activities.
9. (a) To engage in the business of the insurance intermediation and acting as corporate agent, composite insurance agent, insurance broker, insurance consultant etc. for the purpose of soliciting or procuring life or general insurance business for clients and insurance companies.  
(b) To act as corporate insurance agent for life insurers and general insurers and procure business for them.  
(c) To act as agents for insurance products such as life, pension, fire, motor and other products and to carry on the business of insurance either directly or as an insurance agent, insurance broker or otherwise.
10. To carry on the business of financing, borrowing, lending, advancing money or money's worth or to give credit to such persons / bodies / firms / customers and others having dealt with the Company on such terms, as may be expedient.

#### **Key terms of our Material Agreements**

Our Company has not entered into any material agreement or material contract other than in the ordinary course of business in the previous two years.

#### **Holding Company**

Our Company is a 100% subsidiary of IHFL. For further details, please see "*Our Promoter*" on page 154 of this Tranche II Prospectus.

#### **Our subsidiaries**

As on the date of this Tranche II Prospectus, our Company has no subsidiary.

#### **Associate Company(ies)**

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

#### **Joint Venture(s) and Memorandum of Understanding(s) (MoU)**

Nil

## REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. Taxation statutes such as the Income Tax Act, Central Sales Tax Act, 1956 and applicable local sales 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 and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the byelaws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*For the 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 major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs (“**NBFC-ND**”).

As at February 17, 2020, the RBI issued an 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-NDSIs.

### **Laws in relation to NBFCs**

#### ***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.*

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of 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.

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. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received the Authorised Dealer Category – II license from the RBI pursuant to the notification bearing no. DNBR (PD) CC.No.098/03.10.001/2018-19 dated April 16, 2019.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank of India in order to be able to commence any of the aforementioned activities.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“**Master Directions**”), Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 (“**Peer to Peer Regulations**”), Reserve Bank Commercial Paper Directions, 2017 (“**Commercial Papers Directions**”) and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

As per prescribed law, any company that carries on the business of a non-banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 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 a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration. In terms of notification No. DNBS.132/CGM(VSNM)-99 dated April 20, 1999, the minimum net owned fund for a company applying for such certificate of registration was 20,000,000, however the minimum net owned fund prescribed for companies already in existence prior to the notification was retained at ₹2,500,000. Further, the RBI has mandated that all NBFCs shall attain a minimum net owned fund of 20,000,000 by March 31, 2017, as per the following milestones: (i) ₹10,000,000 by March 31, 2016 and (ii) ₹20,000,000 by the end of March 31, 2017. NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 31 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:

- Asset finance companies.
- Investment companies.
- Systemically Important Core Investment Company.
- Loan companies and/or
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs.
- NBFC - micro finance institutions.
- NBFC –Factors.
- Mortgage guarantee companies.
- NBFC- non-operative financial holding company, and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

RBI, by way of circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of

NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC-ICC). Further, differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Our Company has been classified as an NBFC-ND-SI (“**NBFC-ND-SI**”).

#### *Systemically Important NBFC-NDs*

As per the Master Directions, the revised threshold for defining systemic significance for NBFCs-ND is introduced in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹500 crores and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹500 crores and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (“**CRAR**”) of 15%.

#### *Rating of NBFCs*

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹500 crores are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

#### *Prudential norms*

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“**ND-SI-Directions**”), amongst other requirements prescribe guidelines on NBFC-ND 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 ND-SI-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.

#### ***RBI Notification No. DBR.BP.BC.No.63/21.04.018/2016-17 on Disclosure in the ‘Notes to Accounts’ to the Financial Statements- Divergence in the asset classification and provisioning***

#### *Corporate governance norms*

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. The NBFC-ND-SIs are also required to constitute asset liability management support group which shall be responsible for analysing, monitoring and reporting the liquidity risk profile to the asset liability management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Master Circular. Further, RBI vide notification bearing reference no. no. DNBR (PD) CC.No.002/03.10.001/2014-15dated November 10, 2014, has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. NBFC-ND-SIs are mandatorily required to rotate the partner/s of the chartered accountant firm conducting its audit, every three years so that same partner does not conduct audit of such NBFC-ND-SI continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of the such NBFC-ND-SI after an interval of three years, if so decided by the

NBFC-ND-SI. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

### ***Provisioning Requirements***

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("**Prudential Norms Directions**").

In the interests of counter cyclicalities and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for standard assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI *vide* their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

### ***Capital Requirements***

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC Micro Finance Institutions ("**NBFC-MFI**") shall not exceed 100% of the Tier I capital.

*Tier-I capital* has been defined in the ND-SI Directions as owned funds as reduced by investment in shares of other NBFCs 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, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND 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.

*Owned Funds* has been defined in the ND-SI Directions as, 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.

*Tier - II capital* has been defined in the ND-SI Directions, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I capital to the extent that the aggregate Tier -I capital.

*Hybrid debt* means, capital instrument, which possess certain characteristics of equity as well as debt.

*Subordinated debt* means a fully paid-up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed. The book value of such instrument is subjected to discounting as prescribed and to the extent such discounted value does not exceed fifty percent of Tier I capital.

### ***Exposure Norms***

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions (for NBFC-ND-SI (except for NBFC-MFIs with asset size of ₹500 crores and above) in respect of their lending to single / group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings. Any NBFC-ND-SI classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A NBFC-ND-SI may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC-ND-SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

### ***Asset Classification***

The Prudential Norms 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:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- 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 prudential norms 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 crores. For this purpose, the RBI Act has defined “net owned fund” to mean (“**Net Owned Fund**”):

*Net Owned Fund – (a) The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure; and (iii) other intangible assets; and further reduced by the amounts representing, (i) investment by such companies in shares of:*

*(i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and*

*(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.*

Further, in accordance with RBI Notification No DNBR.007/CGM (CDS) 2015 dated March 27, 2015 which provides that a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹2 crores may continue to carry on the business of nonbanking financial institution, if such company achieves net owned fund of:

- (i) ₹1 crores before April 1, 2016; and
- (ii) ₹2 crores before April 1, 2017

### ***Reserve Fund***

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

### ***Maintenance of liquid assets***

The RBI through notification dated January 31, 1998, as amended, has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non-Deposit Accepting Companies Directions.

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.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹100 crores or more or holding public deposits of ₹20 crores or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, *vide* DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013, which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

### ***Liquidity Risk Management***

RBI has mandated NBFC-ND-SIs and all deposit taking NBFCs (irrespective of their asset size), save and except, Type 1 NBFC-NDs (i.e. NBFCs not accepting public funds / not intending to accept public funds in the future and not having customer interface/not intending to have customer interface in the future), non-operating financial holding companies and standalone primary dealers, to comply with the liquidity risk management guidelines, which 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.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.



## **Implementation of Green Initiative of the Government**

All NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

### ***Scale Based Regulation (“SBR”): A Revised Regulatory Framework for NBFCs***

On October 22, 2021, the RBI issued a notification on ‘*Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs*’ (SBR Framework). The SBR Framework will come into effect from October 01, 2022 (except for certain compliance requirements relating to funding of initial public offerings (IPOs) which would be effective from April 01, 2022).

Under the SBR Framework, the RBI has introduced four scale-based layers for regulating NBFCs (base layer, middle layer, upper layer, and top layer). Going forward, all NBFCs will be bucketed and regulated under one of these layers.

The base layer will have non-deposit taking NBFCs with assets worth up to ₹1,000 crores. Finance firms working as peer-to-peer (P2P) lending, account aggregator firms, non-operative financial holding company (NOFHC) and entities that do not avail of public funds or have any customer interface will also be in this layer. The middle layer will comprise deposit-taking NBFCs irrespective of asset size, non-deposit-taking firms with assets worth ₹1,000 crores or more, as well as housing finance firms. Standalone primary dealers, infrastructure debt fund investment companies and infrastructure finance companies will also come under this category. NBFCs which warrant enhanced regulatory requirements based on a set of parameters and scoring methodology will feature in the upper layer. The top-10 eligible NBFCs in terms of asset size will always be in the upper layer, irrespective of any other factor. The top layer can get populated if the regulator thinks there is a substantial increase in the potential risk from specific NBFCs in the upper layer.

The RBI has clarified that the existing regulations and directions notified for NBFCs will continue to apply other than the changes introduced under the SBR Framework.

### ***The Master Directions on Prepaid Payment Instruments, 2021 (PPIs) - RBI Notification (“PPI Directions”)***

These master directions have recently superseded the Reserve Bank of India (Issuance and Operation of Prepaid Payment Instruments) Directions, 2017. The PPI Directions define prepaid payment instruments (“PPIs”) as instruments that facilitate purchase of goods and services, financial services, remittance facilities, etc., against the value stored therein. All PPIs other than closed system PPIs are regulated by RBI and are of two types, i) small PPIs, which are issued after obtaining minimum details of the PPI holder and shall be used only for purchase of goods and services; and ii) Full KYC PPIs, issued after completing KYC of the PPI holder and shall be used for purchase of goods and services, funds transfer or cash withdrawal. The PPI Directions further regulate the operation of PPIs in India by governing aspects such as cross-border outward transactions and inward remittances through PPIs and prescribing transactional limits for each category of PPI.

Additionally, the PPI Directions provide that PPI issuers should implement interoperability amongst PPIs (issued by both bank and non-bank entities) and where PPIs are issued in the form of wallets, interoperability across PPIs shall be enabled through UPI.

### ***Financing of NBFCs by bank***

The RBI by way of its notification no. RBI/2019-20/60/DBR.No.BP.BC.18/21.01.003/2019-20 dated September 12, 2019 (“**Framework**”) amended the large exposures framework issued on December 1, 2016 *vide* notification no. RBI/2016-17/167/DBR.No.BP.BC.43/21.01.003/2-16-17 governing exposures norms and concentration risks concerning banks and NBFCs. The current Framework restricts the banks’ exposure to a single NBFC (excluding gold loan companies) to 20% of its eligible capital base, with consideration of more stringent exposure limits set down in respect of certain categories of NBFCs based on risk perception. Furthermore, banks’ exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group stands restricted to 25% of their Tier I capital. This Framework, notwithstanding the percentage increase in subsequent years, currently limits a bank’s exposure to NBFCs.

***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, 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 thereunder 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, they 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 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 20 April 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.

***Accounting Standards and Accounting policies***

Subject to the changes in Indian Accounting Standards (“IAS”) and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs has amended the existing IAS *vide* Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to our Company from April 1, 2018.

The Ministry of Corporate Affairs (“MCA”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹500 crore, shall comply with Ind AS for accounting periods beginning from April 1, 2021 onwards with comparatives for the periods ending on March 31, 2021 or thereafter. Accordingly, Ind AS is applicable to our Company with effect from April 1, 2021.

*The Reserve Bank of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dated March 09, 2017*

The Reserve Bank of India has issued the above notification titled “Disbursal of Loan Amount in Cash” as below:

*“On review, and in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the*

requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.

Accordingly, para 37(iii)(b) of the above Master Directions stands deleted and the above provision stands incorporated at para 119, respectively, in the Master Directions referred above.”

Amended respective paragraph reads as follows:

*“Disbursal of Loan Amount in Cash*

*Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time.”*

#### ***RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5, 2020***

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

#### ***Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016***

All NBFC-ND-SIs 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-ND-SI is required to report all cases of fraud of ₹1 lakh and above, and if the fraud is of ₹1 crores or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

#### **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 auditor is required to directly report the same to the RBI.

#### ***Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.***

The circular puts in place ownership - neutral regulations, ensuring independence of auditors, avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities. These guidelines shall streamline the procedure for appointment of Statutory Auditors across all the Regulated Entities and ensure that appointments are made in a timely, transparent and effective manner.

#### ***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, 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 NBS- 7, 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 (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

#### ***Master Circular dated July 1, 2015 on returns to be submitted by NBFCs***

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI. RBI, *vide* notification dated November 26, 2015 titled “Online Returns to be submitted by NBFCs-Revised” changed the periodicity of NDSI returns from monthly to quarterly.

#### ***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 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., NBS-7 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 quarterly basis as well as all Special Mention Accounts-2 (“**SMA-2**”) status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

#### ***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 implemented by applicable NBFCs by June 2018.

#### ***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.

#### ***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 (“**Prudential Framework**”) sets out a framework to ensure that there is an early recognition, reporting and time bound resolution of stressed assets. The Prudential Framework mandates that in cases where a resolution plan is to be implemented, all lenders shall enter into an inter-creditor agreement, within thirty days from default to provide for ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender.

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 CRILC, on all borrowers having aggregate exposure of ₹5 crores 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 percent by value of total outstanding credit facilities (fund based as well non-fund based) and 60 percent 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.

Due to the impact of COVID-19, the RBI *vide* circular RBI/2019-20/219 DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020, decided to extend the resolution timelines under the Prudential Framework, which were further extended by the RBI *vide* circular RBI/2019-20/245 DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 in the following manner:

a) for accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and

b) for accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Further, the RBI through its ‘Statement of Developmental and Regulatory Policies’ dated August 6, 2020, stated that with the intent to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a separate resolution framework under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures /accounts without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. The RBI has also issued a notification on August 6, 2020 titled ‘Resolution Framework for COVID-19-related Stress’ (“**COVID-19 Resolution Framework**”). Under the COVID-19 Resolution Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the COVID-19 Resolution Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic. Exposures of housing finance companies where the account has been rescheduled after March 1, 2020 in terms of para 2(1)(zc)(ii) (which defines sub-standard assets) of the NHB Directions, are not eligible for a resolution plan under COVID-19 Resolution Framework, unless a resolution plan has been invoked by other lending institutions thereunder. However, from the date of COVID-19 Resolution Framework, any resolution plan necessitated on account of the economic fallout of COVID-19 pandemic, shall be undertaken only under the COVID-19 Resolution Framework.

### **Financing of NBFCs by bank**

The RBI has issued guidelines *vide* a circular dated 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, (vi) Bridge loans of any nature, or interim finance against capital/debenture issues and/or in the form of loans of a bridging nature pending raising of long-term funds from the market by way of capital, deposits, etc. to all categories of Non-Banking Financial Companies, i.e. equipment leasing and hire-purchase finance companies, loan and investment companies, Residuary Non-Banking Companies (RNBCs); and (vii) Should not enter into lease agreements departmentally with equipment leasing companies as well as other Non-Banking Financial

Companies engaged in equipment leasing.

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 percent or more of its total financial assets 10 percent of banks' capital funds. However, the exposure ceiling may go up by 5 percent, i.e., up to 15 percent 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 percent 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.

Also, the RBI through its notification bearing number DBR.BP.BC.No.25/21.06.001/2018-19 dated February 22, 2019 it was specified that that exposures to all NBFCs, excluding Core Investment Companies (CICs), will be risk weighted as per the ratings assigned by the rating agencies registered with SEBI and accredited by the RBI, in a manner similar to that of corporates as prescribed under extant RBI guidelines.

#### *Norms for excessive interest rates*

In addition, the RBI had introduced 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 issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. 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 NBFCs 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 annualised 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 NBFC-NDs, 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 at the end of March every year, in a prescribed format. This return is to be 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 with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. 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 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 RBI under whose jurisdiction the registered office of the company is located.

#### *Ombudsman scheme for customers of NBFCs*

The RBI has on February 23, 2018 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.

#### *Asset Liability Management*

The RBI has prescribed the Guidelines for Asset Liability Management (“**ALM**”) System in relation to NBFCs (“**ALM Guidelines**”). As per the ALM Guidelines, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹100 crore, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹20 crores or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days’ time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

#### *Foreign Investment Regulations, as amended*

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 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, Department for Promotion of Industry and Internal Trade (“**DPIIT**” and previously known as Department of Industrial Policy and Promotion (“**DIPP**”)), issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on November 9, 2020 (the “**SOP**”). The SOP provided 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, as identified by DPIIT, 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 DPIIT shall identify the Competent Authority. The DPIIT 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 prevails.

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 consolidated the policy framework in place effective from October 15, 2020. On January 4, 2018 the RBI released the Master Direction on Foreign Investment in India, as amended from time to time. Under the approval route, prior approval from the FIPB or RBI is required, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals (SOP) dated November 9, 2020 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. Foreign investment in investing companies registered as NBFCs with the RBI, will be under 100% automatic route.

### ***The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “DRT Act”)***

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 defendant’s 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.

On June 7, 2019, the RBI released the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 (“**Prudential Framework**”) with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets, applicable to Scheduled Commercial Banks (excluding Regional Rural Banks), All India Term Financial Institutions (NABARD, NHB, EXIM Bank and SIDBI), Small Finance Banks, NBFC-Ds and NBFC-ND-SIs. With the introduction of the Prudential Framework, all extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme, Change in Ownership outside SDR and Scheme for Sustainable Structuring of Stressed Assets shall stand withdrawn with immediate effect. The Joint Lenders' Forum has also been discontinued. Consequently, for the resolution of stressed assets, lenders may hereafter proceed only under the Prudential Framework. Unlike the prior frameworks, it appears that the Prudential Framework is intended to provide a fair amount of flexibility to lenders to use their commercial and economic judgment to put in place a resolution strategy.

### ***Emergency Credit Line Guarantee Scheme***

The Ministry of Finance, Government of India on May 13, 2020 announced the Emergency Credit Line Guarantee Scheme under which stressed sectors can avail themselves of debt moratoriums for up to five years.

ECLGS-2.0 refers to the scheme for providing 100% guarantee coverage by NCGTC to its Member Lending Institutions against extension of eligible credit to its existing borrowers in the 26 stressed sectors identified by the Kamath Committee on Resolution Framework and the Healthcare sector whose total credit outstanding (fund based) across all lending institutions and days past due as on February 29, 2020 was above ₹50 crores and not exceeding ₹500 crores and up to 60 days respectively.

ECLGS 2.0(Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 2.0 or new borrowers eligible under ECLGS 2.0 based on revised reference date of March 31, 2021.

ECLGS 3.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to its borrowers in the Hospitality and related Sectors-Hotels and restaurants, marriage halls, canteens etc, travel and tourism ,travel agents, tour operators, adventure or heritage facilities, leisure and sporting, private bus operators, car repair services, rent-a-car service providers, event/conference organizers, spa clinics, beauty parlours/saloons, motor vehicle aggregators, cinema halls, swimming pools, entertainment parks, theatres, bars, auditorium, yoga institutes, gymnasiums, other fitness centers, units/person engaged in catering or cooking and Floriculture products, and Civil Aviation Sector- Airlines (including scheduled and non-scheduled airlines, chartered flight operators, air 2 ambulances), airports, aviation ancillary services such as ground handling and supply chain whose days past due are up to 60 days as on February 29, 2020.

ECLGS 3.0(Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 3.0 or new borrowers eligible under ECLGS 3.0 based on revised reference date of March 31, 2021 or January 31,



2022.

ECLGS 4.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to eligible hospitals/nursing homes/clinics/medical colleges / units engaged in manufacturing of liquid oxygen, oxygen cylinders etc. For setting up of on-site oxygen producing plants.

The credit product for which guarantee would be provided under the Scheme has been named as ‘Guaranteed Emergency Credit Line (GECL)’.

The ECLGS is aimed to provide 100% guarantee coverage for the GECL assistance of loan outstanding as on 29th February, 2020 or 31st March 2021 or 31st January 2022, whichever is higher (for ECLGS 4.0 – only 31st March 2021), to eligible borrowers, in the form of additional term loan/working capital term loan facility and/or non-fund based facility under ECLGS 2.0/2/0(Extension)/3.0/3.0(Extension) and 4.0 in case of banks and Financial Institutions and additional term loan facility, in case of NBFCs, from all Member Lending Institutions (MLIs) to eligible Business Enterprises/Micro, Small and Medium Enterprise (MSME) borrowers, including interested PMMY borrowers, in view of Covid 19 crisis, as a special scheme.

### ***The Prevention of Money Laundering Act, 2002 as amended (the “PMLA”)***

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the 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 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakhs. 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.

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

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

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution 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 issued 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.

A bank or financial institution may sell financial assets only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitisation 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 and 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 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 652(E) dated February 12, 2021, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹100 crores and above) has been reduced from ₹50 lakhs to ₹20 Lakhs.

### ***Insolvency and Bankruptcy Code, 2016 as amended (the “Bankruptcy Code”)***

The Insolvency and Bankruptcy Code, 2016 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.

The Bankruptcy Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

- i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;
- ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and
- iii. to establish an Insolvency and Bankruptcy Board of India.

The Bankruptcy Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

- i. In case of companies, limited liability partnerships, other limited liability entities, and any other body corporate, the National Company Law Tribunals (“NCLT”) shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal (“NCLAT”).
- ii. In case of individuals and partnerships, Debt Recovery Tribunal (“DRT”) shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal (“DRAT”).

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The Bankruptcy Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

- i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The Bankruptcy Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits of the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.
- ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

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

In addition, the Bankruptcy Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India (“IBBI”) which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

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.

During the COVID-19 pandemic, the Code was amended to insert Section 10A, that temporarily suspended Sections 7,9 and 10 for initiation of corporate insolvency resolution process and the Section 66 was also amended subject to 10A. The amendment suspended the filing for insolvency for defaults arising on or after March 25, 2020, till March 2021 for now.

### ***The Companies Act, 2013, as amended (the “Companies Act”)***

The 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. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit of financial statements, 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 crores or more, or turnover of ₹1,000 crores or more or a net profit of ₹5 crores or more during the immediately preceding financial year shall constitute a corporate social responsibility committee, which 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.

#### ***Registration of a charge under the Companies Act 2013***

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the Registrar of Companies.

If the particulars of a charge are not filed within the aforesaid period but filed within a period of 300 days of such creation or modification, in cases of charges created before the commencement of the Companies (Amendment) Act, 2019, or within a period of 60 days, in cases of charges created on or after the commencement of the Companies (Amendment) Act, 2019, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

#### ***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.

#### ***SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“SEBI NCS Regulations”)***

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations (“**SEBI Debt Regulations**”) and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“**NCRPS Regulations**”) into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidances and provisions of circulars

issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

***SEBI Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitized Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021 (“SEBI Operational Circular”).***

***SEBI Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper on July 29, 2022.***

Following the SEBI’s notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued the SEBI Operational Circular which has been further amended by circular number SEBI/HO/DDHS/P/CIR/2021/0692 dated December 17, 2021, circular number SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/031 dated March 22, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022 and circular number SEBI/HO/DDHS/ DDHS\_Div1/P/CIR/2022/00152 dated November 10, 2022.

Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

## **Laws Relating to Employment**

### **Shops and Establishments legislations 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 and safety measures and wages for overtime work.

### **Labour Laws**

India has stringent labour related legislations. Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, as may be updated from time to time

*With a view to reform the archaic labor laws and to facilitate the ease of doing business in India, the President of India has assented to consolidate 29 central labor laws into four labor codes that are yet to be implemented, namely:*

- (i) The Code on Wages, 2019;*
- (ii) The Code on Social Security, 2020;*

- (iii) *The Occupational Safety, Health and Working Conditions Code, 2020; and*
- (iv) *The Industrial Relations Code, 2020.*

### **Laws relating to Intellectual Property**

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 Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement of intellectual property such as brand names, trade names and service marks and research works.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

### ***RBI's COVID-19 related measures***

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 01, 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 01, 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.

Further, RBI has on August 06, 2020 notified the “Resolution framework for COVID-19 related stress” (the “**Resolution Framework**”). Pursuant to the Resolution Framework, RBI has on September 07, 2020, which requires all lending institutions to mandatorily consider certain specified key ratios while finalizing the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework).

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted

tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 07, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ('ICA'), and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

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 01, 2020 to August 31, 2020 by the respective lending institutions.

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 23.10.2020 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.

#### ***COVID 19 – Regulatory Package***

RBI, on account of the disruptions caused to businesses on account of COVID-19 and to ensure the continuity of viable businesses, has permitted all lending institutions to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020. However, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. RBI has also clarified that for all accounts classified as standard as on February 29, 2020, even if overdue as on February 29, 2020, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past due for the purpose of asset classification under the IRAC norms. Further, HFCs will be required to make general provisions in respect of accounts that are in default but were standard as on February 29, 2020, and in respect of which the asset classification benefit has been extended. Such general provisions should be not less than 10% of the total outstanding amount in respect of such accounts, to be phased over the financial year ended March 31, 2020 (not less than 5%) and the quarter ending June 30, 2020 (not less than 5%). The aforementioned provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts. However, all other provisions required to be maintained by lending institutions, including the provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, shall continue to be made in the usual manner.

#### ***RBI circular on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package dated April 7, 2021 ("RBI Circular on Asset Classification")***

RBI Circular on Asset Classification gives effect to the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v. Union of India and others dated March 23, 2021 and requires all lending institutions, including HFCs, to immediately put in place a board approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e., March 1, 2020 to August 31, 2020 in conformity with the judgement. To ensure that the judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association in consultation with other industry participants/ bodies, which shall be adopted by all lending institutions. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, in terms of the RBI circulars on COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020. Lending institutions shall disclose the aggregate amount to be refunded/ adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.

Further, on August 6, 2020 RBI notified the “Resolution framework for COVID-19 Related Stress” (the “**Resolution Framework 1.0**”). Pursuant to the Resolution Framework 1.0, starting September 7, 2020, all lending institutions are required to mandatorily consider certain specified key ratios while finalising the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework 1.0). Additionally, on May 5, 2021 the RBI notified the “Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses” (the “**Resolution Framework 2.0**”), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

The RBI has issued Resolution Framework – 2.0 dated May 05, 2021 announcing measures to alleviate the potential stress to individual borrowers and small businesses due to the resurgence of COVID-19 pandemic in India, including:

(a) permitting lending institutions to offer a limited window to individual borrowers and small businesses, including those in wholesale and retail trade, who have availed personal loans and to whom the aggregate exposure is not of more than 250 million as on March 31, 2021 to implement resolution plans for their credit exposure;

(b) permitting lending institutions to form policies regarding the implementation of viable resolution plan for borrowers having stress on account of COVID – 19 and to ensure implementation before September 30, 2021 when the borrower and the lending institution agree towards a resolution plan;

(c) the resolution plan as stated in (b) should be implemented within 90 days from the date of invocation of resolution process and includes rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility etc, with a moratorium period of not more than two years on implementation of the resolution plan;

(d) permitting lending institutions to sanction additional finance even before implementation of the plan to meet the interim liquidity requirements of the borrower, to be classified as ‘Standard’ till implementation of the plan otherwise as per the actual performance of the borrower in case the resolution plan is not implemented within the set timeline;

(e) permitting lending institutions to keep from the date of implementation, higher of the provisions as per IRAC norms immediately before implementation or 10% the renegotiated debt exposure of the lending institution post implementation;

(f) half of provisions mentioned in (e) can be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA and the remaining half can be written back upon the borrower paying another 10 % of the residual debt without slipping into NPA;

(g) permitting the moratorium for resolution plans implemented in terms of Resolution Framework – 1.0 to be extended to not more than two years;

(h) permitting the lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring for resolution plans implemented in terms of Resolution Framework – 1.0 before September 30, 2021 and to restore the working capital limit as per Resolution Framework – 1.0 before March 31, 2022.

The RBI further through a circular dated June 04, 2021 revised the aggregate exposure limit, including non-fund based facilities, as stated in (a), from ₹25 crores to ₹50 crores.



## OUR MANAGEMENT

### Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. Our Company currently has six Directors on its Board.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Articles of Association of our Company provide that the number of directors shall not be less than three and not more than 12. Pursuant to the provisions of the Companies Act, at least two-third of the total number of Directors are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

Out of the six Directors, we have one Non-Executive Chairman, one Managing Director and CEO, two Non-Executive Directors (including a woman director) and two Independent Directors on our Board.

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

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships
<p><b>Mr. Ajit Kumar Mittal</b></p> <p><b>Address:</b> A-4005, Indiabulls Blu, Ganpatrao Kadam Marg, Worli Naka, Worli Mumbai – 400018, Maharashtra</p> <p><b>DIN:</b> 02698115</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Date of appointment:</b> September 30, 2013</p> <p><b>Date of re-appointment:</b> August 14, 2017 (Change of designation from Executive Director to Chairman, Non-Executive Director)</p>	63	Chairman and Non-Executive Director	<ul style="list-style-type: none"> <li>• Indiabulls Housing Finance Limited</li> <li>• Indiabulls Trustee Company Limited</li> <li>• Trustpay Education Services Private Limited</li> </ul>
<p><b>Mr. Rajiv Gandhi</b></p> <p><b>Address:</b> 104, A-Wing Bolivian Alps, Bhakti Park, Near Imax Theatre, Wadala East, Mumbai –400037, Maharashtra, India</p> <p><b>DIN:</b> 09063985</p> <p><b>Occupation:</b> Service</p> <p><b>Date of appointment:</b></p>	57	Managing Director and CEO	Nil

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships
February 15, 2021  <b>Term:</b> Five years  <b>Nationality:</b> Indian			
<b>Mr. Anil Malhan</b>  <b>Address:</b> 320, E-Space, Narvana Country, Sector-50, South City 2, Farrukhnagar Gurgaon-122001, Haryana  <b>DIN:</b> 01542646  <b>Nationality:</b> Indian  <b>Occupation:</b> Service  <b>Term:</b> Liable to retire by rotation  <b>Date of appointment:</b> July 7, 2006	50	Non-Executive Director	<ul style="list-style-type: none"> <li>• Aspire Land Development Private Limited</li> <li>• Indiabulls Collection Agency Limited</li> <li>• Indiabulls Holdings Limited</li> </ul>
<b>Ms. Preetinder Virk</b>  <b>Address:</b> H.No.1139, Sector-13. Urban Estate, Karnal, Haryana – 132001, India  <b>DIN:</b> 02398827  <b>Nationality:</b> Indian  <b>Occupation:</b> Qualified Professional  <b>Term:</b> Liable to retire by rotation  <b>Date of appointment:</b> March 31, 2022	40	Non-Executive Director	<ul style="list-style-type: none"> <li>• Indiabulls Asset Management Company Limited.</li> <li>• Securitrust Corporate Services Private Limited</li> </ul>
<b>Mr. Dinabandhu Mohapatra</b>  <b>Address:</b> Flat No. A/24, Sterling Apartments, Pedder Road, Mumbai, Maharashtra - 400026 <b>DIN:</b> 07488705  <b>Nationality:</b> Indian  <b>Occupation:</b> Former MD & CEO, Bank of India <b>Term:</b> For a period of three years, with effect from June 23, 2022. Not liable to retire by rotation.  <b>Date of appointment:</b> June 23, 2022	63	Independent Director	<ul style="list-style-type: none"> <li>• Indiabulls Housing Finance Limited</li> </ul>
<b>Mr. Satish Chand Mathur</b>  <b>Address:</b> Plot No. 212- 213, Yashodhan, Flat No. 10, 2 <sup>nd</sup> Floor,	64	Independent Director	<ul style="list-style-type: none"> <li>• Indiabulls Housing Finance Limited</li> <li>• JM Financial Asset Reconstruction Company Limited</li> </ul>

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships
<p>Dinshaw Wachha Road, Opp. Cricket Club of India, Churchgate, Mumbai – 400020, Maharashtra India</p> <p><b>DIN:</b> 03641285</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Ex-DGP of Maharashtra</p> <p><b>Term:</b>For a period of three years, with effect from June 23, 2022. Not liable to retire by rotation.</p> <p><b>Date of appointment:</b> June 23, 2022</p>			<ul style="list-style-type: none"> <li>• JM Financial Credit Solutions Limited</li> <li>• Tilaknagar Industries Limited</li> <li>• Ring Plus Aqua Limited</li> <li>• Kesar Petroproducts Limited</li> </ul>

### Brief biographies of our Directors

**Mr. Ajit Kumar Mittal**, aged 63 years, is a Non-Executive Director and Chairman of the Company. He holds a bachelor's degree in arts and a masters' degree in arts (economics) from Kurukshetra University. He also holds a masters' degree in science (business administration programme) from the University of Illinois, USA.

**Mr. Rajiv Gandhi**, aged 57 years, is a Managing Director and CEO on our Board. He holds a Master's degree in Business Administration from the Faculty of Management Studies, Mohnalal Sukhadia University, Udaipur. He has over 27 years of work experience accumulated across the industry. He is a founder member of our Company. Prior to joining IBHFL, he was associated with Nicholas Piramal India Limited, Birla Home Finance Limited and Birla Sunlife Insurance Limited.

**Mr. Anil Malhan**, aged 50 years, is a Non-Executive Director of our Company. He holds a bachelor's degree in Arts from Delhi University and a master's degree in business administration from IMS, Ghaziabad. He has over 22 years of industry experience and brings deep operational knowledge and first-hand experience in shaping the business strategy and operations. During his association with the Indiabulls Group, he has provided leadership and guidance in the areas of administration, regulatory, service industry and projects execution. He also possesses rich and varied experience in the areas of HR, legal, finance and marketing.

**Ms. Preetinder Virk**, aged 40 years, holds a Bachelors' Degree in Commerce from Kurukshetra University and a Bachelors' Degree in Law from Panjab University. She has been associated with Indiabulls Housing Finance Limited and previously, worked with Brahma City Private Limited and HDB Financial Services Limited (formerly Atlas Documentary Facilitators Company Private Limited).

**Mr. Dinabandhu Mohapatra**, aged 63 years, is a Non-executive and Independent Director of our Company. He is a former managing director and chief executive officer of Bank of India. During his career he held various positions, including executive director of Canara Bank and chief executive officer of Hong Kong and Singapore Centres of Bank of India. He is experienced in the field of treasury operations, international banking, priority sector lending, corporate lending, marketing, recovery, human resources. He has a bachelors' degree in law from University Law College, Vani Vihar, a masters' degree in economics from Vani Vihar, Bhubaneswar and a certified associate of the Indian Institute of Bankers. He joined Bank of India as a probationary banking officer in the year 1984. During his career he has headed various branches, departments, zones and national banking groups in eastern, western, northern and southern parts of the country. As executive director of Canara Bank, he was overseeing the international operations, overseas credit, strategic planning and development (including economic intelligence and BPR), retail resources, marketing, selling & cross-selling, government business and fee income vertical, corporate credit, PAG and syndication, CDR and stressed accounts, financial management and subsidiaries.

**Mr. Satish Chand Mathur**, aged 64 years, is a Non-Executive and Independent Director of our Company. He holds a bachelors' degree in arts from and a masters' degree in art from Delhi University, St Stephen's College. He was the Director General of Police, Maharashtra and Joint Police Commissioner, Maharashtra. He served in the Indian Police Service for over 36 years. He has expertise in the areas of administration, and operational matters. During his service in the Indian Police Service, he received a medal for his service from the President of India.

#### **Relationship with other Directors**

None of the directors of the Company are related to each other.

#### **Confirmations**

No Director in our Company is a Director, or is otherwise associated in any manner, with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

No Director in our Company 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.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard are pending against any of our Directors.

None of our Directors is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities in any other manner.

None of our Directors are in default of payment of interest or repayment of principal amount, in respect of debt securities issued to the public, for a period of more than six months.

The permanent account number of the Directors were submitted to the Stock Exchanges at the time of filing of the Draft Shelf Prospectus.

None of our Directors have any interest in the promotion of our Company.

#### **Compensation of Directors**

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

- a. The following table sets forth the compensation paid by our Company, to our Whole-time Director for the nine months ended December 31, 2022, and the Fiscal Years, 2022, 2021 and 2020 (including the value of post-retirement benefits and share-based payments):

(₹ in crores)

Whole-time Director	Total remuneration (including salary and other benefits*)			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
N.A.	N.A.	N.A.	N.A.	N.A.

- b. The following table sets forth the compensation paid by our Company, to our Managing Director for the nine months ended December 31, 2022, and the Fiscal Years, 2022, 2021 and 2020 (including the value of post-retirement benefits and share-based payments):

(₹ in crores)

Managing Director	Total remuneration (including salary and other benefits)			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Mr. Ripudaman Bandral*	N.A.	N.A.	1.45	2.18

Managing Director	Total remuneration (including salary and other benefits)			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Mr. Rajiv Gandhi**	5.08	0.74	0.28	N.A.

\*Appointed w.e.f. August 16, 2017 and resigned February 15, 2021.

\*\*The Board of the Company in its meeting held on February 15, 2021, appointed Mr. Rajiv Gandhi, as a Managing Director and CEO of the Company for five years with effect from February 15, 2021.

- c. The following table sets forth the compensation paid by our Company to our current Non-Executive Directors for the nine months ended December 31, 2022 and the Fiscal Years, 2022, 2021 and 2020:

(₹ in crores)

Non-Executive Director	Total remuneration (including salary and other benefits*)			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Mr. Ajit Kumar Mittal*	Nil	Nil	Nil	Nil
Mr. Anil Malhan	Nil	Nil	Nil	Nil
Mrs. Priya Jain**	Nil	Nil	Nil	Nil
Ms. Preetinder Virk**	Nil	Nil	N.A.	N.A.

\*W.e.f. August 14, 2017, Mr. Ajit Kumar Mittal has relinquished his office of Whole-Time Director of the Company and

was appointed as Non-Executive Chairman of the Company, with effect from August 14, 2017.

\*\*Mrs. Priya Jain (DIN: 07257863) resigned from the office of Non-Executive Director of the Company w.e.f. March 31, 2022 and Ms. Preetinder Virk (DIN: 02398827) was appointed as the Non-Executive Director of the Company w.e.f. March 31 2022.

- d. The following table sets forth the sitting fees paid by our Company to our existing Independent Directors for the nine months ended December 31, 2022, and the Fiscal Years, 2022, 2021 and 2020:

(₹ in crores)

Name of Director	Total sitting fees			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Mr. Prem Prakash Mirdha*	Nil	Nil	Nil	Nil
Mr. Shamsher Singh Ahlawat*	Nil	Nil	Nil	Nil
Mr. Dinabandhu Mohapatra*	0.03	N.A.	N.A.	N.A.
Mr. Satish Chand Mathur*	0.03	N.A.	N.A.	N.A.

\*Mr. Shamsher Singh Ahlawat (DIN: 00017480) and Mr. Prem Prakash Mirdha (DIN: 01352748), Independent Directors, resigned from the Company w.e.f. June 23, 2022 and Mr. Satish Chand Mathur (DIN: 03641285) (ex-Director General of Police, Maharashtra) and Mr. Dinabandhu Mohapatra (DIN: 07488705) (former MD & CEO, Bank of India) appointed as the Independent Directors of the Company w.e.f. June 23, 2022.

- e. Details of remuneration payable or paid to the Director by the subsidiaries and associate companies of the Company in the current year or in the last three financial years:

Nil

### Borrowing powers of the Board

Pursuant to the resolution passed by the shareholders of our Company on August 1, 2018 in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act 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), provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹20,000 crores.

## Interest of the Directors

Our Managing Director and CEO may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them. Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and profit linked incentives payable to them.

Our Directors, including the Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Our Directors may be deemed to be interested in the contracts, agreements or 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. Except as otherwise stated in this Tranche II Prospectus and statutory registers maintained by our Company in this regard, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Tranche II Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. None of the Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Tranche II Prospectus.

None of the 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 or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the Company.

There is no contribution being made by the Directors as part of the Tranche II Issue or separately in furtherance of such objects of the Tranche II Issue.

Other than as disclosed in this Tranche II Prospectus, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has not availed any loans from the Directors which are currently outstanding.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Except as disclosed hereinabove and the section titled “Risk Factors” on page 18 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.

## Remuneration payable or paid to Directors by subsidiaries and associate company of the Company

No remuneration has been paid and/or is payable to our Directors by the subsidiaries or associate company of the Company in the current year or in the last three financial years.

## Shareholding of Directors including details of qualification shares held by Directors as on the date of this Tranche II Prospectus:

As on the date of this Tranche II Prospectus, except the following, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company.

Name of Director	Designation	Number of equity shares	Percentage shareholding (%)
Mr. Anil Malhan	Non-Executive Director	1*	Negligible

\* Held as Nominee of Indiabulls Housing Finance Limited

**Shareholding of Directors in subsidiaries including details of qualification shares held by Directors as on the date of this Tranche II Prospectus:**

As on the date of this Tranche II Prospectus, the Company has no subsidiaries.

**Holding of debentures by the Directors of the Company:**

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

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

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

**Changes in the Directors of our Company during the last three years preceding the date of this Tranche II Prospectus:**

The Changes in the Board of Directors of our Company in the three years preceding the date of this Tranche II Prospectus are as follows:

S. No.	Name, Designation	DIN	Date of appointment/cessation	Reasons	Date of appointment in case of cessation/resignation
1.	Mr. Ripudaman Bandral, Managing Director	07910257	February 15, 2021	Resignation	August 16, 2017
2.	Mr. Rajiv Gandhi, Managing Director & CEO	09063985	February 15, 2021	Appointment	N.A.
3.	Mrs. Priya Jain, Non-Executive Director	07257863	March 31, 2022	Resignation	July 11, 2016
4.	Ms. Preetinder Virk, Non-Executive Director	02398827	March 31, 2022	Appointment	N.A.
5.	Mr. Satish Chand Mathur, Independent Director	03641285	June 23, 2022	Appointment	N.A.
6.	Mr. Dinabandhu Mohapatra, Independent Director	07488705	June 23, 2022	Appointment	N.A.
7.	Mr. Prem Prakash Mirdha, Independent Director	01352748	June 23, 2022	Resignation	March 16, 2015
8.	Mr. Shamsheer Singh Ahlawat, Independent Director	00017480	June 23, 2022	Resignation	March 16, 2015

**Committees of Board of Directors**

The Board of Directors have constituted committees, in accordance with the relevant provisions of the Companies Act, Corporate Governance Directions and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Tranche II Prospectus:

Committee	Members	Designation
Audit Committee	Mr. Dinabandhu Mohapatra (Chairman)	Independent Director
	Mr. Satish Chand Mathur	Independent Director
	Mr. Anil Malhan	Non-Executive Director
Nomination and Remuneration Committee	Mr. Dinabandhu Mohapatra (Chairman)	Independent Director
	Mr. Satish Chand Mathur	Independent Director
	Mr. Anil Malhan	Non-Executive Director

<b>Committee</b>	<b>Members</b>	<b>Designation</b>
Corporate Social Responsibility Committee	Mr. Anil Malhan (Chairman)	Non-Executive Director
	Mr. Dinabandhu Mohapatra	Independent Director
	Mr. Satish Chand Mathur	Independent Director
Risk Management Committee	Mr. Anil Malhan (Chairman)	Non-Executive Director
	Mr. Dinabandhu Mohapatra	Independent Director
	Mr. Ashish Kumar Jain	Member (CFO)
Stakeholder Relationship Committee	Mr. Anil Malhan (Chairman)	Non-Executive Director
	Mr. Satish Chand Mathur	Independent Director
	Mr. Dinabandhu Mohapatra	Independent Director
Assets Liability Management Committee	Mr. Rajiv Gandhi (Chairman)	Managing Director & CEO
	Mr. Ashish Kumar Jain	Member (CFO)
	Mr. Sukhjit Singh Makkar	Member
	Mr. Anil Malhan	Non-Executive Director
	Mr. Subhankar Ghosh	Member
	Mr. Pankaj Kumar Jain	Member
	Mr. Anil Kumar Yadav	Member
IT Strategy Committee	Mr. Dinabandhu Mohapatra (Chairman)	Independent Director
	Mr. Nithin R	Member
	Mr. Anil Kumar Yadav	Member
Investment Committee	Mr. Ajit Kumar Mittal (Chairman)	Non-Executive Director
	Mr. Rajiv Gandhi	Managing Director & CEO
	Mr. Ashish Kumar Jain	Member (CFO)
Bond Issue Committee	Mr. Ajit Kumar Mittal (Chairman)	Non-Executive Director
	Mr. Anil Malhan,	Non-Executive Director
	Mr. Satish Chand Mathur	Independent Director
Management Committee	Mr. Rajiv Gandhi (Chairman)	Managing Director & CEO
	Mr. Anil Malhan	Non-Executive Director
	Mr. Ajit Kumar Mittal	Non-Executive Director

## 1. Audit Committee

The Audit Committee was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on September 30, 2021 and, inter-alia, include:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/ reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Review of Credit Concurrent Audit Report/ Concurrent Audit Report of Treasury;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing with the management the utilisation of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit



process;

- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate;
- Approval of Bad Debt Write Off in terms of the Policy;
- Review of information system audit of the internal systems and processes to assess the operational risks faced by the Company and also ensures that the information system audit of internal systems and processes is conducted periodically; and
- Reviewing the utilisation of loans and/or advances and/or investment by the Company to its subsidiary companies, exceeding ₹100 crores or 10% of the assets side of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 01, 2019.

## 2. **Nomination and Remuneration Committee (“NRC”)**

NRC was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on September 30, 2021, and, *inter-alia*, include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To ensure ‘fit and proper’ status of proposed/ existing directors;
- To recommend to the Board all remuneration, in whatever form, payable to Directors, KMPs and senior management;

## 3. **Corporate Social Responsibility Committee (“CSR Committee”)**

CSR Committee was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on July 21, 2017 and, *inter-alia*, include:

- To recommend to the Board, the CSR activities to be undertaken by the Company.
- To approve the expenditure to be incurred on the CSR activities.
- To oversee and review the effective implementation of the CSR activities.
- To ensure compliance of all related applicable regulatory requirements.

## 4. **Asset Liability Management Committee (“ALM Committee”)**

ALM Committee was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on July 21, 2017 and, *inter-alia*, include:

- Review of Assets and Liabilities position of the Company and Liquidity risk Management and give directions to Finance/Treasury Team in the event of ALM mismatches beyond permissible limit as set out by the Committee.
- Management of Interest Risk and product pricing, launching of new products
- Periodical review of PLR and recommend for change for the benchmark rate of the Company
- Approval of Inter corporate loans to holding company and the associate companies.
- To measure the future cash flow as per maturity profile.
- Analyzing various risks like liquidity risk, interest rate risk, investment risk and business risks.
- Assessment of opportunity cost and maintenance of liquidity.
- Evaluate market risk involved in launching of new products.
- Decide the transfer pricing policy of the Company.
- To approve the business plan, targets and their regular reviews.

## 5. Risk Management Committee (“RMC”)

RMC was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on September 30, 2021. and, *inter-alia*, include:

- Review of Grievance Redressal Mechanism and Customers Services
- Approve the Credit/Operation Policy and its review/modification from time to time;
- Review of applicable regulatory requirements;
- Approve all the functional policies of the Company;
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc;
- Review of profile of the high loan Customers and periodical review of the same;
- Review of Branch Audit Report;
- Review Compliances of lapses;
- Review of implementation of FPCs, KYC and PMLA guidelines;
- Define loan sanctioning authorities, including process of vetting by credit committee, for various types/values of loans as specified in Credit Policy approved by the Board;
- Recommend Bad Debt Write Off in terms of the Policy, for approval to Audit Committee;
- Ensure appropriate mechanisms to detect customer fraud and cyber security during the loan approval process etc.; and
- Evaluation of the risk management systems (in addition to the internal control systems).
- Any other matter involving Risk to the asset/business of the Company.

## 6. Investment Committee

Investment Committee was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on July 21, 2017 and, *inter-alia*, include:

- To help the Company to gainfully deploy the surplus funds available from time to time and creation of long term assets for the Company.
- To periodically review and ensure that all the investments made by the Company are in consonance / compliance with the Investment Policy adopted by the Company.
- To review and approve the amendments in the Investment Policy.
- To decides on engagement of brokers, its terms and conditions, commissions etc.,
- To decides and periodical review of classification of investment as well as on inter-changing of the classifications of investment (e.g., held to maturity, held for trading, held for sale).

## 7. Bond Issue Committee

Bond Issue Committee was last reconstituted on June 23, 2022. The terms of reference of this committee were last amended on October 15, 2018 and, *inter-alia*, include:

- authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the NCDs;
- giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- appointing the lead managers, legal counsels, rating agency, trustee, registrar and any other intermediary to the issue in accordance with the provisions of the SEBI NCS Regulations and other applicable laws;
- seeking, if required, any approval, consent or waiver from the Company’s lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the NCDs;
- deciding, modifying or altering the pricing and terms and conditions of the NCDs, and all other related matters, including the determination of the size of the NCDs issue up to the maximum limit prescribed by the Board and the minimum subscription, number of the NCDs to be issued, the timing, nature of debt permitted by applicable laws, type, pricing, type of investors and such other terms and conditions of the issue including coupon rate, yield, retention of oversubscription, if any, etc., in consultation with the lead

managers;

- approval of the draft prospectus and prospectus, as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;
- seeking the listing of the NCDs on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing and trading approval;
- finalization of, and arrangement for, the submission of the draft prospectus and prospectus(es) to be submitted to the Stock Exchange(s) and SEBI for receiving comments from the public and the Prospectus to be filed with the Stock Exchange(s), registrar of companies, and any corrigendum, amendments supplements thereto;
- authorization of the maintenance of a register of holders of the debentures;
- finalization of the basis of allotment of the NCDs including in the event of over-subscription;
- finalization of the allotment of the NCDs on the basis of the applications received;
- acceptance and appropriation of the proceeds of the Tranche II Issue;
- to generally do any other act and/or deed, to negotiate and execute any document/s, including finalising the issue agreement with lead managers, agreement with registrar to the Tranche II Issue, consortium agreement, escrow agreement, , underwriting agreement, other agreements, listing agreement, tripartite agreements, 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 Tranche II Issue, as it may deem expedient, extension of Tranche II Issue and/or early closure of the Tranche II Issue and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Tranche II Issue;
- to generally finalise any security offered for this Tranche II Issue and execute documents in relation to the security creation including mortgage deed/deed of hypothecation/ debenture trust deed, debenture trustee agreement and all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose as it deems fit or as may be necessary or desirable with regard to the security for the Tranche II Issue; and to approve issue and allotment of the NCDs and to approve all other matters relating to the Tranche II Issue including issuing debenture certificates and do all such acts, deeds, matters and things in relation to the allotment of NCDs; and
- to approve issue and allotment of the NCDs and to approve all other matters relating to the Tranche II Issue including issuing debenture certificates and do all such acts, deed, matters and things in relation to the allotment of NCDs.

## 8. Stakeholder Relationship Committee

Stakeholder Relationship Committee was last reconstituted on June 23, 2022. The terms of reference of the Stakeholder Relationship Committee were last amended on September 30, 2021. and, *inter-alia*, include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares/Debentures, non-receipt of annual report, non-receipt of declared dividends/interest, issue of new/duplicate certificates, general meetings etc.,
- Review of measures taken for effective exercise of voting rights by shareholders,
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.

## 9. IT Strategy Committee

IT Strategy Committee was last reconstituted on November 14, 2022. The terms of reference of the IT Strategy Committee were last amended on August 6, 2019 and, *inter-alia*, include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

- 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;
- Ensuring proper balance of IT investments for sustaining ICCL growth and becoming aware about exposure towards IT risks and controls.

## 10. Management Committee

Management Committee was constituted on May 20, 2022. The terms of reference of the Management Committee were also approved on the same day which, *inter-alia*, include:

- Discuss and finalize strategic issues related to credit policy, and deliberate on quality of credit portfolio.
- Review/finalize/ revise/ sanction / decide on the policies or matters relating to:
  - (a) credit issues
  - (b) expenditure
  - (c) borrowings
- Approve opening and closure of branches/ offices.
- Approve rental / terms of lease of premises.
- Issue/ withdraw/ modify Power of Attorney to Company officials.
- To discuss and decide on issues relating to day to day affairs/ problems and take such steps as may be deemed fit for the smooth functioning of the company.
- Authorize official/s of the Company to represent in a court of law/ tribunal / arbitrator/ tax authority/Banks/companies.
- Empanel/ remove Brokers/Agents/Lawyers/solicitors/Consultants.
- To apply for registration/empanelment of Company with any authority including tax authorities.
- To approve derivative limits, derivative transactions and foreign exchange transactions.
- To finalize and approve the notices of the shareholders meeting(s).
- Refinance ECB / Term loans, taken by the Company, to achieve cost reduction.
- Buy back of CPs and NCDs from the market, from time to time.
- To approve sell down and/or assignment of pool of loan(s).
- Any other routine administrative matter.
- Any other urgent matter which may require Board's attention but cannot be placed before Board due to paucity of time or otherwise.

### Key Managerial Personnel of our Company

Following are the Key Managerial Personnel of our Company:

S. No.	Name	Designation
1.	Mr. Rajiv Gandhi	Managing Director and CEO
2.	Mr. Ashish Kumar Jain	Chief Financial Officer
3.	Mr. Ajit Kumar Singh	Company Secretary

**Mr. Rajiv Gandhi**, aged 57 years, is a Managing Director and CEO on our Board. He holds a Master's degree in Business Administration from the Faculty of Management Studies, Mohnalal Sukhadia University, Udaipur. He has over 27 years of work experience accumulated across the industry. He is a founder member of our Company. Prior to joining IBHFL, he was associated with Nicholas Piramal India Limited, Birla Home Finance Limited and Birla Sunlife Insurance Limited.

**Mr. Ashish Kumar Jain**, aged 44 years, is the Chief Financial Officer of our Company. He is a qualified chartered accountant a member of the Institute of Chartered Accountant of India. He has over 15 years of experience in accounting and finance.

**Mr. Ajit Kumar Singh**, aged 43 years, is the Company Secretary and Compliance Officer of our Company. He is a qualified company secretary and a member of the Institute of Company Secretaries of India. He has been associated with the Indiabulls group of companies for almost 17 years and has experience in secretarial and compliance related matters.

### **Shareholding of Key Managerial Personnel**

None of our Key Managerial Personnel hold any Equity Shares as on the date of this Tranche II Prospectus.

### **Corporate governance**

The Board of Directors presently consists of six Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has two Independent Directors and one woman director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the SEBI Listing Regulations and the requirements under the Corporate Governance Directions.

### **Policy on disclosures and internal procedure for prevention of insider trading**

Our Company has adopted a code of conduct for prevention of insider trading (“**Insider Code**”) with a view to regulate trading in securities by the directors and employees of our Company. The Insider Code requires pre-clearance for dealing in our Company’s shares and prohibits the purchase or sale of our Company’s shares by the directors and employees while in possession of unpublished price sensitive information in relation to our Company or its securities. Our Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the Insider Code by all the directors and employees likely to have access to unpublished price sensitive information.

### **Relationship with other Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other.

### **Other confirmations**

None of the Directors, Promoter or Key Managerial Personnel of our Company has any financial or other material interest in the Tranche II Issue.

Our Directors do not propose to subscribe to the Tranche II Issue.

All our Key Managerial Personnel are permanent employees of our Company.

Except as may be disclosed in this chapter, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel. None of the Directors or the companies with which they are or were associated as promoter or director, are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental or regulatory or judicial authority.

Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental or regulatory or judicial authority.

Neither our Company nor Promoter have been declared as a Wilful Defaulter in the last ten years.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

### **Related Party Transaction**

For details of the related party transactions for the Fiscals 2022, 2021 and 2020 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 “*Related Party Transactions*” and “*Financial Indebtedness*” on pages 170 and 173, respectively, of this Tranche II Prospectus.

### **Payment of benefits and profit-share to Employees**

Not Applicable.

### **Employee Stock Option Schemes**

Not Applicable.

## OUR PROMOTER

### Profile of our Promoter

Our promoter is Indiabulls Housing Finance Limited.

IHFL was incorporated under the Companies Act, 1956 on May 10, 2005, with the Registrar of Companies, National Capital Territory of Delhi and Haryana and received a certificate for commencement of business from the RoC on January 10, 2006.

IHFL is one of the largest housing finance companies in India. It received a certificate of registration from the NHB to carry on the business of a housing finance institution in December 28, 2005 having registration number 02.0063.05. It is also a notified financial institution under the SARFAESI Act.

IHFL has its registered office at 5th Floor, Building No. 27, KG Marg Connaught Place, New Delhi – 110 001, India and bears the CIN L65922DL2005PLC136029. The permanent account number of IHFL is AABCI3612A.

IHFL focus primarily on long-term secured mortgage-backed loans. It offers housing loans and loans against property to its target client base of salaried and self-employed individuals and small and medium-sized enterprises. It also offers mortgage loans to real estate developers in India in the form of lease rental discounting for commercial premises and construction finance for the construction of residential premises. The majority of its assets under management comprise housing loans, including in the affordable housing segment.

IHFL has a long-term credit rating of “AA; Outlook Stable” from CRISIL and ICRA, “AA; Outlook Negative” from CARE Ratings and “AA+; Outlook Stable” from Brickwork Ratings for non-convertible debentures and subordinated debt programme. Additionally, IHFL has a long-term credit rating of “AA; Outlook Stable” from CRISIL, “AA; Outlook Negative” from CARE Ratings and “AA+; Outlook Stable” from Brickwork Ratings for its long-term facilities. IHFL also has the highest short-term credit rating of “A1+” (for their commercial paper programme) from CRISIL, CARE and Brickwork Ratings.

### Interest of our Promoter in our Company

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder, loans provided to us by our Promoter, sharing infrastructure and common services. For details pertaining to the transactions entered into between our Promoter and Promoter Group entities and our Company, please see “*Related Party Transactions*” on page 170 of this Tranche II Prospectus.

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Tranche II Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter does not propose to subscribe to the Issue.

Our Promoter has no financial or other material interest in the Issue.

### Other understandings and confirmations

Our Promoter has not been identified as a wilful defaulter by the RBI or any other governmental authority and is not a Promoter of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as wilful defaulters.

Other than as mentioned below, there are no violations of securities laws has been committed by IHFL in the past or is currently pending against IHFL:

IHFL has paid a sum of ₹14,39,900 to SEBI for settlement of notice dated July 18, 2016 received under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 by IHFL in relation to certain alleged irregularities with the filing of shareholding patterns by IHFL (between 2010 and

2012) with the stock exchanges pursuant to the erstwhile equity listing agreement that all listed entities in India were required to enter into with the stock exchanges.

No regulatory action before SEBI, RBI or NHB is currently pending against our Promoter.

Our Promoter and members of the Promoter Group are not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

For details relating to litigation against our promoter, please see section “*Outstanding Litigations and Defaults*” on page 188 of this Tranche II Prospectus.

The permanent account number and bank account number(s) of our Promoter have been submitted to the Stock Exchanges at the time of filing the Draft Shelf Prospectus.

#### **Payment of benefits to our Promoter during the last three Fiscal Years**

Except as stated in this section and section “*Related Party Transactions*” on page 170 of this Tranche II Prospectus, no amounts or benefits have been paid or given or intended to be paid or given to our Promoter within the three Fiscal Years preceding the date of this Tranche II Prospectus.

#### **Details of Equity Shares allotted to our Promoter during the last three Fiscal Years**

There has been no changes in the paid-up Equity Share capital of our Company as on December 31, 2022 during the last three years.

#### **Details of Promoter shareholding in the Company as on December 31, 2022**

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on December 31, 2022:

<b>Total number of Equity Shares</b>	<b>Number of Equity Shares in demat form</b>	<b>Total shareholding as % of total number of Equity Shares</b>	<b>Number of Equity Shares pledged</b>	<b>% of Equity Shares pledged with respect to the Equity Shares owned by IHFL</b>
247,799,324*	247,799,300	100	Nil	Nil

\*Includes one Equity Share held by Mr. Anil Malhan, four Equity Shares held by Mrs. Niharika Bhardwaj, four Equity Shares by Mr. Somil Rastogi, four Equity Shares by Mr. Satish Chand, four Equity Shares by Mr. Naveen Uppal, four Equity Shares by Mr. Prince Sethi, and three Equity Shares by Mr. Gagan Banga, respectively, as a nominee of Indiabulls Housing Finance Limited.

#### **Shareholding pattern of our Promoter as on December 31, 2022**

The following are the statements representing the shareholding pattern of the Promoter and Promoter Group as on December 31, 2022:

*(this space has intentionally been left blank)*

(i) Summary Statement holding of specified securities

Category	Category of Shareholder	No. 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 No. of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (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) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No. of Voting Rights	Total as a % of (A+B+C)	Equity shares with voting rights			No.	As a % of total Shares held	No.	As a % of total Shares held		
																		----
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)	(XIV)		
(A)	Promoter & Promoter Group <sup>(1)</sup>	3	4,51,94,807	-	-	4,51,94,807	9.59	4,51,94,807	-	4,51,94,807	9.58	-	7.64	-	-	-	-	4,51,94,807
(B)	Public	5,10,516	40,28,34,318	-	-	40,28,34,318	85.52	40,28,34,318	-	40,28,34,318	85.42	12,07,95,641	88.48	-	-	NA	NA	40,28,34,318
(C)	Non Promoter-Non Public																	



(C1)	Shares underlying DRs	1	-	-	5,67,505	5,67,505	NA	5,67,505	-	5,67,505	0.12	-	NA	-	-	NA	NA	5,67,505
(C2)	Shares held by Employees Trusts	1	2,30,00,000	-	-	2,30,00,000	4.88	2,30,00,000	-	2,30,00,000	4.88	-	3.89	-	-	NA	NA	2,30,00,000
	<b>Total:</b>	<b>5,10,521</b>	<b>47,10,29,125</b>	<b>-</b>	<b>5,67,505</b>	<b>47,15,96,630</b>	<b>100</b>	<b>47,15,96,630</b>	<b>-</b>	<b>47,15,96,630</b>	<b>100</b>	<b>12,07,95,641</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,15,95,799</b>

<sup>(1)</sup> Mr. Sameer Gehlaut (founder and erstwhile promoter of IHFL), Inuus Infrastructure Private Limited and Sameer Gehlaut IBH Trust (erstwhile promoter group members of IHFL) vide a letter dated March 14, 2022 addressed to the board of directors of IHFL, had requested to be re-classified from the 'promoter and promoter group' category to 'public' category of shareholders of IHFL, in accordance with Regulation 31A of the SEBI Listing Regulations, subject to receipt of requisite approvals. On April 19, 2022, post receipt of board and shareholder approvals, IHFL filed the relevant applications with the National Stock Exchange of India Limited and BSE Limited for approval of this re-classification and received the approvals from both Stock Exchanges vide their letters dated February 22, 2023. As on the date of this Tranche II Prospectus, IHFL has no identifiable promoters and is a professionally managed company.

(ii) Statement showing shareholding pattern of the erstwhile promoter and erstwhile promoter group of IHFL as on December 31, 2022:

Category	Category & Name of the Shareholder	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN	No. 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 No. of Shares Held (IV+V+VI)	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) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
										No. of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
										Equity shares with voting rights	----									Total
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)			
(1)	Indian																			
(a)	Individuals/Hindu undivided Family			1	5,00,000	-	-	5,00,000	0.11	5,00,000	-	5,00,000	0.11	-	0.08	-	-	-	-	5,00,000
	SAMEER GEHLAUT	Promoter*	AFM PG9 469E	1	5,00,000	-	-	5,00,000	0.11	5,00,000	-	5,00,000	0.11	-	0.08	-	-	-	-	5,00,000

(b)	Central Government/State Government(s)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other			2	4,46,94,807	-	-	4,46,94,807	9.49	4,46,94,807	-	4,46,94,807	9.48	-	7.55	-	-	-	-	4,46,94,807
	INUUS INFRASTRUCTURE PRIVATE LIMITED	Promoter Group Entity *	AAC CI17 76N	1	2,79,43,325	-	-	2,79,43,325	5.93	2,79,43,325	-	2,79,43,325	5.93	-	4.72	-	-	-	-	2,79,43,325
	SAMEER GEHLAUT IBH TRUST	Promoter Group Entity *	AAZ TS75 86E	1	1,67,51,482	-	-	1,67,51,482	3.56	1,67,51,482	-	1,67,51,482	3.55	-	2.83	-	-	-	-	1,67,51,482
	<b>Sub-Total (A)(1)</b>			<b>3</b>	<b>4,51,94,807</b>	<b>-</b>	<b>-</b>	<b>4,51,94,807</b>	<b>9.59</b>	<b>4,51,94,807</b>	<b>-</b>	<b>4,51,94,807</b>	<b>9.58</b>	<b>-</b>	<b>7.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,51,94,807</b>
(2)	Foreign																			
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(e)	Any Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>			<b>3</b>	<b>4,51,94,807</b>	-	-	<b>4,51,94,807</b>	<b>9.59</b>	<b>4,51,94,807</b>	-	<b>4,51,94,807</b>	<b>9.58</b>	-	<b>7.64</b>	-	-	-	-	<b>4,51,94,807</b>

<sup>(1)</sup> Mr. Sameer Gehlaut (founder and erstwhile promoter of IHFL), Inuus Infrastructure Private Limited and Sameer Gehlaut IBH Trust (erstwhile promoter group members of IHFL) vide a letter dated March 14, 2022 addressed to the board of directors of IHFL, had requested to be re-classified from the 'promoter and promoter group' category to 'public' category of shareholders of IHFL, in accordance with Regulation 31A of the SEBI Listing Regulations, subject to receipt of requisite approvals. On April 19, 2022, post receipt of board and shareholder approvals, IHFL filed the relevant applications with the National Stock Exchange of India Limited and BSE Limited for approval of this re-classification and received the approvals from both Stock Exchanges vide their letters dated February 22, 2023. As on the date of this Tranche II Prospectus, IHFL has no identifiable promoters and is a professionally managed company

(iii) Statement showing shareholding pattern of the public shareholders of IHFL as on December 31, 2022

Category	Category & Name of the Shareholder	PAN	No. of Shareholders	No. of fully paid up equity shares held	Partly paid up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (IV+V+VI)	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 dematerialized form	Sub-categorization of shares				
									No. of Voting Rights	Total as a % of (A+B+C)				No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under	Sub-category (i)	Sub-category (ii)	Sub-category (iii)	
									Equity shares with voting rights	-	Total												
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(X)	(XI)	(XII)	(XIII)	(XIV)				(XV)			
(1)	Institutions (Domestic)																						

(a)	Mutual Funds		17	2015 1419	0	0	2015 1419	4.28	2015 1419	0	2015 1419	4.27	0	3.40	0	0.0 0	N A	NA	201514 19			
(b)	Venture Capital Funds		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(c)	Alternate Investment Funds		1	8000 0	0	0	8000 0	0.02	8000 0	0	8000 0	0.02	0	0.01	0	0.0 0	N A	NA	80000			
(d)	Banks		1	2	0	0	2	0.00	2	0	2	0.00	87991 864	14.87	0	0.0 0	N A	NA	2			
(e)	Insurance Companies		1	4145 1766	0	0	4145 1766	8.80	4145 1766	0	4145 1766	8.79	0	7.00	0	0.0 0	N A	NA	414517 66	4145 1766		
	LIFE INSURANCE CORPORATION OF INDIA	AAAC L0582 H	1	4145 1766	0	0	4145 1766	8.80	4145 1766	0	4145 1766	8.79	0	7.00	0	0.0 0	N A	NA	414517 66	4145 1766		
(f)	Provident / Pension Funds		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(g)	Asset Reconstruction Companies		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(h)	Sovereign Wealth Funds		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(i)	NBFCs registered with RBI		2	4372 5	0	0	4372 5	0.01	4372 5	0	4372 5	0.01	0	0.01	0	0.0 0	N A	NA	43725			
(j)	Other Financial Institutions		1	50	0	0	50	0.00	50	0	50	0.00	0	0.00	0	0.0 0	N A	NA	50			
(k)	Any Other		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
	<b>Sub Total (B)(1)</b>		<b>23</b>	<b>6172 6962</b>	<b>0</b>	<b>0</b>	<b>6172 6962</b>	<b>13.10</b>	<b>6172 6962</b>	<b>0</b>	<b>6172 6962</b>	<b>13.0 9</b>	<b>87991 864</b>	<b>25.30</b>	<b>0</b>	<b>0.0 0</b>	<b>N A</b>	<b>NA</b>	<b>617269 62</b>	<b>4145 1766</b>		
<b>(2)</b>	<b>Institutions (Foreign)</b>																					
(a)	Foreign Direct Investment		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(b)	Foreign Venture Capital Investors		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(c)	Sovereign Wealth Funds		0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA	0			
(d)	Foreign Portfolio Investors Category I		134	8891 9339	0	0	8891 9339	18.88	8891 9339	0	8891 9339	18.8 5	0	15.02	0	0.0 0	N A	NA	889193 39			
	HSBC POOLED INVESTMENT FUND - HSBC POOLED ASIA PAC	AAAA H5936P	1	1345 0954	0	0	1345 0954	2.86	1345 0954	0	1345 0954	2.85	0	2.27	0	0.0 0	N A	NA	134509 54			
	VANGUARD EMERGING MARKETS STOCK	AAAT Y0918 K	1	4824 183	0	0	4824 183	1.02	4824 183	0	4824 183	1.02	0	0.82	0	0.0 0	N A	NA	482418 3			

	INDEX FUND, A SERI																																												
	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	AABT V0442 N	1	4764 372	0	0	4764 372	1.01	4764 372	0	4764 372	1.01	0	0.81	0	0.0 0	N A	NA		476437 2																									
	STAR FUNDS S.A., SICAV-SIF - STAR INTERNATIONAL FU	AAVC S9856 M	1	1414 9590	0	0	1414 9590	3.00	1414 9590	0	1414 9590	3.00	0	2.39	0	0.0 0	N A	NA		141495 90																									
(e)	Foreign Portfolio Investors Category II		9	1342 6770	0	0	1342 6770	2.85	1342 6770	0	1342 6770	2.85	0	2.27	0	0.0 0	N A	NA		134267 70																									
	BREP ASIA II INDIAN HOLDING CO V (NQ) PTE. LTD	AAHC B8954E	1	1048 2180	0	0	1048 2180	2.23	1048 2180	0	1048 2180	2.22	0	1.77	0	0.0 0	N A	NA		104821 80																									
(f)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA		0																									
(g)	Any Other (specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA		0																									
	<b>Sub Total (B)(2)</b>		<b>143</b>	<b>1023 4610 9</b>	<b>0</b>	<b>0</b>	<b>1023 4610 9</b>	<b>21.73</b>	<b>1023 4610 9</b>	<b>0</b>	<b>1023 4610 9</b>	<b>21.7 0</b>	<b>0</b>	<b>17.29</b>	<b>0</b>	<b>0.0 0</b>	<b>N A</b>	<b>NA</b>		<b>102346 109</b>																									
<b>(3)</b>	<b>Central Government / State Government(s)</b>																																												
(a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA		0																									
(b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	N A	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	0.0 0	N A	NA		0																									
	<b>Sub Total (B)(3)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.0 0</b>	<b>N A</b>	<b>NA</b>		<b>0</b>																									
<b>(4)</b>	<b>Non-institutions</b>																																												
(a)	Associate companies / Subsidiaries		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	N A	NA		0																									
(b)	Directors and their relatives (excluding independent directors and nominee directors)		3	3669 095	0	0	3669 095	0.78	3669 095	0	3669 095	0.78	57614 00	1.59	0	0.0 0	N A	NA		366909 5																									

(c)	Key Managerial Personnel		1	1750	0	0	1750	0.00	1750	0	1750	0.00	1310000	0.22	0	0.00	N	NA	1750			
(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	0.00	N	NA	0			
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'		0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0.00	N	NA	0			
(f)	Investor Education and Protection Fund (IEPF)		1	26606	0	0	26606	0.01	26606	0	26606	0.01	0	0.00	0	0.00	N	NA	26606			
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		497290	155012516	0	0	155012516	32.91	155012516	0	155012516	32.87	25732377	30.54	0	0.00	N	NA	155011685			
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		66	17539626	0	0	17539626	3.72	17539626	0	17539626	3.72	0	2.96	0	0.00	N	NA	17539626			
(i)	Non Resident Indians (NRIs)		4456	7218915	0	0	7218915	1.53	7218915	0	7218915	1.53	0	1.22	0	0.00	N	NA	7218915			
(j)	Foreign Nationals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	NA	0			
(k)	Foreign Companies		1	78850	0	0	78850	0.02	78850	0	78850	0.02	0	0.01	0	0.00	N	NA	78850			
(l)	Bodies Corporate		1649	44787186	0	0	44787186	9.51	44787186	0	44787186	9.50	0	7.57	0	0.00	N	NA	44787186			
	CAPRI GLOBAL HOLDINGS PRIVATE LIMITED	AABC M4155 A	1	17465000	0	0	17465000	3.71	17465000	0	17465000	3.70	0	2.95	0	0.00	N	NA	17465000			
(m)	Any Other)		6883	10426703	0	0	10426703	2.21	10426703	0	10426703	2.21	0	1.76	0	0.00	N	NA	10426703			
	CLEARING MEMBERS		115	2670335	0	0	2670335	0.57	2670335	0	2670335	0.57	0	0.45	0	0.00	N	NA	2670335			
	H U F		6762	7752755	0	0	7752755	1.65	7752755	0	7752755	1.64	0	1.31	0	0.00	N	NA	7752755			
	TRUSTS		6	3613	0	0	3613	0.00	3613	0	3613	0.00	0	0.00	0	0.00	N	NA	3613			





(iv) Statement showing shareholding pattern of the non-promoter- non public shareholders of IHFL as on December 31, 2022

Category	Category & Name of the Shareholder	PAN	No. of Shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (IV+V+VI)	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)	Total 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 dematerialized form	
									No. of Voting Rights	Total as a % of (A+B+C)	Equity shares with voting rights			No.	As a % of total Shares held	No.	As a % of total Shares held		
																			-
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)		
(1)	Custodian/DR Holder		1	0	0	567505	567505	NA	567505	0	567505	0.12	0	NA	0	0.00	NA	NA	567505
	DEUTSCHE BANK TRUST COMPANY AMERICAS	AACCD4898E	1	0	0	567505	567505	NA	567505	0	567505	0.12	0	NA	0	0.00	NA	NA	567505
(2)	Employee Benefit Trust / Employee Welfare Trust under SEBI		1	2300000	0	0	2300000	4.88	2300000	0	2300000	4.88	0	3.89	0	0.00	NA	NA	23000000

	(Share Based Employee Benefits and Sweat Equity) Regulations, 2021																	
	Pragati Employee Welfare Trust (formerly INDIABULLS HOUSING FINANCE LIMITED-EMPLOYEES WELFARE TRUST)	AABTI7859L	1	23000000	0	0	23000000	4.88	23000000	23000000	4.88	0	3.89	0	0.00	N	NA	23000000
	<b>Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)</b>		2	23000000	0	567505	23567505	4.88	23567505	23567505	5.00	0	3.89	0	0.00	N	NA	23567505

(v) Statement showing details of significant beneficial owners (SBOs) of IHFL as on December 31, 2022

Details of the SBO (I)			Details of the registered owner (II)			Details of holding/exercise of right of the SBO in the reporting company, whether direct or indirect (III) (in %)					Date of creation/ acquisition of significant beneficial interest (IV)	
Name	PAN/Passport No. in case of a foreign national	Nationality	Name	PAN/Passport No. in case of a foreign national	Nationality	Whether by virtue of:						
						Shares	Voting Rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(vi) Statement showing foreign ownership limits of IHFL as on December 31, 2022

S. No.	Period	Date	Board approved limits* (in %)	Limits utilized (in %)
1.	As on shareholding date	December 31, 2022	100	21.70
2.	As on the end of the previous 1 <sup>st</sup> quarter	September 30, 2022	100	25.41
3.	As on the end of previous 2 <sup>nd</sup> quarter	June 30, 2022	100	26.29

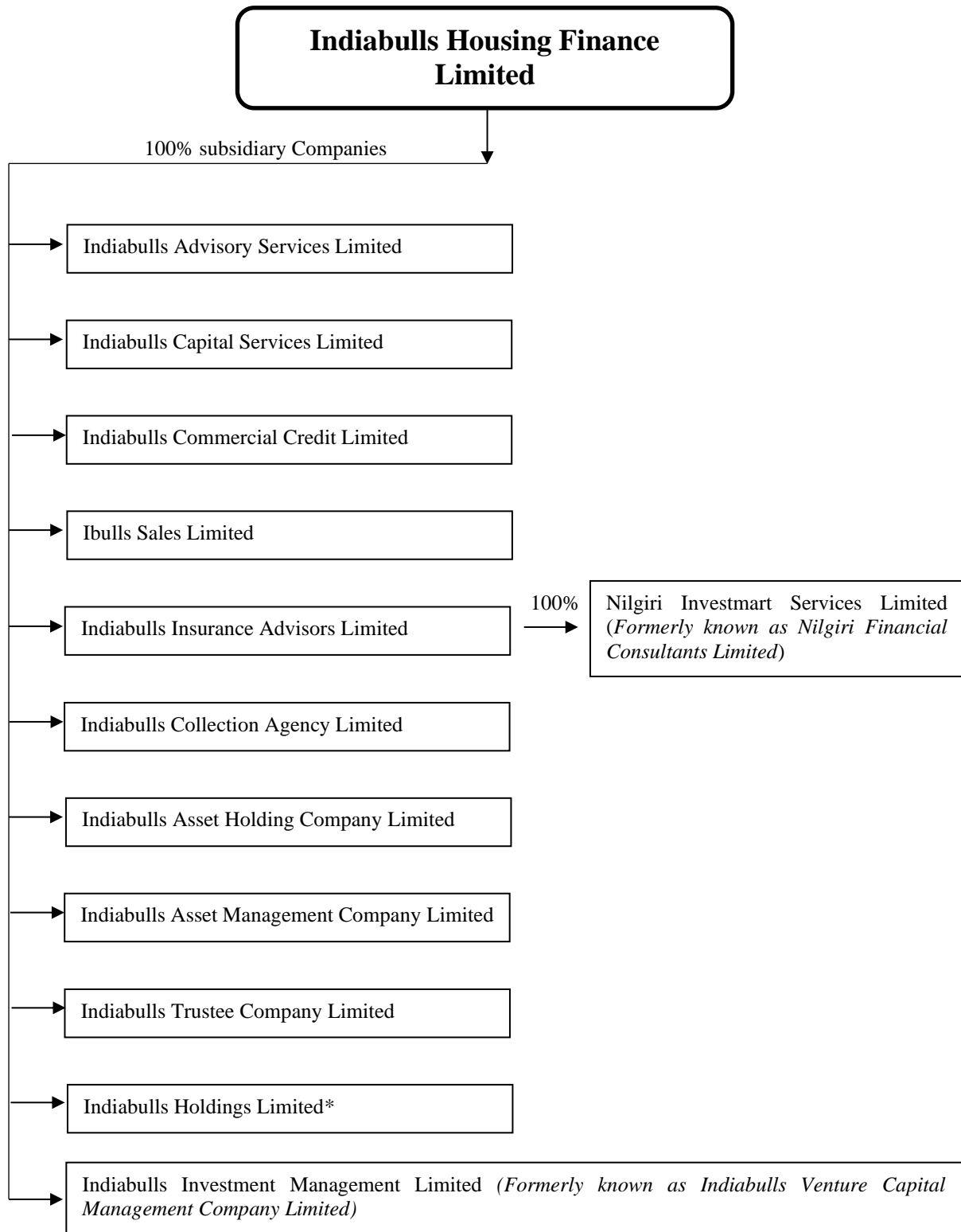
S. No.	Period	Date	Board approved limits* (in %)	Limits utilized (in %)
4.	As on the end of previous 3 <sup>rd</sup> quarter	March 31, 2022	100	27.45
5.	As on the end of previous 4 <sup>th</sup> quarter	December 31, 2021	100	29.30

*\*Limit for FIIs.*

**Board of Directors of IHFL as on date of this Tranche II Prospectus:**

1. Mr. Subhash Sheoratan Mundra, Non-Executive Chairman, Independent Director
2. Mr. Gagan Banga, Vice chairman, Managing Director and CEO
3. Mr. Ajit Kumar Mittal, Non-Executive Non-Independent Director
4. Mr. Ashwini Omprakash Kumar, Non-Executive Non-Independent Director
5. Mr. Sachin Chaudhary, Whole-time Director, Chief Operating Officer
6. Justice Gyan Sudha Misra (Retd.), Independent Director
7. Mr. Satish Chand Mathur, Independent Director
8. Mr. Achuthan Siddharth, Independent Director
9. Mr. Dinabandhu Mohapatra, Independent Director
10. Mr. B. C. Patnaik, Nominee Director

**Our Promoter Group**



*\*Indiabulls Holdings Limited, on January 27, 2023, has suo-moto filed an application under Section 248(2) of the Companies Act, 2013, for striking off the name of Indiabulls Holding Limited from the register of companies maintained by the RoC.*

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions for the Fiscals 2022, 2021 and 2020 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 171 of this Tranche II Prospectus.

**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Reformatted Financial Information	F-1
2.	Limited Review Financial Results	F- 110

**Hem Sandeep & Co.**  
**Chartered Accountants**  
Office: D 118, Saket, New Delhi – 110017  
Phone: +91 11 4052 4636  
Email: info@hemsandeep.com

**Rao & Emmar**  
**Chartered Accountants**  
No. 204 and 205, 2nd Floor,  
Ramanashree Arcade MG Road  
Bengaluru 560001  
Phone: +91 99106 11114  
Email: hemant@raoemmar.com

**Independent Auditors' Examination Report on the Reformatted Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020 and Reformatted Statement of Profit and Loss (including other comprehensive income), Reformatted Statement of Cash Flows and Reformatted Statement of Changes in Equity for each of the years ended March 31, 2022, 2021 and 2020 of Indiabulls Commercial Credit Limited (collectively, the "Reformatted Financial Information")**

To  
**Board of Directors**  
**Indiabulls Commercial Credit Limited**  
5th Floor, Building No. 27, K.G. Marg Connaught Place  
New Delhi-110001

Dear Sirs/Madams,

1. We have examined the attached reformatted financial information of Indiabulls Commercial Credit Limited (the "**Company**") comprising of Reformatted Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020 and Reformatted Statement of Profit and Loss (including other comprehensive income), Reformatted Statement of Cash Flows, Reformatted Statement of Changes in Equity and related notes thereon for each of the years ended March 31, 2022, 2021 and 2020 (referred to as "**Reformatted Financial Information**"), annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and any subsequent tranche prospectus(es) issued thereafter ("**Offer Document**") in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures of face value of Rs.1,000 each ("**NCDs**"). The Reformatted Financial Information have been approved by the Bond Issue Committee of the Board of Directors in its meeting held on December 15, 2022, have been prepared by the Company in accordance with the requirements of:
  - a) Section 26 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 (the "**Regulations**"), issued by the Securities and Exchange Board of India ('**SEBI**'), in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**");
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

*(this space has intentionally been left blank)*



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## Management's Responsibility for the Reformatted Financial Information

2. The preparation of the Reformatted Financial Information is solely based on audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which have been prepared by the Company in accordance with the Indian Accounting Standards as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards), Rules 2015, as amended ("**Ind AS**") and other accounting principles generally accepted in India, for inclusion in the Offer Document in connection with the proposed issue of NCDs, is the responsibility of the management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, Guidance Note and the Regulations.

## Auditors' Responsibilities

3. We have examined such Reformatted Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 13, 2022 in connection with the Company's Issue of NCDs;
  - b. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**") The Guidance Note 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 Financial Information; and
  - d. The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the issue of NCDs.
4. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures, as may be decided by the Board of Directors of the Company.

## Reformatted Financial Information

5. These Reformatted Financial Information have been compiled by the management from audited Ind AS financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "**Ind AS**"), which have been approved by the Board of Directors at their meetings held on May 20, 2022, May 19, 2021 and July 3, 2020 respectively;
6. The financial statements as at and for the years ended March 31, 2021 and 2020 have been audited by M/s Ajay Sardana Associates ("the **Erstwhile Auditors**") of the Company. For the purpose of our examination, we have relied on Auditor's report issued by the erstwhile auditors dated May 19, 2021 and July 3, 2020 on the financial statements of the Company as at and for the years ended March 31, 2021 and 2020 respectively as referred in paragraph 5 above. We have not carried out any audit tests or review procedures, and accordingly reliance has been placed solely on the financial statements audited by the erstwhile auditors for the said years.



**(a) Our audit report dated May 20, 2022 on the Audited Ind AS Financial Statements as at and for the year ended March 31, 2022 included:**

**Emphasis of Matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2022, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

The above (a) is as extracted from our Auditors report on the Financial Statements as at and for the year ended March 31, 2022.

**(b) The erstwhile auditor's audit report dated May 19, 2021, on the Audited Ind AS Financial Statements as at and for the year ended March 31, 2021 included:**

**Emphasis of Matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

**(c) The erstwhile auditor's audit report dated July 3, 2020, on the Audited Ind AS Financial Statements as at and for the year ended March 31, 2020 included:**

**Emphasis of Matter**

We draw attention to Note 7 to the accompanying Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2020, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

The above (b) and (c) are as extracted from the Erstwhile Auditors reports on the Financial Statements as at and for the years ended March 31, 2021, and 2020.

7. Taking into consideration the requirements of Section 26 of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:

a) Reformatted Financial Information of the Company as at and for each of the years ended March 31, 2022, 2021 and 2020 have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted Financial Information have been prepared after regrouping, which is more fully described in significant accounting policies and notes (Refer Annexure V).

b) based on our examination as above:

(i) the Reformatted Financial Information have to be read in conjunction with the notes given in Annexure V; and



(ii) the figures of earlier periods have been regrouped, wherever necessary, to conform to the classification adopted for the Reformatted Financial Information as at and for the year ended March 31, 2022.

### Other Financial Information

8. At the Company's request, we have also examined the following other financial information proposed to be included in the Offer Document prepared by the Management and approved by the Bond Issue Committee of the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020:
  - Statement of Dividend, enclosed as Annexure VI

### Opinion

9. Based on our examination and according to the information and explanations given to us and also based on the reliance placed on the reports of the Erstwhile Auditors and the financial statements and other financial information certified by the Management read with our responsibility paragraph 3 along with paragraph 4 to paragraph 8, in our opinion, the Reformatted Financial Information and the other financial information referred to in paragraph 8 above, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure V, and after making regroupings as considered appropriate and disclosed, has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act, the Regulations and the Guidance Note.

### Other Matters

10. We have not audited or reviewed any financial statements of the Company as of or for the years ended March 31, 2021, and 2020 and for any period prior thereto. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Company as of and for the year March 31, 2021 and 2020 or for any date or for any period prior thereto.
11. In the preparation and presentation of Reformatted Financial Information on audited financial statements referred to above, no adjustments have been made for any events occurring subsequent to dates of the audit reports thereon specified above.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. 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 the Erstwhile Auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

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F-4



**Other Matters (continued)**

14. This report is intended solely for use of the management for inclusion in the Offer Document to be filed with Registrar of Companies, National Capital Territory of Delhi and Haryana, SEBI, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Issue of NCDs of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Hem Sandeep & Co.  
Chartered Accountants  
ICAI Firm registration number: 009907N

For Rao & Emmar  
Chartered Accountants  
ICAI Firm registration number: 003084S

per Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, December 15, 2022  
UDIN: 22089011BFLWXJ2575



per Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, December 15, 2022  
UDIN: 22500806BFLYVF3237



**Indiabulls Commercial Credit Limited**  
**Reformatted Statement of Assets and Liabilities**

**Annexure I**  
**Amount in Rs. Crores**

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5	324.22	1,809.93	2,000.27
Bank balances other than cash and cash equivalents	6	21.84	38.17	52.36
Loans	7	10,779.91	12,301.16	11,706.49
Investments	8	1,001.01	949.87	1,590.43
Other financial assets	9	48.06	52.58	129.55
<b>Total financial assets</b>		<b>12,175.04</b>	<b>15,151.71</b>	<b>15,479.10</b>
<b>Non- financial assets</b>				
Current tax assets (net)		240.36	187.38	240.28
Deferred tax assets (net)	10	18.23	70.61	28.37
Property, plant and equipment	11.1	1.71	2.64	5.97
Other Intangible assets	11.2	-	-	1.31
Right of Use assets	11.3	3.01	3.67	5.37
Other non- financial assets	12	32.48	72.55	46.38
Assets held for sale		672.82	384.70	580.52
<b>Total non-financial assets</b>		<b>968.61</b>	<b>721.55</b>	<b>908.20</b>
<b>TOTAL ASSETS</b>		<b>13,143.65</b>	<b>15,873.26</b>	<b>16,387.30</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Trade payables	13			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.40	0.01
Debt securities	14	2,159.42	2,192.77	2,440.38
Borrowings (other than debt securities)	15	5,053.79	5,280.88	6,088.82
Subordinated liabilities	16	350.00	349.40	348.86
Other financial liabilities	17	291.13	3,406.88	3,067.27
<b>Total financial liabilities</b>		<b>7,854.34</b>	<b>11,230.33</b>	<b>11,945.34</b>
<b>Non-financial liabilities</b>				
Current tax liabilities (net)		51.82	1.05	3.52
Provisions	18	4.94	4.83	5.67
Other non-financial liabilities	19	167.71	83.85	25.82
<b>Total non-financial liabilities</b>		<b>224.47</b>	<b>89.73</b>	<b>35.01</b>
<b>Equity</b>				
Equity share capital	20	247.80	247.80	247.80
Other equity	21	4,817.04	4,305.40	4,159.15
<b>Total equity</b>		<b>5,064.84</b>	<b>4,553.20</b>	<b>4,406.95</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13,143.65</b>	<b>15,873.26</b>	<b>16,387.30</b>

Summary of significant accounting policies Annexure-V

The accompanying notes are an integral part of the Reformatted financial information.

As per our report of even date attached.

For Hem Sandeep & Co  
Chartered Accountants  
Firm Registration No.009907N

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, December 15, 2022

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

For Rao & Emmar  
Chartered Accountants  
Firm Registration No.003084S

Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

Indiabulls Commercial Credit Limited

Reformatted Statement of Profit and Loss (including other comprehensive income)

Annexure II  
Amount Rs. in crores

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from operations</b>				
Interest income	22	1,583.73	1,615.63	2,013.72
Dividend income	23	-	-	46.22
Fees and commission income	24	10.58	2.32	41.74
Net gain on fair value changes	25	219.70	-	80.53
Net gain on derecognition of financial instruments under amortised cost category		19.07	1.46	8.26
<b>Total revenue from operations</b>		<b>1,833.08</b>	<b>1,619.41</b>	<b>2,190.47</b>
Other income	26	8.80	13.53	0.81
<b>Total income</b>		<b>1,841.88</b>	<b>1,632.94</b>	<b>2,191.28</b>
<b>Expenses</b>				
Finance costs	27	941.48	997.29	1,158.18
Net loss on fair value changes	25	-	15.12	-
Impairment on financial instruments	28	248.92	426.88	952.92
Employee benefits expense	29	24.15	20.60	27.62
Depreciation and amortization		1.64	4.54	8.87
Other expenses	30	13.15	15.72	16.44
<b>Total expenses</b>		<b>1,229.34</b>	<b>1,480.15</b>	<b>2,164.03</b>
<b>Profit before tax</b>		<b>612.54</b>	<b>152.79</b>	<b>27.25</b>
Tax expense:	31			
(1) Current tax		51.89	56.09	41.62
(2) Deferred tax expense/ (credit)		52.43	(42.34)	(34.18)
<b>Profit for the year</b>		<b>508.22</b>	<b>139.04</b>	<b>19.81</b>
<b>Other comprehensive income</b>				
A (i) Items that will not be reclassified to profit or loss				
(a) Remeasurement gain / (loss) on defined benefit plan		(0.19)	0.38	(0.07)
(b) Gain/(loss) on change in fair value of derivative designated at FVOCI		-	-	-
(ii) Income tax impact on above		0.05	(0.10)	0.02
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax impact on above		-	-	-
<b>Other comprehensive income / (loss) A+B</b>		<b>(0.14)</b>	<b>0.28</b>	<b>(0.05)</b>
<b>Total comprehensive income for the year</b>		<b>508.08</b>	<b>139.32</b>	<b>19.76</b>
Earnings per equity share	39			
Basic (Rs.)		20.51	5.61	0.80
Diluted (Rs.)		20.51	5.61	0.80
Nominal value per share (Rs.)		10.00	10.00	10.00

Summary of significant accounting policies

Annexure-V

The accompanying notes are an integral part of the Reformatted financial information.

As per our report of even date attached.

For Hem Sandeep & Co  
Chartered Accountants  
Firm Registration No.009907N

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, December 15, 2022

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

For Rao & Emmar  
Chartered Accountants  
Firm Registration No.003084S

Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

Indiabulls Commercial Credit Limited

Reformatted Statement of Cash Flows

Annexure III  
Amount Rs. in crores

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities :</b>			
Profit before tax	612.54	152.79	27.25
Adjustments for:			
Provision for gratuity	0.59	0.59	0.84
Provision for compensated absences	(0.18)	(0.18)	(0.01)
Share based payments to employees	(0.62)	2.66	2.38
Provision for diminution on value of investment	-	(0.21)	2.12
Provision for impairment due to expected credit loss	234.50	518.97	176.29
Bad debts written off	306.50	32.47	822.52
Interest expenses	928.13	987.50	1,144.68
Interest income	(1,603.02)	(1,617.16)	(2,022.05)
Gain on modification of leases	-	(0.64)	(0.31)
Deemed cost of fair value of corporate guarantee	10.53	9.33	12.43
Balances no longer required, written back	(0.02)	(1.55)	(0.01)
Dividend income	-	-	(46.22)
Loss/(profit) on sale of property, plant and equipment	0.02	(0.54)	0.33
Unrealised (gain)/loss on investments (net)	(2.72)	2.41	(64.72)
Realised (gain)/ loss on investments (net)	(216.98)	12.71	(15.81)
Depreciation and amortisation	1.64	4.54	8.87
<b>Operating profit/ (loss) before working capital changes</b>	<b>270.91</b>	<b>103.69</b>	<b>48.58</b>
<b>Adjustment for changes in working capital:</b>			
Other financial assets	(13.78)	0.08	41.50
Other non financial assets	(3.54)	8.65	(1.10)
Loans	2,533.92	(1,082.78)	3,241.32
Trade payables	(0.40)	0.39	(5.14)
Provisions for gratuity and compensated absences	(0.49)	(0.87)	(0.66)
Other financial liabilities	(3,028.36)	368.61	1,198.87
Other non financial liabilities	83.86	58.03	11.85
<b>Net cash generated from/ (used in) operations</b>	<b>(157.88)</b>	<b>(544.20)</b>	<b>4,535.22</b>
Interest received	1,523.44	1,576.50	1,966.03
Interest paid	(934.84)	(1,006.33)	(1,096.68)
Income tax paid(net)	(54.10)	(5.66)	(186.87)
<b>Net cash generated from/ (used in) operating activities</b>	<b>376.62</b>	<b>20.31</b>	<b>5,217.70</b>
<b>B Cash flow from investing activities</b>			
Purchase of property, plant and equipment	-	2.00	(0.11)
Movement in capital advances	36.66	(36.64)	0.17
Movement in fixed deposits with banks	16.32	14.19	0.16
Investment in equity shares of subsidiary company	-	0.21	(0.57)
Dividend income	-	-	46.22
Interest received	4.14	50.66	32.16
Assets held for sale	(288.12)	195.82	(580.52)
Investments in mutual funds / other investments (net)	80.19	625.44	(1,094.23)
<b>Net cash generated from/ (used in) investing activities</b>	<b>(150.81)</b>	<b>851.68</b>	<b>(1,596.72)</b>
<b>C Cash flow from financing activities</b>			
Distribution of preference dividend	-	-	(2.78)
Proceeds from loan taken from holding company(net)	190.00	707.58	341.42
Repayment of issue of secured redeemable non-convertible debentures	(38.13)	(260.44)	215.00
Proceeds from issue of subordinate debt	-	-	5.00
(Repayment of )/Proceeds from working capital loans(net)	(20.38)	35.18	(2,171.21)
Repayment of bank loans and other borrowings (net)	(1,842.12)	(1,543.35)	(491.83)
Payment of lease liabilities	(0.89)	(1.30)	(4.47)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,711.52)</b>	<b>(1,062.33)</b>	<b>(2,108.87)</b>
<b>D Net increase/ (decrease) in cash and cash equivalents ( A+B+C )</b>	<b>(1,485.71)</b>	<b>(190.34)</b>	<b>1,512.11</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>1,809.93</b>	<b>2,000.27</b>	<b>488.16</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b> <sup>(Refer Note 5)</sup>	<b>324.22</b>	<b>1,809.93</b>	<b>2,000.27</b>

Summary of significant accounting policies Annexure-V

The accompanying notes are an integral part of the Reformatted financial information.

As per our report of even date attached.

For Hem Sandeep & Co  
Chartered Accountants  
Firm Registration No.009907N

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, December 15, 2022

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

For Rao & Emmar  
Chartered Accountants  
Firm Registration No.003084S

Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

Indiabulls Commercial Credit Limited

Reformatted Statement of changes in equity

Annexure IV

	Numbers	Amount Rs. in crores
<b>Equity Share Capital:</b>		
Equity shares of INR 10 each issued, subscribed and fully paid		
<b>At April 01, 2019</b>	24,77,99,324	247.80
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2019	24,77,99,324	247.80
Changes in equity share capital during the year	-	-
<b>At March 31, 2020</b>	24,77,99,324	247.80
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2020	24,77,99,324	247.80
Changes in equity share capital during the year	-	-
<b>At March 31, 2021</b>	24,77,99,324	247.80
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2021	24,77,99,324	247.80
Changes in equity share capital during the year	-	-
<b>At March 31, 2022</b>	24,77,99,324	247.80

	Reserves & Surplus										Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Special Reserve U/s 36(I)(viii) of the Income Tax Act, 1961	Reserve (II) (Reserve fund u/s 45-IC of the R.B.I. Act, 1934)	Debenture Redemption Reserve	General Reserve	Share based Payment reserve	Fair value of corporate guarantee	Retained earnings		
<b>At April 01, 2019</b>	0.17	4.00	3,249.40	86.65	203.30	83.83	-	3.76	41.63	454.50	0.01	4,127.25
Profit for the year	-	-	-	-	-	-	-	-	-	19.81	-	19.81
Other Comprehensive Income/(loss)	-	-	-	-	-	-	-	-	-	(0.04)	(0.01)	(0.05)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	19.77	(0.01)	19.76
Add: Transferred / Addition during the year	-	-	-	-	3.96	163.21	-	2.38	9.76	-	-	179.31
<b>Appropriations:-</b>												
Transferred to Reserve Fund u/s 45-IC of the R.B.I. Act, 1934	-	-	-	-	-	-	-	-	-	(3.96)	-	(3.96)
Transferred to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	(163.21)	-	(163.21)
<b>Total Appropriations</b>	-	-	-	-	-	-	-	-	-	(167.17)	-	(167.17)
<b>At March 31, 2020</b>	0.17	4.00	3,249.40	86.65	207.26	247.04	-	6.14	51.39	307.10	-	4,159.15



## Reformatted Statement of changes in equity (Continued...)

	Reserves & Surplus										Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Special Reserve U/s 36(1)(viii) of the Income Tax Act, 1961	Reserve (II) (Reserve fund u/s 45-IC of the R.B.I. Act, 1934)	Debenture Redemption Reserve	General Reserve	Share based Payment reserve	Fair value of corporate guarantee	Retained earnings		
<b>At March 31, 2020</b>	0.17	4.00	3,249.40	86.65	207.26	247.04	-	6.14	51.39	307.10	-	4,159.15
Profit for the year	-	-	-	-	-	-	-	-	-	139.04	0.28	139.32
Other Comprehensive Income/(loss)	-	-	-	-	-	-	-	-	-	0.28	-	0.28
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	139.32	0.28	139.60
Add: Transferred / Addition during the year	-	-	-	51.54	27.81	-	-	2.66	4.27	-	(0.28)	86.00
<b>Appropriations:-</b>												
Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-	(51.54)	-	(51.54)
Transferred to Reserve Fund u/s 45-IC of the R.B.I. Act, 1934	-	-	-	-	-	-	-	-	-	(27.81)	-	(27.81)
<b>Total Appropriations</b>	-	-	-	-	-	-	-	-	-	(79.35)	-	(79.35)
<b>At March 31, 2021</b>	0.17	4.00	3,249.40	138.19	235.07	247.04	-	8.80	55.66	367.07	-	4,305.40

Indiabulls Commercial Credit Limited

Reformatted Statement of changes in equity (Continued...)

Amount in Rs. Crores

Reserves & Surplus											Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Special Reserve U/s 36(I)(viii) of the Income Tax Act, 1961	Reserve (II) (Reserve fund u/s 45-IC of the R.B.I. Act, 1934)	Debenture Redemption Reserve	General Reserve	Share based Payment reserve	Fair value of corporate guarantee	Retained earnings		
<b>At March 31, 2021</b>	<b>0.17</b>	<b>4.00</b>	<b>3,249.40</b>	<b>138.19</b>	<b>235.07</b>	<b>247.04</b>	-	<b>8.80</b>	<b>55.66</b>	<b>367.07</b>	-	<b>4,305.40</b>
Profit for the year	-	-	-	-	-	-	-	-	-	508.22	(0.14)	508.08
Other Comprehensive Income/(loss)	-	-	-	-	-	-	-	-	-	(0.14)	-	(0.14)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	<b>508.08</b>	<b>(0.14)</b>	<b>507.94</b>
Add: Transferred / Addition during the year	-	-	-	-	101.64	-	238.68	(0.62)	4.18	-	0.14	344.02
<b>Appropriations:-</b>												
Transferred to Reserve Fund u/s 45-IC of the R.B.I. Act, 1934	-	-	-	-	-	-	-	-	-	(101.64)	-	(101.64)
Transferred to General Reserve	-	-	-	-	-	(238.68)	-	-	-	-	-	(238.68)
<b>Total Appropriations</b>	-	-	-	-	-	<b>(238.68)</b>	-	-	-	<b>(101.64)</b>	-	<b>(340.32)</b>
<b>At March 31, 2022</b>	<b>0.17</b>	<b>4.00</b>	<b>3,249.40</b>	<b>138.19</b>	<b>336.71</b>	<b>8.36</b>	<b>238.68</b>	<b>8.18</b>	<b>59.84</b>	<b>773.51</b>	-	<b>4,817.04</b>

\*There are no changes in accounting policy/prior period errors in other equity during the year and previous years.

Summary of significant accounting policies

Annexure-V

The accompanying notes are an integral part of the Reformatted financial information.

As per our report of even date attached.

For Hem Sandeep & Co  
Chartered Accountants  
Firm Registration No.009907N

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, December 15, 2022

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

For Rao & Emmar  
Chartered Accountants  
Firm Registration No.003084S

Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 1:

##### Corporate information

Indiabulls Commercial Credit Limited ("the Company") "ICCL" was incorporated on July 07, 2006 and is engaged in the business of financing, investment and allied activities. On February 12, 2008, the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non Banking Financial Company but does not have permission from the Reserve Bank of India to accept public deposits.

In accordance with the provisions of section 13 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, the members of the company at their Extraordinary General Meeting held on March 02, 2015, accorded their approval to change the name of the Company. The Company has since received fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated March 12, 2015, in respect of the said change. Accordingly, the name of the Company was changed from Indiabulls Infrastructure Credit Limited to Indiabulls Commercial Credit Limited.

In accordance with the approval of the members of the Company, at their Extraordinary general meeting held on June 12, 2015 and of the Registrar of Companies, National Capital Territory of Delhi & Haryana, and pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made thereunder, new set of Memorandum of Association (MOA) of the Company in accordance with Table A of Schedule I of the Companies Act, 2013, inter alia modifying sub clause 5 of the erstwhile main object of the MOA, as reproduced below, be and is hereby adopted as follows:

"To act as financial consultants, investment, marketing and management consultants/advisors and provide consultancy in various fields including general administrative, secretarial, managerial, commercial, banking, financial, economic, public relation, personal and corporate finance and direct and indirect taxation and other levies".

The Board of Directors of Indiabulls Finance Company Private Limited ("IFCPL") and the Company at their meeting held on April 16, 2015 had approved, the Scheme of Arrangement, involving the merger of IFCPL, on an ongoing basis, into the Company, pursuant to and in terms of the provisions of Section 391 – 394 of the Companies Act, 1956, as amended from time to time ("Scheme of Arrangement"). The appointed date of the proposed merger fixed under the Scheme of Arrangement was April 01, 2015. The Hon'ble High Court of Delhi, vide its order dated March 15, 2016, received by the Company on March 31, 2016, approved the Scheme of Arrangement (Order). In terms of the court approved Scheme of Arrangement, with the filing of the copy of the Order, on March 31, 2016 with the office of ROC, NCT of Delhi & Haryana (the Effective Date), the Scheme of Arrangement came into effect and IFCPL, as a going concern, stands amalgamated with the Company with effect from the Appointed Date, being April 01, 2015 (in accordance with AS-14-Accounting for Amalgamations, under the Pooling of Interests Method). Consequent to the Scheme of Arrangement becoming effective, the Board of Directors of the Company at their meeting held on March 31, 2016, issued and allotted 32,826,288 Equity Shares of Rs. 10 each of the Company to the Equity Share Holders of IFCPL, against their share holding in such equity shares as on March 31, 2016. The issue of equity shares by the Company in the ratio of 3:1, was in terms of the Share Exchange Ratio as mentioned in the Court approved Scheme of Arrangement.

#### Note 2 :

##### (i) Basis of preparation

The Reformatted Statement of Assets and Liabilities of the Company as at 31 March 2022, 31 March 2021 and 31 March 2020 and the Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash flows and the Reformatted Statement of changes in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 (together referred as 'Reformatted Financial Information'/Reformatted financial statements) have been prepared by the Management from the Ind AS Audited Financial Statements of the Company for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 ("Audited Ind AS Financial Statements").

The Reformatted Financial Information have been prepared by the management in connection with the proposed issue of Secured Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") of face value of Rs. 1,000 each (the "Issue") of the Company, in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013; and

b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 2 (continued...):

The Reformatted Financial Information of the Company has been prepared based on the Audited Ind AS Financial Statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which 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) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Updated as on February 17, 2020) ('the RBI Directions, 2016') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties.

The Audited Ind AS Financial Statements of the Company as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 as referred to above have been approved for issue by the Board of Directors of the Company at their respective meetings held on May 20, 2022, May 19, 2021 and July 3, 2020.

The reformatted financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

The Reformatted Financial Information has been approved for issue by the Bond Issue Committee of the Board of Directors of the Company on December 15, 2022.

#### (ii) Presentation of reformatted financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the reformatted statement of assets and liabilities. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- A. The normal course of business
- B. The event of default
- C. The event of insolvency or bankruptcy of the Group and/or its counterparties.

#### Note 3 :

#### Significant accounting policies

##### 3.1 Use of estimates

The preparation of reformatted financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 3 (continued...)

##### A. Impairment loss on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at FVTPL, enquires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's model, which assigns Probability of Defaults (PDs)
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Long Term ECL (LTECL) basis
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at Default (EADs) and Loss Given Default (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

##### B. Business Model Assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

##### C. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### D. Share Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

##### E. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the reformatted statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 3 (continued...)**

**F. Effective interest rate (EIR) method**

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the company's base rate and other fee income/expense that are integral parts of the instrument.

**3.2 Cash and cash equivalents**

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits held with bank, debit balance in cash credit account.

**3.3 Recognition of income and expense**

**a) Interest income**

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company recognises the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to recognising interest income.

**b) Interest expense**

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

**c) Other charges and other interest**

Additional interest and Overdue interest is recognised on realisation basis.

**e) Dividend income**

Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when shareholders approve the dividend.

**3.4 Foreign currency**

The Company's reformatted financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the reformatted statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or reformatted statement of profit or loss are also recognized in OCI or profit or loss, respectively).

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 3 (continued...)**

**3.5 Leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

**Lease Liability**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

**Significant accounting, judgements, estimates and assumptions**

**Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

**Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 3 (continued...)**

**3.6 Property, plant and equipment (PPE) and Intangible assets**

**PPE**

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the reformatted statement of profit and loss when the asset is derecognised.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

**3.7 Depreciation and amortization**

**Depreciation**

Depreciation on PPE is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except for Vehicles.

Vehicles are amortised on a straight line basis over a period of five years from the date when the assets are available for use. The life has been assessed based on past usage experience and considering the change in technology.

Depreciation on additions to PPE is provided on a pro-rata basis from the date the asset is put to use. Leasehold improvements are amortised over the period of Lease. Depreciation on sale / deduction from PPE is provided for up to the date of sale / deduction, as the case may be.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Amortization**

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

The amortisation period and the amortisation method for these softwares with a finite useful life are reviewed at least at each financial year-end.

**3.8 Impairment of non-financial assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 3 (continued...)**

**3.9 Provisions, Contingent Liability and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the reformatted financial statements.

**3.10 Retirement and other employee benefits**

Retirement benefit in the form of provident fund and Employee State Insurance Scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and Employee State Insurance scheme. The Company recognizes contribution payable to the provident fund and Employee State Insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has unfunded defined benefit plans Gratuity plan for all eligible employees, the liability for which is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Superannuation (Pension & Medical coverage) payable to a Director on retirement is also actuarially valued at the end of the year using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to reformatted statement of profit or loss in subsequent periods.

**3.11 Taxes**

Tax expense comprises current and deferred tax.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the reformatted statement of assets and liabilities when it is highly probable that future economic benefit associated with it will flow to the Company.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 3 (continued...)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 3.13 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in reformatted Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### 3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 3.14.1 Financial Assets

###### 3.14.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Note 3 (continued...)**

**3.14.1.2 Classification and Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**3.14.1.3 Debt instruments at amortised costs**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost) or to collect contractual cash flows and sell (i.e. measured at fair value through other comprehensive income), the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the reformatted statement of profit or loss. The losses arising from impairment are recognised in the reformatted statement of profit and loss.

**3.14.1.4 Debt instruments at FVOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the reformatted Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to reformatted Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**3.14.1.5 Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the reformatted statement of profit and loss.

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 3 (continued...)

##### 3.14.1.6 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to reformatted statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

##### 3.14.2 Financial Liabilities

###### 3.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

###### 3.14.2.2 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the reformatted statement of profit and loss. This category generally applies to borrowings.

###### 3.14.3 Derivative financial instruments

The Company holds derivatives to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for these contracts is generally a bank. Derivatives that are not designated a hedge are categorized as financial assets or financial liabilities, at fair value through profit or loss. Such derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the reformatted Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in reformatted Statement of Profit and Loss.

###### 3.14.4 Reclassification of financial assets and liabilities

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**Note 3 (continued...)**

**3.14.5 De recognition of financial assets and liabilities**

**3.14.5.1 Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset
- Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset
- Or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

**3.14.5.2 Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Annexure V: Notes to the Reformatted Financial Information

Note 3 (continued...)

3.15 Impairment of financial assets

3.15.1 Overview of the ECL principles

The Company is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under IND AS 109.

The ECL allowance is based on:

- a) 12 months' expected credit loss (12mECL) where there is no significant increase in credit risk since origination and
- b) on the the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL)

The 12mECL is the portion of LTECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1 : When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.15.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a default date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 3 (continued...)

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For loan commitments, the ECL is recognised within Provisions.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

#### 3.15.3 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

#### 3.15.4 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to reformatted statement of profit and loss.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 3 (continued...)**

**3.16 Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the reformatted financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**3.17 Dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**3.18 Hedging**

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:



**Note 3 (continued...)**

**3.18.1 Fair value hedges**

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the reformatted statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the reformatted statement of assets and liabilities and is also recognised in the reformatted statement of profit and loss in net gain on fair value changes.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationships fixed rate debt issued and other borrowed funds.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the reformatted statement of profit and loss.

**3.18.2 Cash flow hedges**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the reformatted statement of profit and loss. When the hedged cash flow affects the reformatted statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the reformatted statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the reformatted statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the reformatted statement of profit and loss.

**3.18.3 Cost of hedging**

The Company also may separate forward element and the spot element of a forward contract and designate as the hedging instrument only the change in the value of the spot element of a forward contract. Similarly currency basis spread may be separated and excluded from the designation of a financial instrument as the hedging instrument.

When an entity separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, or when an entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument, such amount is recognised in OCI and accumulated as a separate component of equity under Cost of hedging reserve. These amounts are reclassified to the reformatted statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

**3.19 Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment loss, if any.

**3.20 Assets held for Sale**

In the course of its business activities, the Company acquires and holds certain assets (residential / commercial) for sale. The Company is committed to sell these assets and such assets and the carrying amounts of such assets will be recovered principally through the sale of these assets.

In accordance with Ind AS 105, assets held for sale are measured on the reporting date at the lower of carrying value or fair value less costs to sell. The Company does not charge depreciation on such assets. Fair value of such assets is determined based on independent valuations conducted by specialists.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 4:  
Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**Ind AS 103 – Business Combinations – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its reformatted financial statements.

**Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its reformatted financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its reformatted financial statements.

**Ind AS 109 – Financial Instruments – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its reformatted financial statements.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 5 : Cash and cash equivalents</b>			
Cash on hand	0.27	0.35	0.03
Balance with banks			
In current accounts	274.20	1,809.33	1,999.99
In fixed deposit accounts	0.25	0.25	0.25
Cheques on hand	49.50	-	-
<b>Total</b>	<b>324.22</b>	<b>1,809.93</b>	<b>2,000.27</b>

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 6: Bank Balances other than cash and cash equivalents</b>			
Balances with banks in fixed deposits to the extent held as margin money or security against the borrowings, guarantees, other commitments <sup>(1)</sup>			
	21.84	38.17	52.36
<b>Total</b>	<b>21.84</b>	<b>38.17</b>	<b>52.36</b>

(1) Deposits accounts with bank are held as Margin Money/ are under lien / in the name of respective counterparties with whom the Company has entered into assignment deals. The Company has the complete beneficial interest on the income earned from these deposits.

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 7: Loans (at amortised cost)</b>			
Term Loans(Net of Assignment) <sup>(1 &amp; 2)</sup>	10,950.30	12,640.72	11,974.26
<b>Total (A) Gross</b>	<b>10,950.30</b>	<b>12,640.72</b>	<b>11,974.26</b>
Less: Provision for Impairment due to expected credit loss	170.39	339.56	267.77
<b>Total (A) Net</b>	<b>10,779.91</b>	<b>12,301.16</b>	<b>11,706.49</b>
Secured by tangible assets and intangible assets <sup>(4)</sup>	8,115.08	9,793.80	9,686.00
Unsecured <sup>(3)</sup>	2,835.22	2,846.92	2,288.26
<b>Total (B) Gross</b>	<b>10,950.30</b>	<b>12,640.72</b>	<b>11,974.26</b>
Less: Provision for Impairment due to expected credit loss	170.39	339.56	267.77
<b>Total (B) Net</b>	<b>10,779.91</b>	<b>12,301.16</b>	<b>11,706.49</b>
<b>Loans in India</b>			
Term Loans	10,950.30	12,640.72	11,974.26
<b>Total (C) (1) Gross</b>	<b>10,950.30</b>	<b>12,640.72</b>	<b>11,974.26</b>
Less: Provision for Impairment due to expected credit loss	170.39	339.56	267.77
<b>Total (C) (1) Net</b>	<b>10,779.91</b>	<b>12,301.16</b>	<b>11,706.49</b>
<b>Loans outside India</b>			
<b>Total (C) (2) Gross</b>	-	-	-
Less: Provision for Impairment due to expected credit loss	-	-	-
<b>Total (C) (2) Net</b>	-	-	-
<b>Total (C)</b>	<b>10,779.91</b>	<b>12,301.16</b>	<b>11,706.49</b>

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 7 : Loans (continued...)**

	Amount Rs. in crores	
	As at March 31, 2022	As at March 31, 2021
Total term loans	13,096.54	13,810.24
Less: Loans assigned	2,418.03	1,366.96
	<b>10,678.51</b>	<b>12,443.28</b>
Add: Interest accrued on loans <sup>@</sup>	271.79	197.44
<b>Term loans(net of assignment)</b>	<b>10,950.30</b>	<b>12,640.72</b>

@ includes interest accrued on units of AIF amounting to Rs 58.34 crores (March 31, 2021: Rs. 16.83 crores, March 31, 2020: Rs Nil), which will become due and payable upon maturity only.

- (2) Secured loan includes loan to Director for Rs. Rs 0.56 crores (March 31, 2021: Rs 0.56 crores, March 31, 2020: Rs .56 crores).  
 (3) Unsecured loan includes loan to Pragati Employees Welfare Trust, fellow subsidiary for Rs. 30 crores (March 31, 2021: Nil, March 31, 2020: Rs. NIL)  
 (4) Secured loans and other credit facilities given to customers are secured / partly secured by :  
 (a) Equitable mortgage of property and / or  
 (b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or  
 (c) Hypothecation of assets and / or  
 (d) Company guarantees and / or  
 (e) Personal guarantees and / or  
 (f) Negative lien and / or Undertaking to create a security.

**7.1. Impairment allowance for loans and advances to customers**

The company's Analytics Department has designed and operates its Internal Rating Model. The model is tested and calibrated periodically. The model grades loans on a four-point grading scale, and incorporates both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data of the group to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour. Some of the factors that the internal risk based model may consider are:

- a) Loan to value  
 b) Type of collateral  
 c) Cash-flow and income assessment of the borrower  
 d) Interest and debt service cover  
 e) Repayment track record of the borrower  
 f) Vintage i.e. months on books and number of paid EMIs  
 g) Project progress in case of project finance

In addition to information specific to the borrower and the performance of the loan, the model may also utilise supplemental external information that could affect the borrower's behaviour. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower. The Internal Rating Model is dynamic and is calibrated periodically; the choice of parameters and division into smaller homogenous portfolios is thus also dynamic.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification\*.

Risk Categorization	Amount Rs. in crores			
	March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Very Good	6,675.35	-	-	6,675.35
Good	569.03	1,402.52	-	1,971.55
Average	-	1,770.88	-	1,770.88
Non-performing	-	-	260.73	260.73
<b>Grand Total</b>	<b>7,244.38</b>	<b>3,173.40</b>	<b>260.73</b>	<b>10,678.51</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note 7 : Loans (continued...)

Risk Categorization	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Very Good	8,090.01	-	-	8,090.01
Good	2,177.92	1,196.60	-	3,374.52
Average	-	358.55	-	358.55
Non-performing	-	-	620.20	620.20
<b>Grand Total</b>	<b>10,267.93</b>	<b>1,555.15</b>	<b>620.20</b>	<b>12,443.28</b>

\*The above table does not include the amount of interest accrued but not due.

Risk Categorization	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Very Good	8,128.98	-	-	8,128.98
Good	-	2,284.95	-	2,284.95
Average	-	1,061.30	-	1,061.30
Non-performing	-	-	347.37	347.37
<b>Grand Total</b>	<b>8,128.98</b>	<b>3,346.25</b>	<b>347.37</b>	<b>11,822.60</b>

\*The above table does not include the amount of interest accrued but not due.

An analysis of changes in the Provision for impairment due to expected credit loss in relation to Loans given is as follows:

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>84.91</b>	<b>39.25</b>	<b>215.40</b>	<b>339.56</b>
ECL on assets added/ change in ECL estimates	94.06	12.74	15.03	121.83
Assets derecognised [including from loan sell downs], repaid and written off/written back	(61.20)	(18.52)	(211.28)	(291.00)
Transfers from Stage 1	(83.00)	38.64	44.36	-
Transfers from Stage 2	1.55	(3.32)	1.77	-
Transfers from Stage 3	0.02	0.07	(0.09)	-
<b>Closing balance#</b>	<b>36.34</b>	<b>68.86</b>	<b>65.19</b>	<b>170.39</b>

#Includes ECL on undrawn loan commitments for Rs. 0.43 Crore

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>64.38</b>	<b>126.73</b>	<b>76.66</b>	<b>267.77</b>
ECL on assets added/ change in ECL estimates	42.01	99.60	74.40	216.01
Assets derecognised [including from loan sell downs], repaid and written off/written back	(0.74)	(96.96)	(46.52)	(144.22)
Transfers from Stage 1	(24.37)	13.49	10.88	-
Transfers from Stage 2	3.63	(103.89)	100.26	-
Transfers from Stage 3	-	0.28	(0.28)	-
<b>Closing balance#</b>	<b>84.91</b>	<b>39.25</b>	<b>215.40</b>	<b>339.56</b>

#Includes ECL on undrawn loan commitments for Rs. 0.21 Crore

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 7 : Loans (continued...)**

Particulars	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>39.80</b>	<b>3.33</b>	<b>48.35</b>	<b>91.48</b>
ECL on assets added/ change in ECL estimates	96.95	110.28	0.29	207.52
Assets derecognised [including from loan sell downs], repaid and written off/written back	(17.80)	(2.08)	(11.34)	(31.22)
Transfers from Stage 1	(54.61)	28.66	25.94	(0.01)
Transfers from Stage 2	0.04	(13.46)	13.42	-
Transfers from Stage 3	0.00	0.00	(0.00)	-
<b>Closing balance#</b>	<b>64.38</b>	<b>126.73</b>	<b>76.66</b>	<b>267.77</b>

#Includes ECL on undrawn loan commitments for Rs. 0.00 Crore

The Company has adopted a conservative approach to expected credit loss [ECL] staging and accounts have been categorized as Stage 2 based on analysis of stress in particular industry segments – even if the loan accounts are regular in debt servicing.

IndAS ECL guidelines also do not permit creation of unattached ad-hoc/ counter-cyclical provisions outside of the analytically computed ECL provisions. Thus, this identification of stress in industry particular industry segments and categorizing a significantly larger number of loans as Stage 2 has formed the basis of the robust provisioning buffer the Company has created – as on March 31, 2022, March 31, 2021 and March 31, 2020, the company had total provisions against loan book of ₹ 170.39 Crores (March 31, 2021 ₹ 339.56 Crores and March 31, 2020 ₹ 267.77 Crores which is 1.60% (March 31, 2021 2.73% and March 31, 2020 2.26%) of the loan book.

Refer Note 61 for disclosures on Moratorium – COVID 19 Regulatory Package – Asset Classification And Provisioning pursuant to the Notification Vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

**7.2. Impairment assessment**

The Company's impairment assessment and measurement approach is set out in the notes below. It should be read in conjunction with the Summary of significant accounting policies.

**7.2. (i) Probability of default**

The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

"Classification of accounts into stage 2 is done on a conservative basis and typically accounts where contractual repayments are more than 30 days past due are classified in stage 2. Accounts usually go over 30 days past due owing to temporary mismatch in timing of the borrowers' or his/her business' underlying cash flows, and are usually quickly resolved. It has been the company's experience that resolution rates [movement from stage 2 to stage 1] are high and in FY19 99.9% [previous year 98.9%] of stage 2 assets moved to stage 1.

It is the company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria are present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade once the account is cured, and whether this indicates there has been a significant reduction in credit risk.

**7.2. (ii) Internal rating model and PD Estimation process**

The company's internal rating and PD estimation process:

The company's Analytics Department has designed and operates its Internal Rating Model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data of the group to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour. The PDs are computed for these homogenous portfolio segments. The PDs are also used for Ind-AS 109 ECL calculations and the Ind AS 109 Stage classification of the exposure.

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 7 : Loans (continued...)

##### 7.2 (iii) Exposure at default

The outstanding balance as at the reporting date is considered as EAD by the company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

##### 7.2. (iv) Loss given default

The Company uses historical loss data of the group for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

##### 7.2. (v) Significant increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

##### 7.2. (vi) Company's financial assets measured on a collective basis

For Stage 3 assets ECL is calculated on an individual basis.

For stages 1 and 2 the internal rating model analyses historical empirical data, determines parameters that are indicative of future credit risk and segments the portfolio on the basis of a combination of these parameters into smaller homogeneous portfolios. The loss estimation for these pools is hence done on a collective basis. In addition to information specific to the borrower and the performance of the loan, the model may also utilise supplemental external information that could affect the borrower's behaviour. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower.

#### 7.3. Inputs to the ECL model for forward looking economic scenarios

The internal rating model also provides for calibration to reflect changes in macroeconomic parameters and industry specific factors.

#### 7.4. Collateral

In the ordinary course of its business, the Company extends secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding companies, personal guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts etc.

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through on-rolls collection executives, along with legal means to recover due loan repayments. Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Repossessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

The Company did not hold any financial instrument for which no loss allowance is recognised because of collateral at March 31, 2022. There was no change in the Company's collateral policy or collateral quality during the year.

#### 7.5 Impact of Covid-19 and provision for impairment due to expected credit loss

The outbreak of CoVID-19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact.

A. In accordance with the Reserve Bank of India's guidelines relating to CoVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Company has granted moratorium of three months on the payment of all instalments falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers who have requested for the moratorium, as per its Board approved policy. The RBI via press release dated May 22, 2020 has permitted lending institutions to extend the moratorium by another three months, i.e., from June 1, 2020 to August 31, 2020. The Company has extended the EMI moratorium to its customers based on requests received from such customers, as per its Board approved policy. In accordance with the guidance from the ICAI and in management's view, the extension of the moratorium to the Company's borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press release, by itself is not considered to result in a significant credit risk (SICR) of such borrowers.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 7 : Loans (continued...)**

**7.5 Impact of Covid-19 and provision for impairment due to expected credit loss**

The Company is mainly engaged in the business of financing by way of loans against property (LAP), mortgage backed SME loans, and certain other purposes in India. Operations of all these segments were impacted over the past few years and consequent to COVID 19 pandemic are expected to be further significantly impacted, including erosion in the asset values of the collaterals held by the Company. The Company has assessed each of its loan portfolios and performed a comprehensive analysis of the staging of each of its borrower segments. Further, the Company has also analysed its outstanding exposures viz a viz the valuation of the collateral/underlying property based on third party valuation reports. Based on the above analysis, the Company has recorded a provision for impairment due to expected credit loss (ECL), of Rs.339.56 crores in respect of its loans and advances as at 31 March 2021, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. The ECL provision has been determined based on estimates using information available as of the reporting date and given the unique nature and scale of the economic impact of this pandemic, the expected credit loss is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. As a result of this pandemic, the credit performance and repayment behaviour of the customers' needs to be monitored closely. In the event the impact of pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operations and the financial position of the Company.

B. The Company has considered the following key matters in determining its liquidity position for the next 12 months:

- Schemes announced by the Government of India, which will directly benefit Non-Banking Financial Companies through guarantees from the Government of India. The Company has evaluated these schemes and is considering applications to seek fund under the schemes;
- Current status / outcomes of discussions with the Company's lenders, seeking moratorium on the Company's debt service obligations to such lenders;
- Status of its requests for additional funding, from existing lenders as well as others.

Based on the detailed assessment of the monthly cash inflows and outflows for next 12 months and the management has concluded that it will be able to meet its obligations.

				Amount Rs. in crores
As at March 31, 2022				
	At amortised Cost	At fair value through profit or loss	Others	Total
<b>Note 8: Investments</b>				
In units of Mutual funds (Refer footnotes 1 & 2 below)	-	949.42	-	949.42
Debt securities (Refer footnote 3 below)	-	51.59	-	51.59
In equity shares of Subsidiary company (Refer footnote 4 below)	-	-	1.91	1.91
<b>Total gross</b>	-	<b>1,001.01</b>	<b>1.91</b>	<b>1,002.92</b>
Less: Allowance for impairment loss	-	-	1.91	1.91
<b>Total net</b>	-	<b>1,001.01</b>	-	<b>1,001.01</b>

(1) Includes investment in mutual funds of Rs. 58.69 crores (March 31, 2021 Rs. 23.32 crores and March 31, 2020 Rs. 13.31 crores) under lien / provided as credit enhancement in respect of assignment deal for loans.

(2) Investments in units of mutual funds includes investments in units of alternative investment funds.

(3) Investments in debt securities includes investments in security receipts of asset reconstruction company in respect of restructuring of certain loans.

(4) The Company holds 310,000 equity shares of of face value of USD 1 per share in Indiabulls Asset Management, Mauritius, (a wholly owned subsidiary of the Company) , which is a private company, limited by shares registered in Mauritius, holding a Category 1 Global Business License. The subsidiary company is in the process of being liquidated as per the applicable regulations in Mauritius, the country of its incorporation. During the financial year ended March 31, 2021, the Company has received interim distribution of liquidation proceeds of USD 27401.74 (United States dollars Twenty Seven Thousand Four Hundred One Cents Seventy Four Only) equivalent to Rs. 0.21 crore. Accordingly, the Company has reversed the provision for impairment in the value of its investment by Rs. 0.21 crores during the year ended March 31, 2021.



Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Amount Rs. in crores				
As at March 31, 2021				
	At amortised Cost	At fair value through profit or loss	Others	Total
<b>Note 8: Investments</b>				
In units of Mutual funds	-	919.48	-	919.48
Debt securities	-	30.39	-	30.39
In equity shares of Subsidiary company	-	-	1.91	1.91
<b>Total gross</b>	-	<b>949.87</b>	<b>1.91</b>	<b>951.78</b>
Less: Allowance for Impairment loss	-	-	1.91	1.91
<b>Total net</b>	-	<b>949.87</b>	-	<b>949.87</b>

Amount Rs. in crores				
As at March 31, 2020				
	At amortised Cost	At fair value through profit or loss	Others	Total
<b>Note 8: Investments</b>				
In units of Mutual funds	-	994.37	-	994.37
Debt securities	-	596.06	-	596.06
In equity shares of Subsidiary company	-	-	2.12	2.12
<b>Total gross</b>	-	<b>1,590.43</b>	<b>2.12</b>	<b>1,592.55</b>
Less: Allowance for Impairment loss	-	-	2.12	2.12
<b>Total net</b>	-	<b>1,590.43</b>	-	<b>1,590.43</b>

Amount Rs. in crores			
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Note 9: Other financial assets</b>			
Security deposit	0.72	0.72	4.09
Interest only strip receivable	28.81	39.69	91.27
Interest accrued on Fixed Deposit accounts	0.25	1.35	1.65
Interest accrued on investments	3.69	-	25.01
Other financial assets	14.59	10.82	7.53
<b>Total</b>	<b>48.06</b>	<b>52.58</b>	<b>129.55</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 10: Deferred tax assets /(liabilities) (net)</b>			
<b>Deferred tax assets:</b>			
Arising on account of temporary differences due to:			
Provision for employee benefits	1.21	1.14	1.44
Property, plant and equipment	0.93	0.97	0.69
Provision for Impairment due to expected credit loss	42.88	85.46	67.39
EIR adjustment on loans	0.86	2.44	4.96
Right of use assets	0.09	0.04	0.09
Provision for diminution in value of investment	0.48	0.48	0.53
	<b>46.45</b>	<b>90.53</b>	<b>75.10</b>
<b>Deferred tax liabilities:</b>			
Arising on account of temporary differences due to:			
Difference between accounting income and taxable income	18.33	7.21	16.98
Provision for bad debts under section 36(1)(viiia) of the Income Tax Act,1961	2.88	3.19	2.19
Interest only strip receivable	6.45	8.84	20.43
EIR adjustments on borrowings	0.56	0.68	7.13
	<b>28.22</b>	<b>19.92</b>	<b>46.73</b>
<b>Net</b>	<b>18.23</b>	<b>70.61</b>	<b>28.37</b>

**Movement in deferred tax balances**

March 31, 2022	Balance as on April 01, 2021	Rate change impact in Reformatted Statement of Profit and Loss	Recognised in Reformatted Statement of Profit and Loss	Recognised in OCI	Amount Rs. in crores Balance as on March 31, 2022
<b>Arising on account of temporary differences due to:</b>					
Provision for employee benefits	1.14	-	0.02	0.05	1.21
Provision for Impairment due to expected credit loss	85.46	-	(42.58)	-	42.88
EIR adjustment on loans	2.44	-	(1.58)	-	0.86
Property, plant and equipment	0.97	-	(0.04)	-	0.93
Difference between accounting income and taxable income	(7.21)	-	(11.12)	-	(18.33)
Provision for bad debts under section 36(1)(viiia) of the Income Tax Act,1961	(3.19)	-	0.31	-	(2.88)
Interest only strip receivable	(8.84)	-	2.39	-	(6.45)
EIR adjustments on borrowings	(0.68)	-	0.12	-	(0.56)
Right of use assets	0.04	-	0.05	-	0.09
Provision for diminution in value of investment	0.48	-	-	-	0.48
<b>Deferred tax assets/ (liabilities)</b>	<b>70.61</b>	<b>-</b>	<b>(52.43)</b>	<b>0.05</b>	<b>18.23</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note 10: Deferred tax assets /(liabilities) (net)

March 31, 2021	Balance as on April 01, 2020	Rate change impact in Reformatted Statement of Profit and Loss	Recognised in Reformatted Statement of Profit and loss	Recognised in OCI	Amount Rs. in crores Balance as on March 31, 2021
<b>Arising on account of temporary differences due to:</b>					
Provision for employee benefits	1.44	-	(0.20)	(0.10)	1.14
Provision for Impairment due to expected credit loss	67.39	-	18.07	-	85.46
EIR adjustment on loans	4.96	-	(2.52)	-	2.44
Property, plant and equipment	0.69	-	0.28	-	0.97
Difference between accounting income and taxable income	(16.98)	-	9.77	-	(7.21)
Provision for bad debts under section 36(1)(viiia) of the Income Tax Act,1961	(2.19)	-	(1.00)	-	(3.19)
Interest only strip receivable	(20.43)	-	11.59	-	(8.84)
EIR adjustments on borrowings	(7.13)	-	6.45	-	(0.68)
Right of use assets	0.09	-	(0.05)	-	0.04
Provision for diminution in value of investment	0.53	-	(0.05)	-	0.48
<b>Deferred tax assets/ (liabilities)</b>	<b>28.37</b>	<b>-</b>	<b>42.34</b>	<b>(0.10)</b>	<b>70.61</b>

Note 10: Deferred tax assets /(liabilities) (net)

March 31, 2020	Balance as on April 01, 2019	Rate change impact in Reformatted Statement of Profit and Loss	Recognised in Reformatted Statement of Profit and loss	Recognised in OCI	Amount Rs. in crores Balance as on March 31, 2020
<b>Arising on account of temporary differences due to:</b>					
Provision for employee benefits	1.89	(0.53)	0.06	0.02	1.44
Provision for Impairment due to expected credit loss	31.97	(8.94)	44.36	-	67.39
Disallowance under section 35DD of the Income Tax Act,1961	0.01	-	(0.01)	-	-
EIR adjustment on loans	13.57	(3.80)	(4.81)	-	4.96
Property, plant and equipment	0.01	-	0.68	-	0.69
Difference between accounting income and taxable income	(0.97)	0.27	(16.28)	-	(16.98)
Provision for bad debts under section 36(1)(viiia) of the Income Tax Act,1961	(5.48)	1.53	1.76	-	(2.19)
Interest only strip receivable	(46.69)	13.06	13.20	-	(20.43)
EIR adjustments on borrowings	(0.13)	0.05	(7.04)	-	(7.13)
Right of use assets	-	-	0.09	-	0.09
Provision for diminution in value of investment	-	-	0.53	-	0.53
<b>Deferred tax assets/ (liabilities)</b>	<b>(5.82)</b>	<b>1.64</b>	<b>32.54</b>	<b>0.02</b>	<b>28.37</b>

Indiabulls Commercial Credit Limited  
Annexure V: Notes to the Reformatted Financial Information

Note 11

Note 11.1 Property, plant and equipment

	Amount Rs. in crores						
	Leasehold Improvements	Computers and printers	Furniture and fixtures	Motor vehicles	Office equipment	Land	Total
<b>Gross block</b>							
<b>At April 1, 2019</b>	1.08	1.86	0.80	10.49	0.77	0.10	15.10
Additions	0.22	0.01	0.02	-	0.06	-	0.31
Disposals	0.40	0.02	0.07	0.02	0.14	-	0.65
<b>At March 31, 2020</b>	<b>0.90</b>	<b>1.85</b>	<b>0.75</b>	<b>10.47</b>	<b>0.69</b>	<b>0.10</b>	<b>14.76</b>
Additions	-	-	0.02	-	-	-	0.02
Disposals	0.07	-	0.03	5.90	0.03	-	6.03
<b>At March 31, 2021</b>	<b>0.83</b>	<b>1.85</b>	<b>0.74</b>	<b>4.57</b>	<b>0.66</b>	<b>0.10</b>	<b>8.75</b>
Additions	-	-	-	-	-	-	-
Disposals	0.01	-	0.03	-	-	-	0.04
<b>At March 31, 2022</b>	<b>0.82</b>	<b>1.85</b>	<b>0.71</b>	<b>4.57</b>	<b>0.66</b>	<b>0.10</b>	<b>8.71</b>
<b>Depreciation</b>							
<b>At April 1, 2019</b>	0.10	1.56	0.20	4.20	0.43	-	6.49
Charged for the year	0.12	0.16	0.08	1.96	0.10	-	2.42
Disposals	0.05	0.02	0.01	-	0.04	-	0.12
<b>At March 31, 2020</b>	<b>0.17</b>	<b>1.70</b>	<b>0.27</b>	<b>6.16</b>	<b>0.49</b>	-	<b>8.79</b>
Charged for the year	0.09	0.12	0.07	1.52	0.07	-	1.87
Disposals	0.03	-	0.01	4.49	0.02	-	4.55
<b>At March 31, 2021</b>	<b>0.23</b>	<b>1.82</b>	<b>0.33</b>	<b>3.19</b>	<b>0.54</b>	-	<b>6.11</b>
Charged for the year	0.08	0.02	0.07	0.68	0.06	-	0.91
Disposals	-	-	0.02	-	-	-	0.02
<b>At March 31, 2022</b>	<b>0.31</b>	<b>1.84</b>	<b>0.38</b>	<b>3.87</b>	<b>0.60</b>	-	<b>7.00</b>
<b>Net Block</b>							
<b>At March 31, 2020</b>	<b>0.73</b>	<b>0.15</b>	<b>0.48</b>	<b>4.31</b>	<b>0.20</b>	<b>0.10</b>	<b>5.97</b>
<b>At March 31, 2021</b>	<b>0.60</b>	<b>0.03</b>	<b>0.41</b>	<b>1.38</b>	<b>0.12</b>	<b>0.10</b>	<b>2.64</b>
<b>At March 31, 2022</b>	<b>0.51</b>	<b>0.01</b>	<b>0.33</b>	<b>0.70</b>	<b>0.06</b>	<b>0.10</b>	<b>1.71</b>

<b>Note 11.2 Other Intangible assets</b>	<b>Amount Rs. in crores</b>	
	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
<b>At April 01, 2019</b>	<b>9.84</b>	<b>9.84</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2020</b>	<b>9.84</b>	<b>9.84</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2021</b>	<b>9.84</b>	<b>9.84</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2022</b>	<b>9.84</b>	<b>9.84</b>
<b>Amortization</b>		
<b>At April 1, 2019</b>	6.07	6.07
Charged for the year	2.46	2.46
<b>At March 31, 2020</b>	<b>8.53</b>	<b>8.53</b>
Charged for the year	1.31	1.31
<b>At March 31, 2021</b>	<b>9.84</b>	<b>9.84</b>
Charged for the year	-	-
<b>At March 31, 2022</b>	<b>9.84</b>	<b>9.84</b>
<b>Net block</b>		
<b>At March 31, 2020</b>	<b>1.31</b>	<b>1.31</b>
<b>At March 31, 2021</b>	-	-
<b>At March 31, 2022</b>	-	-

<b>Note 11.3 Right of use Assets</b>	<b>Amount Rs. in crores</b>	
	<b>Total</b>	
<b>At April 1, 2019</b>		
Balance as at April 1, 2019 - on account of implementation of Ind AS 116	15.20	15.20
Disposals	5.84	5.84
<b>At March 31, 2020</b>	<b>9.36</b>	<b>9.36</b>
Additions	-	-
Disposals	0.34	0.34
<b>At March 31, 2021</b>	<b>9.02</b>	<b>9.02</b>
Additions	0.07	0.07
Disposals	-	-
<b>At March 31, 2022</b>	<b>9.09</b>	<b>9.09</b>
<b>Amortization</b>		
<b>At April 1, 2019</b>	-	-
Charged for the year	3.99	3.99
<b>At March 31, 2020</b>	<b>3.99</b>	<b>3.99</b>
Charged for the year	1.36	1.36
<b>At March 31, 2021</b>	<b>5.35</b>	<b>5.35</b>
Charged for the year	0.73	0.73
<b>At March 31, 2022</b>	<b>6.08</b>	<b>6.08</b>
<b>Net block</b>		
<b>At March 31, 2020</b>	<b>5.37</b>	<b>5.37</b>
<b>At March 31, 2021</b>	<b>3.67</b>	<b>3.67</b>
<b>At March 31, 2022</b>	<b>3.01</b>	<b>3.01</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note12: Other non financial assets</b>			
Capital advances	-	36.66	0.02
Unamortised portion of deemed cost for corporate guarantees	26.08	32.43	37.49
Other non financial assets	6.40	3.46	8.87
<b>Total</b>	<b>32.48</b>	<b>72.55</b>	<b>46.38</b>

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 13: Trade payables (Refer Note 35)</b>			
(a) Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.40	0.01
<b>Total</b>	<b>-</b>	<b>0.40</b>	<b>0.01</b>

Particulars	As at March 31, 2021					Amount Rs. in crores
	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	-	-	-	-	-
Others	0.40	-	-	-	-	0.40
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Particulars	As at March 31, 2020					Amount Rs. in crores
	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	-	-	-	-	-
Others	0.01	-	-	-	-	0.01
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 14: Debt securities (at amortised cost)</b>			
<b>Secured*</b>			
Debentures <sup>(Refer note : 32(i))</sup>	2,159.42	2,192.77	2,440.38
<b>Total</b>	<b>2,159.42</b>	<b>2,192.77</b>	<b>2,440.38</b>
Debt securities in India	2,159.42	2,192.77	2,440.38
Debt securities outside India	-	-	-
<b>Total</b>	<b>2,159.42</b>	<b>2,192.77</b>	<b>2,440.38</b>

\* Redeemable Non-Convertible Debentures are secured against mortgage of immovable property, hypothecation of other financial assets and current and future loan assets of the Company except such receivable specifically charged (including investment).

The Company has, in all material respects, utilised the proceeds of issue of non convertible debt securities as stated in the respective offer documents.

The secured non-convertible debentures issued by the Company are fully secured by pari passu charge against mortgage of immovable property, hypothecation of other financial assets and current and future loan assets of the Company except such receivable specifically charged (including investment) to the extent as stated in the Information Memorandum/Offering Documents/Prospectus. Further the Company has maintained asset cover as stated in the Information Memorandum/Offering Documents/Prospectus.

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 15: Borrowings (at amortised cost)</b>			
<b>Secured</b>			
Loan from banks and Others <sup>(1 &amp; 2) (Refer note : 32(i))</sup>	1,964.73	3,806.00	5,333.07
Cash credit facility/Working Capital Demand loans/ Overdraft from banks <sup>(2&amp;5)</sup>	14.79	35.18	15.00
Loans from related parties			
- from Holding Company - Indiabulls Housing Finance Limited <sup>(2, 3 &amp; 4)</sup>	1,486.00	1,296.00	588.42
Securitisation Liability <sup>(Refer Note 42)</sup>	1,584.93	139.87	146.61
<b>Unsecured</b>			
Lease Liability <sup>(Refer Note 41)</sup>	3.34	3.83	5.72
<b>Total</b>	<b>5,053.79</b>	<b>5,280.88</b>	<b>6,088.82</b>
Borrowings in India	5,053.79	5,280.88	6,088.82
Borrowings outside India	-	-	-
<b>Total</b>	<b>5,053.79</b>	<b>5,280.88</b>	<b>6,088.82</b>

(1) Secured by hypothecation of loan receivables(Current and Future), other financial assets, cash and cash equivalents) of the Company(including investment) and bank balance other than Cash and cash equivalents.

(2) Linked to reference rate used by respective lenders.

(3) Secured by hypothecation of receivables(Current and Future) of the Company

(4) Repayable at any time before expiry at the end of 48 months from the date of disbursement/agreement.

(5)The Company has availed cash credit revolving facility from a bank and the same is repayable on demand. The cash credit facility is secured by way of pari passu charge on current assets including loans and advances and receivables of the Company with a minimum security cover as agreed with the bank. Overdraft facility from bank against fixed deposits is secured against cash margin in the form of fixed deposit maintained with the respective bank. Interest on such facility is payable monthly at the bank prescribed rate linked with the respective fixed deposit.

There is no continuing default in the repayment of the aforesaid loans or interest as at the balance sheet date.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 16: Subordinated liabilities (at amortised cost)</b>			
Subordinate debt (unsecured) <sup>(Refer note : 32(iii))</sup>	350.00	349.40	348.86
<b>Total</b>	<b>350.00</b>	<b>349.40</b>	<b>348.86</b>
Subordinated liabilities in India	350.00	349.40	348.86
Subordinated liabilities outside India	-	-	-
<b>Total</b>	<b>350.00</b>	<b>349.40</b>	<b>348.86</b>

The Company has, in all material respects, utilised the proceeds of issue of the above debt securities as stated in the respective offer document. There is no continuing default in the repayment of the aforesaid loans or interest as at the balance sheet date.

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 17: Other financial liabilities</b>			
Interest accrued but not due on borrowings	116.45	130.31	160.93
Amount payable on assigned loans	88.64	51.81	195.34
Other liabilities	82.84	64.69	84.36
Temporary overdrawn Balances as per books	-	3,155.50	2,616.53
Servicing liability on assigned loans	3.20	4.57	10.11
<b>Total</b>	<b>291.13</b>	<b>3,406.88</b>	<b>3,067.27</b>

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 18: Provisions</b>			
Provision for employee benefits <sup>(Refer Note 37)</sup>	0.98	1.16	1.35
Compensated absences	3.96	3.67	4.32
Gratuity	-	-	-
<b>Total</b>	<b>4.94</b>	<b>4.83</b>	<b>5.67</b>

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Note 19: Other Non-financial liabilities</b>			
Statutory dues payable and other non financial liabilities	167.71	83.85	25.82
<b>Total</b>	<b>167.71</b>	<b>83.85</b>	<b>25.82</b>



**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 20: Share capital**

**Note 20.1: Equity share capital**

**Details of authorized, issued, subscribed and paid up equity share capital**

Authorized equity share Capital <sup>(1 to 6)</sup>	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores
Equity shares of face value Rs. 10 each	25,00,00,000	250.00	25,00,00,000	250.00	25,00,00,000	250.00
<b>Total</b>	<b>25,00,00,000</b>	<b>250.00</b>	<b>25,00,00,000</b>	<b>250.00</b>	<b>25,00,00,000</b>	<b>250.00</b>

(1) Pursuant to and in terms of the Scheme of Arrangement as approved by the Hon'ble High Court of Delhi vide its order dated March 15, 2016, the authorised share capital of the Company was increased from Rs. 55 crores to Rs. 66 crores, divided into 43,500,000 equity shares of face value of Rs.10 each and 22,500,000 preference shares of face value of Rs.10 each.

(2) In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the approval of the members of the Company in their extra ordinary general meeting held on October 12, 2017 the Company's authorised share capital was increased from Rs. 66 crores to Rs. 72.73 crores, divided in to 50,226,573 equity shares of face value of Rs.10 each and 22,500,000 preference shares of Rs. 10 each.

(3) In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the approval of the members of the Company in their extra ordinary general meeting held on March 1, 2018 the Company's authorised share capital was increased from Rs. 72.73 crores to Rs. 85 crores divided in to 62,500,000 equity shares of face value of Rs.10 each and 22,500,000 preference shares of Rs. 10 each.

(4) In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the approval of the members of the Company in their extra ordinary general meeting held on May 31, 2018 the Company's authorised share capital was increased from Rs. 85 crores to Rs. 135 crores divided in to 112,500,000 equity shares of face value of Rs.10 each and 22,500,000 preference shares of Rs. 10 each.

(5) In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the approval of the members of the Company in their extra ordinary general meeting held on January 28, 2019 the Company's authorised share capital was increased from Rs. 135 crores to Rs. 250 crores divided in to 227,500,000 equity shares of face value of Rs.10 each and 22,500,000 preference shares of Rs. 10 each.

(6) In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the approval of the members of the Company in their extra ordinary general meeting held on March 14, 2019 the Company's authorised share capital was increased from Rs. 250 crores to Rs. 272.50 crores divided in to 250,000,000 equity shares of face value of Rs.10 each and 22,500,000 preference shares of Rs. 10 each.

Issued, Subscribed & Paid up capital <sup>(refer i to vi)</sup>	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores
Equity shares of face value Rs. 10 each	24,77,99,324	247.80	24,77,99,324	247.80	24,77,99,324	247.80
<b>Total</b>	<b>24,77,99,324</b>	<b>247.80</b>	<b>24,77,99,324</b>	<b>247.80</b>	<b>24,77,99,324</b>	<b>247.80</b>

(i) Terms/ rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Consequent upon the increase in authorised share capital, on October 12, 2017, and upon receipt of consideration in cash, the Board of Directors of the Company, at their meeting held on October 31, 2017 granted their approval and the Company issued and allotted 7,400,285 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 135.13 per equity share fully paid (including securities premium of Rs. 125.13 per share), ranking pari passu with existing shares.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note 20.1: Equity share capital (continued...)**

(iii) Consequent upon the increase in authorised share capital, on March 1, 2018, and upon receipt of consideration in cash, the Board of Directors of the Company, at their meeting held on March 22, 2018 granted their approval and the Company issued and allotted 10,344,828 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 145 per equity share fully paid (including securities premium of Rs. 135 per share), ranking pari passu with existing shares.

(iv) Consequent upon the increase in authorised share capital, on May 31, 2018, and upon receipt of consideration in cash, the Board of Directors of the Company, at their meeting held on June 20, 2018 granted their approval and the Company issued and allotted 47,077,923 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 154 per equity share fully paid (including securities premium of Rs. 144 per share), ranking pari passu with existing shares.

(v) Consequent upon the increase in authorised share capital, on January 28, 2019, and upon receipt of consideration in cash, the Board of Directors of the Company, at their meeting held on February 22, 2019 granted their approval and the Company issued and allotted 117,650,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 170 per equity share fully paid (including securities premium of Rs. 160 per share) for a consideration received of Rs. 20,000,500,000, ranking pari passu with existing shares.

(vi) The Board of Directors of the Company, at their meeting held on March 25, 2019 granted their approval and the Company issued and allotted 22,500,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 80 per equity share fully paid (including securities premium of Rs. 70 per share) by conversion of the outstanding preference shares, ranking pari passu with existing shares, in accordance with the terms of the issue of such preference shares.

**The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.**

Name of the shareholder	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount Rs. in crores	No. of shares	Amount Rs. in crores	No. of shares	Amount Rs. in crores
Equity shares outstanding at the beginning of year	24,77,99,324	247.80	24,77,99,324	247.80	24,77,99,324	247.80
Add:						
Equity shares allotted during the year	-	-	-	-	-	-
<b>Equity share outstanding at the end of year</b>	<b>24,77,99,324</b>	<b>247.80</b>	<b>24,77,99,324</b>	<b>247.80</b>	<b>24,77,99,324</b>	<b>247.80</b>

**Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
<b>Holding company</b>						
Indiabulls Housing Finance Limited	24,77,99,324	100%	24,77,99,324	100%	24,77,99,324	100%
<b>Total</b>	<b>24,77,99,324</b>		<b>24,77,99,324</b>		<b>24,77,99,324</b>	

**Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash**

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Equity shares allotted as fully paid pursuant to contract without payment being received in cash	-	-	-	-	-

\* 3,28,26,288 equity shares were allotted by the Company, for consideration other than cash, to the shareholders of IFCPL, pursuant to and in terms of the Scheme of Arrangement, approved by the Hon'ble High Court of Delhi vide its order dated March 15, 2016, which came into effect on March 31, 2016, with effect from the Appointed Date April 1, 2015

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Employee Stock Options: Refer note 34**

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note 20.1: Equity share capital (continued...)

Details of shareholding of promoters in the Company

Shares held by promoters at the end of the year March 31, 2022				% Change during the year
S.No	Promoter Name	No. of Shares	% of total shares	
1	Indiabulls Housing Finance Limited	24,77,99,324	100%	0.00%
<b>Total</b>				

Shares held by promoters at the end of the year March 31, 2021				% Change during the year
S.No	Promoter Name	No. of Shares	% of total shares	
1	Indiabulls Housing Finance Limited	24,77,99,324	100%	0.00%
<b>Total</b>				

Shares held by promoters at the end of the year March 31, 2020				% Change during the year
S.No	Promoter Name	No. of Shares	% of total shares	
1	Indiabulls Housing Finance Limited	24,77,99,324	100%	0.00%
<b>Total</b>				

Note 20.2: Preference share capital

Details of authorized preference share capital

Authorized preference share Capital	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores	No of Shares	Amount Rs. in crores
Preference shares of Rs. 10 each	2,25,00,000	22.50	2,25,00,000	22.50	2,25,00,000	22.50
<b>Total</b>	<b>2,25,00,000</b>	<b>22.50</b>	<b>2,25,00,000</b>	<b>22.50</b>	<b>2,25,00,000</b>	<b>22.50</b>

(i) On March 26, 2013 ("the Company"), pursuant to the approval granted by the Members of the Company, at the meeting held on March 26, 2013, has issued 22,500,000 10% Compulsory Convertible Preference Shares of face value Rs.10 per share at a premium Rs.80 to its holding Company Indiabulls Housing Finance Limited ("IHFL"). The said preference shares carry cumulative dividend @ 10% per annum. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of the Preference Shares is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to the Preference Shares. The Preference Shares are convertible into equity shares, at any time at the option of the Preference Shareholders or on the expiry of 20 years from the date of allotment viz., March 26, 2013.

(ii) The Board of Directors of the Company, at their meeting held on March 25, 2019 granted their approval and the Company issued and allotted 22,500,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL") at Rs. 80 per equity share fully paid (including securities premium of Rs. 70 per share) by conversion of the outstanding preference shares, ranking pari passu with existing shares, in accordance with the terms of the issue of such preference shares.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note 21: Other equity

	As at March 31, 2022	As at March 31, 2021	Amount Rs. in crores As at March 31, 2020
<b>Capital reserve<sup>(3)</sup></b>			
Opening balance	0.17	0.17	0.17
Add: Additions during the year	-	-	-
Closing balance	<b>0.17</b>	<b>0.17</b>	<b>0.17</b>
<b>Capital redemption reserve<sup>(5)</sup></b>			
Opening balance	4.00	4.00	4.00
Add: Additions during the year	-	-	-
Closing balance	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Securities premium account<sup>(4)</sup></b>			
Opening balance	3,249.40	3,249.40	3,249.40
Add: Additions during the year	-	-	-
Closing balance	<b>3,249.40</b>	<b>3,249.40</b>	<b>3,249.40</b>
<b>Special reserve u/s 36(1)(viii) of I Tax Act, 1961<sup>(1)</sup></b>			
Opening balance	138.19	86.65	86.65
Add: Additions during the year	-	51.54	-
Closing balance	<b>138.19</b>	<b>138.19</b>	<b>86.65</b>
<b>Reserve fund<sup>(2)</sup></b> (U/s 451C of the R.B.I. Act, 1934)			
Opening balance	235.07	207.26	203.30
Add: Amount transferred during the year	101.64	27.81	3.96
Closing balance	<b>336.71</b>	<b>235.07</b>	<b>207.26</b>
<b>Fair value of corporate guarantee</b>			
Opening balance	55.66	51.39	41.63
Add: Additions during the year	4.18	4.27	9.76
Closing balance	<b>59.84</b>	<b>55.66</b>	<b>51.39</b>
<b>General Reserve</b>			
Opening balance	-	-	-
Add: Additions during the year	238.68	-	-
Closing balance	<b>238.68</b>	-	-
<b>Debenture redemption reserve<sup>(7)</sup></b>			
Opening balance	247.04	247.04	83.83
Add: Additions during the year	-	-	163.21
Less: Transferred to General Reserve	(238.68)	-	-
Closing balance	<b>8.36</b>	<b>247.04</b>	<b>247.04</b>
<b>Share based payment reserve<sup>(8)</sup></b>			
Opening balance	8.80	6.14	3.76
Add: Additions during the year	(0.62)	2.66	2.38
Closing balance	<b>8.18</b>	<b>8.80</b>	<b>6.14</b>
<b>Retained earnings<sup>(6)</sup></b>	773.42	366.84	307.15
<b>Other Comprehensive income</b>	0.09	0.23	(0.05)
<b>Total</b>	<b>4,817.04</b>	<b>4,305.40</b>	<b>4,159.15</b>

## Indiabulls Commercial Credit Limited

### Annexure V: Notes to the Reformatted Financial Information

#### Note 21: Other equity (continued...)

(1) Special reserve u/s 36(1)(viii) of I Tax Act, 1961

In terms of Section 36(1)(viii) of the Income Tax Act, 1961, a deduction is allowed for income from eligible business viz, Income from providing long-term infrastructure finance, long-term finance for the construction or purchase houses in India for residential purposes and the business of providing long-term finance for industrial or agricultural development etc. The Company claims the deduction as it falls under some of the categories of eligible business as defined under Section 36(1)(viii) of the Income Tax Act, 1961. Consequently the Company has, as at year end, transferred an amount of Rs. 51.54 crores (Previous year Rs. Nil ) to the special reserve account to claim deduction in respect of eligible business under the said section.

(2) Reserve fund

In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its Net Profits (after tax) to a reserve before any dividend is declared. As at the year end, the Company has transferred an amount of Rs. 101.64 (March 31, 2021 Rs. 27.81 crores and March 31, 2020 Rs. 3.96 crores) to the reserve fund.

(3) Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(4) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(5) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

(6) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

(7) Debenture Redemption Reserve

The Companies Act, 2013 requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued by a public issue. The amounts credited to the debenture redemption reserve may not be utilised by the company except to redeem debentures. The Ministry of Corporate Affairs (MCA) has amended the Companies (Share Capital and Debenture) Rules, 2014, doing away with creation of debenture redemption reserve by NBFCs with respect to issue of non convertible debentures (NCDs). Vide the said amendment, now NBFCs are required on or before 30 April of each year to invest or deposit in prescribed securities, a sum not less than 15 per cent of the debentures maturing during the year ending on 31 March of the next year. Accordingly, during the year ended March 31, 2022, the Company has transferred Rs. 238.68 crores to the General Reserve in respect of Debenture Redemption Reserve no longer required.

(8) Share based payment reserve

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium/retained earnings upon exercise of stock options by employees.

#### 9) Proposed Dividend

The Board of Directors in their meeting on May 20, 2022 recommended a final dividend of Re. 1/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and if approved would result in a net cash outflow of approximately Rs. 24.78 crore.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Amount Rs. in crores			
Year ended March 31, 2022			
	On financial assets measured at Amortised cost	Interest income on securities classified at fair value through profit and loss	Total
<b>Note 22: Interest income</b>			
Interest on loans	1,577.00	-	1,577.00
Interest on debt securities	-	2.49	2.49
Interest on deposits with banks	4.24	-	4.24
<b>Total</b>	<b>1,581.24</b>	<b>2.49</b>	<b>1,583.73</b>

Amount Rs. in crores			
Year ended March 31, 2021			
	On financial assets measured at Amortised cost	Interest income on securities classified at fair value through profit and loss	Total
<b>Note 22: Interest income</b>			
Interest on loans	1,589.98	-	1,589.98
Interest on debt securities	-	22.93	22.93
Interest on deposits with banks	2.72	-	2.72
<b>Total</b>	<b>1,592.70</b>	<b>22.93</b>	<b>1,615.63</b>

Amount Rs. in crores			
Year ended March 31, 2020			
	On financial assets measured at Amortised cost	Interest income on securities classified at fair value through profit and loss	Total
<b>Note 22: Interest income</b>			
Interest on loans	1,962.17	-	1,962.17
Interest on debt securities	-	45.11	45.11
Interest on deposits with banks	6.44	-	6.44
<b>Total</b>	<b>1,968.61</b>	<b>45.11</b>	<b>2,013.72</b>

Amount Rs. in crores			
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 23: Dividend income</b>			
Dividend income on mutual funds/shares	-	-	46.22
<b>Total</b>	<b>-</b>	<b>-</b>	<b>46.22</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	Year ended March 31, 2022	Year ended March 31, 2021	Amount Rs. in crores Year ended March 31, 2020
<b>Note 24: Fee and commission income</b>			
Foreclosure income	6.46	1.22	40.51
Fee income from services	4.12	1.10	1.23
<b>Total</b>	<b>10.58</b>	<b>2.32</b>	<b>41.74</b>

	Year ended March 31, 2022	Year ended March 31, 2021	Amount Rs. in crores Year ended March 31, 2020
<b>Note 25: Net gain/(loss) on fair value changes</b>			
Net (profit)/loss on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
- Derivatives	-	-	0.67
(ii) On financial instruments designated at fair value through profit or loss	219.70	(15.12)	79.86
<b>Total net gain/(loss) on fair value changes</b>	<b>219.70</b>	<b>(15.12)</b>	<b>80.53</b>
Fair Value changes:			
-Realised	216.98	(12.71)	15.81
-Unrealised	2.72	(2.41)	64.72
<b>Total net gain/(loss) on fair value changes</b>	<b>219.70</b>	<b>(15.12)</b>	<b>80.53</b>

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 26: Other income</b>			
Interest On Income tax Refund	5.02	5.96	0.44
Miscellaneous Income	3.58	4.45	0.04
Sundry credit balances written back	0.02	1.55	0.01
Provision for compensated absences written back <sup>(Refer Note 37)</sup>	0.18	0.18	0.01
Gain on modification of lease <sup>(Refer Note 40)</sup>	-	0.64	0.31
Profit on sale of property, plant and equipment	-	0.21	-
Provision for diminution on value of investment no longer required	-	0.54	-
<b>Total</b>	<b>8.80</b>	<b>13.53</b>	<b>0.81</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

	Year ended March 31, 2022	Year ended March 31, 2021	Amount Rs. in crores Year ended March 31, 2020
	On financial assets measured at Amortised cost	On financial assets measured at Amortised cost	On financial assets measured at Amortised cost
<b>Note 27: Finance costs</b>			
(a) Interest on:			
Debt securities	196.18	212.67	253.11
Borrowings (other than debt)	702.58	746.13	862.44
Subordinated liabilities	31.36	31.31	31.29
(b) Processing and other Fee	8.20	6.34	9.12
(c) Bank charges	0.83	0.29	1.07
(d) Interest on lease liability <sup>(Refer Note 41)</sup>	0.32	0.38	1.15
(e) Other interest expenses	2.01	0.17	-
<b>Total</b>	<b>941.48</b>	<b>997.29</b>	<b>1,158.18</b>

	Year ended March 31, 2022	Year ended March 31, 2021	Amount Rs. in crores Year ended March 31, 2020
<b>Note 28: Impairment on financial instruments</b>			
Provision for impairment due to expected credit loss / bad debts Written Off (net of recoveries) <sup>(1)</sup> <sup>(Refer Note 7)</sup>	248.92	426.88	952.92
<b>Total</b>	<b>248.92</b>	<b>426.88</b>	<b>952.92</b>

	Amount Rs. in crores		Amount Rs. in crores
(1) Provision for impairment due to expected credit loss / bad debts written off (net of recoveries) includes:	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Particulars			
Provision for impairment due to expected credit loss	234.50	518.97	176.29
Bad debt/advances written off/(recovered)*	14.42	(92.09)	776.63
<b>Total</b>	<b>248.92</b>	<b>426.88</b>	<b>952.92</b>

\*Net of bad debt recovery of Rs. 292.08 crores (March 31, 2021: net of bad debt/advance written off Rs. 32.47 crores, March 31, 2020: Net of bad debt recovery Rs 45.89 crores).



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Annexure V: Notes to the Reformatted Financial Information

	Amount Rs. in crores		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 29: Employee benefits expenses</b>			
Salaries and wages	23.87	16.97	23.81
Provision for gratuity, compensated absences <sup>(Refer Note 37)</sup>	0.59	0.59	0.84
Contribution to provident and other funds <sup>(Refer Note 37)</sup>	0.29	0.37	0.54
Share based payments to employees expense/(credit)	(0.62)	2.66	2.38
Staff welfare expenses	0.02	0.01	0.05
<b>Total</b>	<b>24.15</b>	<b>20.60</b>	<b>27.62</b>

	Amount Rs. in crores		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 30: Other expenses</b>			
Rent and other charges <sup>(Refer Note 41)</sup>	0.02	0.10	0.06
Rates and taxes	0.55	0.45	0.49
Repairs and maintenance	0.33	0.31	1.37
Stamp Duty	0.24	0.16	1.17
Communication Cost	0.03	0.03	0.11
Electricity and water	0.07	0.07	0.32
Printing and stationery	0.07	0.04	0.05
Advertisement and publicity	0.26	0.25	1.51
Provision for diminution on value of investment	-	-	2.12
Brokerage expenses	3.26	5.92	0.10
Loss on Sale of Fixed Assets	0.02	-	0.33
Auditor's remuneration			
-As Auditors	0.38	0.13	0.13
Legal and Professional charges	2.79	1.62	1.04
Service Charges	0.06	0.06	0.08
Expenditure on corporate social responsibility <sup>(1)</sup>	4.21	6.10	7.15
Travelling and Conveyance	0.13	0.13	0.30
Depository Charges	0.03	0.02	0.02
Collection Charges	-	-	0.01
Recruitment Expenses	-	-	0.01
Membership Fee	0.32	0.29	0.05
Miscellaneous Expenses	0.38	0.04	0.02
<b>Total</b>	<b>13.15</b>	<b>15.72</b>	<b>16.44</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note 30: Other expenses (continued...)

1. Corporate Social Responsibility (CSR):

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the company during the year	4.21	6.10	7.15
Amount spent during the year	4.21	6.10	7.15
Shortfall at the end of the year	Nil	Nil	Nil
Nature of CSR activities:	Free Distribution of Medicines including Health care Services	Free Distribution of Medicines including Health care Services	1.Development of Indian Arts & Culture 2.Kumud (Sanitary Napkins) 3.Solar Power Plants

Note 31 : Tax Expenses

The major components of income tax expense for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 are :

	Year ended March 31, 2022 Amount Rs. in crores	Year ended March 31, 2021 Amount Rs. in crores	Year ended March 31, 2020 Amount Rs. in crores
<b>Current income tax:</b>			
Current income tax charge	51.89	56.09	41.62
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	52.43	(42.34)	(34.18)
<b>Income tax expense reported in the Reformatted statement of profit or loss</b>	<b>104.32</b>	<b>13.75</b>	<b>7.44</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022:

Particulars	Year ended March 31, 2022 Amount Rs. in crores	Year ended March 31, 2021	Year ended March 31, 2020
<b>Accounting profit for the year (before income tax)</b>	612.54	152.79	27.25
India's statutory income tax rate	25.168%	25.168%	25.168%
Computed expected tax expense	154.16	38.45	6.86
<b>Tax effect of amounts to reconcile expected income tax expense to reported income tax expense:</b>			
Tax on Expenses / deductions allowed/disallowed in Income tax Act, 1961	3.71	3.89	1.80
Disallowance under section 14A of the Income Tax Act 1961	-	-	0.52
Deduction under section 36(i)(viii) of the Income Tax Act 1961	-	(12.97)	-
Tax free Income	-	-	(11.63)
Capital Loss	(55.29)	(9.33)	(4.45)
Tax effect of expenditure/(income) not considered for tax provision (net)	1.74	(6.29)	15.97
Tax effect of revaluation of deferred tax due to change in Income tax rate	-	-	(1.63)
<b>Income tax expense</b>	<b>104.32</b>	<b>13.75</b>	<b>7.44</b>

(i) Redeemable Non Convertible Debentures (payable at par unless otherwise stated)(Secured unless otherwise stated) include:

Amount Rs. in crores

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
9.05% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on July 07, 2023 <sup>(1)</sup>	39.86	39.79	39.72
10.75% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on June 29, 2021 <sup>(1)</sup>	-	164.80	164.47
8.75% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on July 28, 2020 <sup>(1)</sup>	-	-	249.24
Redeemable (at premium) Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2020 <sup>(2)</sup>	-	-	0.11
Redeemable (at premium) Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2020 <sup>(2)</sup>	-	-	9.87
Redeemable (at premium) Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2021 <sup>(2)</sup>	-	0.09	0.08
Redeemable (at premium) Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2021 <sup>(2)</sup>	-	23.57	21.52
8.80% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2021 <sup>(2)</sup>	-	899.03	896.00
8.90% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2021 <sup>(2)</sup>	-	944.00	938.69
8.60% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on September 21, 2023 <sup>(1)</sup>	199.82	-	-
8.66% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2023 <sup>(2)</sup>	20.56	20.45	20.32
8.90% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2023 <sup>(2)</sup>	0.90	0.90	0.90
9.00% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2023 <sup>(2)</sup>	74.53	74.17	73.70
8.75% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on September 21, 2024 <sup>(1)</sup>	599.45	-	-
9.00% Redeemable Non convertible Debentures of Face value Rs.1,000,000 each Redeemable on September 21, 2026 <sup>(1)</sup>	1,198.24	-	-
8.75% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2028 <sup>(2)</sup>	0.06	0.06	0.06
8.84% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2028 <sup>(2)</sup>	12.07	12.03	11.94
9.10% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2028 <sup>(2)</sup>	0.35	0.34	0.34
9.20% Redeemable Non convertible Debentures of Face value Rs. 1000 each Redeemable on September 25, 2028 <sup>(2)</sup>	13.58	13.53	13.42
<b>Total</b>	<b>2,159.42</b>	<b>2,192.77</b>	<b>2,440.38</b>

(1) Issued by way of private placement and listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited and BSE Limited

(2) Issued in terms of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Companies Act, 2013 as amended and other applicable laws, by way of public issue, and listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Annexure V: Notes to the Reformatted Financial Information

Note - 32 (continued...)

(ii) (a) Term Loans from banks /financial institutions as at March 31, 2022 includes<sup>(1)</sup>:

Particulars	Amount Rs. in crores
Term Loans taken from financial institution. These loans are repayable in half yearly instalments. The average balance tenure for these loans is 25 months from the Balance Sheet date.	221.50
Term Loan taken from Bank. This loan is repayable in quarterly instalments with moratorium period of 3 month from the date of disbursement. The balance tenure for this loan is 15 months from the Balance Sheet date.	143.71
Term Loan taken from Banks. These loans are repayable in quarterly instalments from the date of disbursement. The average balance tenure for these loans is 51 months from the Balance Sheet date.	340.00
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 3 years from the date of disbursement. The average balance tenure for these loans is 10 months from the Balance Sheet date.	464.97
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 2 years from the date of disbursement. The average balance tenure for these loans is 8 months from the Balance Sheet date.	565.31
Term Loan taken from Bank(s), These loans are repayable in quarterly instalment with moratorium period of 6 months from the date of disbursement. The average balance tenure for these loans is 60 months from the Balance Sheet date.	229.24
<b>Total</b>	<b>1,964.73</b>

(1) Linked to reference rate used by respective lenders

(ii) (b) Term Loans from banks as at March 31, 2021 includes<sup>(1)</sup>:

Particulars	Amount Rs. in crores
Term Loan taken from Bank(s), These loans are repayable in Monthly instalment from the date of disbursement. The average balance tenure for these loans is 3 months from the Balance Sheet date.	60.08
Term Loans taken from financial institution. These loans are repayable in half yearly instalments. The average balance tenure for these loans is 37 months from the Balance Sheet date.	851.00
Term Loan taken from Bank. This loan is repayable in quarterly instalments with moratorium period of 3 month from the date of disbursement. The balance tenure for this loan is 27 months from the Balance Sheet date.	258.67
Term Loan taken from Banks. These loans are repayable in quarterly instalments from the date of disbursement. The average balance tenure for these loans is 33 months from the Balance Sheet date.	215.35
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 3 years from the date of disbursement. The average balance tenure for these loans is 19 months from the Balance Sheet date.	879.92
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 2 years from the date of disbursement. The average balance tenure for these loans is 15 months from the Balance Sheet date.	1,265.91
Term Loan taken from Bank(s), These loans are repayable in quarterly instalment with moratorium period of 6 months from the date of disbursement. The average balance tenure for these loans is 72 months from the Balance Sheet date.	275.07
<b>Total</b>	<b>3,806.00</b>

(1) Linked to reference rate used by respective lenders

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 32 (continued...)**

**(ii) (c) Term Loans from banks as at March 31, 2020 includes<sup>(1)</sup>:**

<b>Particulars</b>	<b>Amount Rs. in crores</b>
Term Loan taken from Bank(s). These loans are repayable in Monthly instalment from the date of disbursement. The average balance tenure for these loans is 18 months from the Balance Sheet date.	123.98
Term Loan taken from Bank. These loans are repayable in half yearly instalment with moratorium period of 2 years from the date of disbursement. The balance tenure for this loan is 8 months from the Balance Sheet date.	6.00
Term Loans taken from financial institution. These loans are repayable in half yearly instalments. The average balance tenure for these loans is 49 months from the Balance Sheet date.	1,545.50
Term Loan taken from Bank. This loan is repayable in quarterly instalments with moratorium period of 1 year from the date of disbursement. The balance tenure for this loan is 6 months from the Balance Sheet date.	74.98
Term Loan taken from Bank. This loan is repayable in quarterly instalments with moratorium period of 3 month from the date of disbursement. The balance tenure for this loan is 39 months from the Balance Sheet date.	373.63
Term Loan taken from Banks. These loans are repayable in quarterly instalments from the date of disbursement. The average balance tenure for these loans is 13 months from the Balance Sheet date.	64.79
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 3 years from the date of disbursement. The average balance tenure for these loans is 31 months from the Balance Sheet date.	979.87
Term Loan taken from Banks. These loans are repayable in yearly instalments with the moratorium period of 2 years from the date of disbursement. The average balance tenure for these loans is 27 months from the Balance Sheet date.	1,866.48
Term Loan taken from Bank(s). These loans are repayable in quarterly instalment with moratorium period of 6 months from the date of disbursement. The average balance tenure for these loans is 84 months from the Balance Sheet date.	297.84
<b>Total</b>	<b>5,333.07</b>

(1) Linked to reference rate used by respective lenders

**(iii) Subordinated debt (unsecured) (repayable at par)**

<b>Particulars</b>	<b>Amount Rs. in crores</b>		
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
8.45% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 08, 2027	58.81	58.66	58.52
8.45% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 30, 2027	39.21	39.11	39.00
8.45% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 05, 2028	49.97	49.96	49.96
8.85% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 28, 2028	100.00	100.00	100.00
8.80% Subordinated Debt of Face value of Rs.100,000 each Redeemable on May 2, 2028	97.46	97.17	96.92
8.85% Subordinated Debt of Face value of Rs.100,000 each Redeemable on March 28, 2028	4.55	4.50	4.46
<b>Total</b>	<b>350.00</b>	<b>349.40</b>	<b>348.86</b>

**Note - 32 (continued...)**

(iv) Changes in liabilities arising from financial activities includes negative movement on account of EIR adjustment for Rs. 10.83 crores (March 31, 2021: negative movement Rs. 11.46 crores, March 31,

(v) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year (March 31, 2021: Rs. Nil, March 31, 2020: Nil).

(vi) **Disclosure of investing and financing activity that do not require cash and cash equivalent\*:**

Particulars	Amount Rs. in crores		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment and	(0.94)	(2.63)	(5.21)
Investments in subsidiaries and other	219.70	(15.12)	80.53
Right-of-use assets	(0.66)	(1.71)	5.37
Equity share capital including securities	-	-	3.77
Borrowings**	1,451.68	7.33	177.53

\* Includes non cash movements such as effective interest rate on borrowings and investment, fair value adjustment on investment etc.

\*\* Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

**Note - 33**

**Contingent Liability and Commitments :**

i) Contingent liabilities not provided for in respect of:

The Company is involved in certain appellate and judicial proceedings (including those described below) concerning matters arising in the normal course of business including claims from customers. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

**FY 2020-21 and 2019-20**

The Company had issued a bank guarantee Rs. 17.00 crores (2019-20 Rs. 17.00 crores) in favour of the BSE Ltd, in addition to security deposit of Rs. 3.00 crores, towards 1% of the amount raised via public issue of non-convertible debentures i.e. Rs. 2,000 crores, which were listed on BSE Ltd., during the year ended March 31, 2019. During the year ended March 31, 2021, BSE Ltd. has released the said bank guarantee of Rs. 17.00 crores and refunded the security deposit of Rs. 3.00 crores in full to the Company.

ii) Capital commitments not provided for:

Capital commitments (net of capital advances Rs. NIL (2020-21 : Rs. 0.01 crores, 2019-20 : Rs. 0.2 crores) on account of contracts remaining to be executed and not provided for, are estimated at Rs. 0.01 crores (2020-21 : Rs. 0.01 crores, 2019-20: Rs. 0.02 crores) .

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 34**

**Employees Stock Options Plans ( ESOS / ESOP Schemes) of Indiabulls Housing Finance Limited (“the Holding Company” “IHFL”):**

**FY 2021-22**

**(i) Grants During the Year:**

There have been no new grants during the year.

**Employee Stock Benefit Scheme 2019 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of INDIABULLS HOUSING FINANCE LIMITED at its meeting held on November 6, 2019; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on December 23, 2019, result of which were declared on December 24, 2019.

This Scheme comprises:

- a. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- b. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- c. INDIABULLS HOUSING FINANCE LIMITED Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the ESOP Regulations, the Holding Company had set up Indiabulls Housing Finance Limited Employee Welfare Trust (Trust) for the purpose of implementation of ESOP Scheme. The Scheme is administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme

**(iii) The other disclosures in respect of the ESOS / ESOP Schemes are as under:- (FY 2021-22)**

<b>Particulars</b>	<b>IHFL-IBFSL Employees Stock Option Plan II – 2006</b>	<b>IHFL-IBFSL Employees Stock Option – 2008</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>
Total Options under the Scheme	7,20,000	75,00,000	3,90,00,000	3,90,00,000	3,90,00,000	3,90,00,000
Total Options issued under the Scheme	7,20,000	75,00,000	1,05,00,000	1,05,00,000	1,25,00,000	1,00,00,000
Vesting Period and Percentage	Four years,25% each year	Ten years,15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Three years, 33.33% each year	Five years, 20% each year
First Vesting Date	1st November, 2008	8th December, 2009	12th October, 2015	12th August, 2018	5th October, 2021	10th March, 2020
Revised Vesting Period & Percentage	Nine years,11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	200.00	702.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	1,152	15,597	36,96,756	54,53,100	1,20,87,358	48,85,800
Regrant Addition	N.A	N.A	N.A	N.A	N.A.	N.A.
Regrant Date	N.A	N.A	N.A	N.A	N.A	N.A
Options vested during the year (Nos.)	-	-	-	-	40,29,119	-
Exercised during the year (Nos.)	-	50	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-
Lapsed during the year	1,152.00	1,215	3,72,200	20,35,100	-	18,21,000
Re-granted during the year	-	-	-	N.A	N.A	N.A
Outstanding at the end of the year (Nos.)	0	14,332	33,24,556	34,18,000	1,20,87,358	30,64,800
Exercisable at the end of the year (Nos.)	0	14,332	33,24,556	17,09,000	40,29,119	-
Remaining contractual Life (Weighted Months)	NA	16	F-56 24	40	66.15	77

**N.A - Not Applicable**

Note - 34 (continued...)

Particulars	IHFL-IBFSL Employees Stock Option – 2008 -Regrant	IHFL-IBFSL Employees Stock Option – 2008- Regrant	IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant	IHFL-IBFSL Employees Stock Option – 2008 - Regrant	IHFL-IBFSL Employees Stock Option Plan II – 2006 -Regrant
Total Options under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Total Options issued under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	N.A.	N.A.	N.A.	N.A.	N.A.
First Vesting Date	31st December, 2010	16th July, 2011	27th August, 2010	11th January, 2012	27th August, 2010
Revised Vesting Period & Percentage	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	10,890	38,880	39,500	3,000	21,900
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	-	-	-	-	-
Exercised during the year (Nos.)	3,600	8,000	-	3,000	-
Expired during the year (Nos.)	-	-	-	-	-
Cancelled during the year	-	-	-	-	-
Lapsed during the year	-	-	-	-	-
Re-granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	7,290	30,880	39,500	0	21,900
Exercisable at the end of the year (Nos.)	7,290	30,880	39,500	0	21,900
Remaining contractual Life (Weighted Months)	34	33	29	NA	29

N.A - Not Applicable

(iv) The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2006- Regrant	IHFL - IBFSL Employees Stock Option Plan II – 2006- Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.3	108.06	84.93
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%



**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 34 (continued...)**

Particulars	IHFL - IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013 (Grant 1)	IHFL ESOS - 2013 (Grant 2)	IHFL ESOS - 2013 (Grant 3)	IHFL ESOS - 2013 (Grant 4)
Exercise price (Rs.)	95.95	394.75	1,156.50	1,200.40	702.00
Expected volatility*	97.00%	46.30%	27.50%	27.70%	33.90%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	11 Years	5 Years	3 Years	3 Years	3 Years
Expected Dividends yield	4.62%	10.00%	5.28%	5.08%	7.65%
Weighted Average Fair Value (Rs.)	52.02	89.76	200.42	226.22	126.96
Risk Free Interest rate	6.50%	8.57%	6.51%	7.56%	7.37%

\*The expected volatility was determined based on historical volatility data.

Particulars	IHFL - IBFSL Employees Stock Option – 2013
Exercise price (Rs.)	200.00
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	2 Years
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	27.4
Risk Free Interest rate	5.92%

\*The expected volatility was determined based on historical volatility data.

(b) The Holding Company has established the “Pragati Employee Welfare Trust” (“Pragati – EWT”) (earlier known as Indiabulls Housing Finance Limited - Employees Welfare Trust) (IBH – EWT) (“Trust”) for the implementation and management of its employees benefit scheme viz. the “Indiabulls Housing Finance Limited - Employee Stock Benefit Scheme – 2019” (Scheme), for the benefit of the employees of the Holding Company and its subsidiaries.

Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, the shares in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Holding Company and its subsidiaries as permitted by SEBI. The Holding company will treat these SARs as equity and accounting has been done accordingly. The other disclosures in respect of the SARs are as under:-

Particulars	IHFL ESOS - 2019
Total Options under the Scheme	1,70,00,000
Total Options issued under the Scheme	1,70,00,000
Vesting Period and Percentage	Three years, 33.33% each year
First Vesting Date	10th October, 2021
Exercise Price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third Year
Exercisable Period	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	1,70,00,000
Options vested during the year (Nos.)	56,66,666.67
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Cancelled during the year	-
Lapsed during the year	-
Re-granted during the year	-
Outstanding at the end of the year (Nos.)	1,70,00,000
Exercisable at the end of the year (Nos.)	56,66,666.67
Remaining contractual Life (Weighted Months)	66

Annexure V: Notes to the Reformatted Financial Information

Note - 34 (continued...)

The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL ESOS - 2019
Exercise price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third Year
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	1 Year for 1st Vesting, 2 years for 2nd Vesting and 3 years for 3rd Vesting.
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	9.25 for First Year, 13.20 for Second Year and 19.40 for third year
Risk Free Interest rate	5.92%

\*The expected volatility was determined based on historical volatility data.

(v) 22,008,616 Equity Shares (Previous Year : 26,253,933) of Rs. 2 each of Holding Company are reserved for issuance towards Employees Stock options as granted.

**Employees Stock Options Plans ( ESOS / ESOP Schemes) of Indiabulls Housing Finance Limited (“the Holding Company” “IHFL”): 2020-21**

**(i) Grants During the Year:**

The Compensation Committee constituted by the Board of Directors of the Holding Company has, at its meeting held on October 4, 2020, granted, 12,500,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 200, which is at a premium of approx. 28% on the latest available closing market price on the National Stock Exchange of India Limited, as on October 1, 2020. These options vest with effect from the first vesting date i.e. October 4, 2021, and thereafter on each vesting date as per the vesting schedule provided in the Scheme.

**Employee Stock Benefit Scheme 2019 (“Scheme”).**

(iii) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particulars	IHFL-IBFSL Employees Stock Option Plan II – 2006	IHFL-IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL ESOS - 2013
Total Options under the Scheme	7,20,000	75,00,000	3,90,00,000	3,90,00,000	3,90,00,000	3,90,00,000
Total Options issued under the Scheme	7,20,000	75,00,000	1,05,00,000	1,05,00,000	1,25,00,000	1,00,00,000
Vesting Period and Percentage	Four years,25% each year	Ten years,15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Three years, 33.33% each year	Five years, 20% each year
First Vesting Date	1st November, 2008	8th December, 2009	12th October, 2015	12th August, 2018	5th October, 2021	10th March, 2020
Revised Vesting Period & Percentage	Nine years,11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	200.00	702.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	1,152	15,864	37,89,756	77,24,000	1,25,00,000	68,82,400
Regrant Addition	N.A	N.A	N.A	N.A	N.A.	N.A.

Note - 34 (continued...)

(iii) The other disclosures in respect of the ESOS / ESOP Schemes are as under (continued...):-

Particulars	<u>IHFL-IBFSL Employees Stock Option Plan II – 2006</u>	<u>IHFL-IBFSL Employees Stock Option – 2008</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>
Regrant Date	N.A	N.A	N.A	N.A	N.A	N.A
Options vested during the year (Nos.)	-	-	-	-	-	-
Exercised during the year (Nos.)	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-
Lapsed during the year	-	267	93,000	22,70,900	4,12,642	19,96,600
Re-granted during the year	-	-	-	N.A	N.A	N.A
Outstanding at the end of the year (Nos.)	1,152	15,597	36,96,756	54,53,100	1,20,87,358	48,85,800
Exercisable at the end of the year (Nos.)	1,152	15,597	36,96,756	18,17,700	-	-
Remaining contractual Life (Weighted Months)	7	27	34	56	78	83

N.A - Not Applicable

Particulars	<u>IHFL-IBFSL Employees Stock Option – 2008 -Regrant</u>	<u>IHFL-IBFSL Employees Stock Option – 2008- Regrant</u>	<u>IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant</u>	<u>IHFL-IBFSL Employees Stock Option – 2008 - Regrant</u>	<u>IHFL-IBFSL Employees Stock Option Plan II – 2006 -Regrant</u>
Total Options under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Total Options issued under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	N.A.	N.A.	N.A.	N.A.	N.A.
First Vesting Date	31st December, 2010	16th July, 2011	27th August, 2010	11th January, 2012	27th August, 2010
Revised Vesting Period & Percentage	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	10,890	38,880	39,500	3,000	21,900
Regrant Addition	N.A	N.A.	N.A.	N.A.	N.A.
Regrant Date	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	-	19,440	-	1,500	-
Exercised during the year (Nos.)	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-
Cancelled during the year	-	-	-	-	-
Lapsed during the year	-	-	-	-	-
Re-granted during the year	N.A	N.A	N.A	N.A	N.A
Outstanding at the end of the year (Nos.)	10,890	38,880	39,500	3,000	21,900
Exercisable at the end of the year (Nos.)	10,890	38,880	39,500	3,000	21,900
Remaining contractual Life (Weighted Months)	38	45	41	51	41

N.A - Not Applicable

Annexure V: Notes to the Reformatted Financial Information

Note - 34 (continued...)

(iv) The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2006- Regrant	IHFL - IBFSL Employees Stock Option Plan II – 2006- Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.3	108.06	84.93
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%

Particulars	IHFL - IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013 (Grant 1)	IHFL ESOS - 2013 (Grant 2)	IHFL ESOS - 2013 (Grant 3)	IHFL ESOS - 2013 (Grant 4)
Exercise price (Rs.)	95.95	394.75	1,156.50	1,200.40	702.00
Expected volatility*	97.00%	46.30%	27.50%	27.70%	33.90%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	11 Years	5 Years	3 Years	3 Years	3 Years
Expected Dividends yield	4.62%	10.00%	5.28%	5.08%	7.65%
Weighted Average Fair Value (Rs.)	52.02	89.76	200.42	226.22	126.96
Risk Free Interest rate	6.50%	8.57%	6.51%	7.56%	7.37%

\*The expected volatility was determined based on historical volatility data.

Particulars	IHFL - IBFSL Employees Stock Option – 2013
Exercise price (Rs.)	200.00
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	2 Years
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	27.4
Risk Free Interest rate	5.92%

\*The expected volatility was determined based on historical volatility data.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 34 (continued...)**

(b) The Holding Company has established the "Pragati Employee Welfare Trust" ("Pragati – EWT") (earlier known as Indiabulls Housing Finance Limited - Employees Welfare Trust) (IBH – EWT) ("Trust") for the implementation and management of its employees benefit scheme viz. the "Indiabulls Housing Finance Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of the Holding Company and its subsidiaries.

Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, the shares in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Holding Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly. The other disclosures in respect of the SARs are as under:

<b>Particulars</b>	<b>IHFL ESOS - 2019</b>
Total Options under the Scheme	1,70,00,000
Total Options issued under the Scheme	1,70,00,000
Vesting Period and Percentage	Three years,33.33% each year
First Vesting Date	10th October, 2021
Exercise Price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third
Exercisable Period	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	1,70,00,000
Regrant Addition	N.A
Regrant Date	N.A
Options vested during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Cancelled during the year	-
Lapsed during the year	-
Re-granted during the year	-
Outstanding at the end of the year (Nos.)	1,70,00,000
Exercisable at the end of the year (Nos.)	-
Remaining contractual Life (Weighted Months)	78

**The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-**

<b>Particulars</b>	<b>IHFL ESOS - 2019</b>
Exercise price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	1 Year for 1st Vesting, 2 years for 2nd Vesting and 3
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	9.25 for First Year, 13.20 for Second Year and 19.40 for
Risk Free Interest rate	5.92%

\*The expected volatility was determined based on historical volatility data.

(v) 26,253,933 Equity Shares of Rs. 2 each (Previous Year : 18,527,342 ) are reserved for issuance towards Employees Stock options as granted.

(vi) The weighted average share price at the date of exercise of these options was N.A per share(Previous Year Rs. 682.59 per share).

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 34 (continued...)**

**Employees Stock Options Plans ( ESOS / ESOP Schemes) of Indiabulls Housing Finance Limited (“the Holding Company” “IHFL”): FY-2019-20**

**(i) Grants During the Year:**

There has been no new grants of Esops during the current financial year

**(ii) Employee Stock Benefit Scheme 2019 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of INDIABULLS HOUSING FINANCE LIMITED at its meeting held on November 6, 2019; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on December 23, 2019, result of which were declared on December 24, 2019.

This Scheme comprises:

- a. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- b. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- c. INDIABULLS HOUSING FINANCE LIMITED Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the ESOP Regulations, Indiabulls Housing Finance Limited had set up Indiabulls Housing Finance Limited Employee Welfare Trust (Trust) for the purpose of implementation of ESOP Scheme. The Scheme is administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme

**(iii) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-**

<b>Particulars</b>	<b>IHFL-IBFSL Employees Stock Option Plan II – 2006</b>	<b>IHFL-IBFSL Employees Stock Option – 2008</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>	<b>IHFL ESOS - 2013</b>
Total Options under the Scheme	7,20,000	75,00,000	3,90,00,000	3,90,00,000	3,90,00,000	3,90,00,000
Total Options issued under the Scheme	7,20,000	75,00,000	1,05,00,000	1,05,00,000	1,00,000	1,00,00,000
Vesting Period and Percentage	Four years,25% each year	Ten years,15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
First Vesting Date	1st November , 2008	8th December, 2009	12th October, 2015	12th August, 2018	25th March, 2019	10th March, 2020
Revised Vesting Period & Percentage	Nine years,11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	1,200.40	702.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	1,152	70,676	40,25,556	1,03,36,500	0	1,00,00,000
Regrant Addition	N.A	N.A	N.A	N.A	N.A.	N.A.
Regrant Date	N.A	N.A	N.A	N.A	N.A	N.A
Options vested during the year (Nos.)	-	-	20,04,000	-	-	-
Exercised during the year (Nos.)	-	54,812	1,11,800	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-
Lapsed during the year	-	0	1,24,000	26,12,500	-	31,17,600
Re-granted during the year	-	-	-	N.A	N.A	N.A
Outstanding at the end of the year (Nos.)	1,152	15,864	37,89,756	77,24,000	-	68,82,400
Exercisable at the end of the year (Nos.)	1,152	15,864	37,89,756	19,31,000	-	-
Remaining contractual Life (Weighted Months)	19	39	46	67	N.A	89

**N.A - Not Applicable**

Annexure V: Notes to the Reformatted Financial Information

Note - 34 (continued...)

<b>Particulars</b>	<b><u>IHFL-IBFSL Employees Stock Option – 2008 -Regrant</u></b>	<b><u>IHFL-IBFSL Employees Stock Option – 2008- Regrant</u></b>	<b><u>IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant</u></b>	<b><u>IHFL-IBFSL Employees Stock Option – 2008 - Regrant</u></b>	<b><u>IHFL-IBFSL Employees Stock Option Plan II – 2006 -Regrant</u></b>
Total Options under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Total Options issued under the Scheme	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	N.A.	N.A.	N.A.	N.A.	N.A.
First Vesting Date	31st December, 2010	16th July, 2011	27th August, 2010	11th January, 2012	27th August, 2010
Revised Vesting Period & Percentage	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	15,030	38,880	39,500	3,000	21,900
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	6,390	19,440	39,500	1,500	21,900
Exercised during the year (Nos.)	4,140	-	-	-	-
forward	-	-	-	-	-
Cancelled during the year	-	-	-	-	-
Lapsed during the year	-	-	-	-	-
Re-granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	10,890	38,880	39,500	3,000	21,900
Exercisable at the end of the year (Nos.)	10,890	19,440	39,500.00	1,500	21,900.00
Remaining contractual Life (Weighted Months)	50	57	53	63	53

N.A - Not Applicable

Annexure V: Notes to the Reformatted Financial Information

Note - 34 (continued...)

(iv) The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2006- Regrant	IHFL - IBFSL Employees Stock Option Plan II – 2006- Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.3	108.06	84.93
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%

Particulars	IHFL - IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013 (Grant 1)	IHFL ESOS - 2013 (Grant 2)	IHFL ESOS - 2013 (Grant 3)	IHFL ESOS - 2013 (Grant 4)
Exercise price (Rs.)	95.95	394.75	1,156.50	1,200.40	702.00
Expected volatility*	97.00%	46.30%	27.50%	27.70%	33.90%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	11 Years	5 Years	3 Years	3 Years	3 Years
Expected Dividends yield	4.62%	10.00%	5.28%	5.08%	7.65%
Weighted Average Fair Value (Rs.)	52.02	89.76	200.42	226.22	126.96
Risk Free Interest rate	6.50%	8.57%	6.51%	7.56%	7.37%

\*The expected volatility was determined based on historical volatility data.

(v) 18,527,342 Equity Shares of Rs. 2 each (Previous Year : 24,552,194) of the Holding Company are reserved for issuance towards Employees Stock options as granted.

(vi) The weighted average share price at the date of exercise of these options was Rs. 682.59 per share(Previous year Rs. 782.49 per share).

Note - 35

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Amount Rs. in crores

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.



**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 36**

**Segment Reporting:**

The Chief Operating Decision Maker ("CODM") reviews operations and allocates resources at the Company level. Therefore, the operations of the Company fall under its main business of financing by way of loans against property (LAP), mortgage backed SME loans, and certain other purposes in India, which is considered to be the only reportable segment in accordance with IND-AS 108 - Operating Segments. All other activities of the Company revolve around the main business.

**Note - 37**

**Employee Benefits**

Employee Benefits – Provident Fund, Employee State Insurance (ESIC), Gratuity and Compensated Absences disclosures as per Indian Accounting Standard (IndAS) 19 – Employee Benefits:

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 0.29 crores (March 31, 2021 : Rs. 0.37 crores, March 31, 2020: Rs. 0.47 crores) in the Reformatted Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Reformatted Statement of Profit and Loss.

**Disclosures in respect of Gratuity and Compensated Absences:**

Particulars	Amount Rs. in crores					
	Gratuity (unfunded) March 31, 2022	Gratuity (unfunded) March 31, 2021	Gratuity (unfunded) March 31, 2020	Compensated absences (unfunded) March 31, 2022	Compensated absences (unfunded) March 31, 2021	Compensated absences (unfunded) March 31, 2020
<b>Reconciliation of liability recognized in the Reformatted Statement of Assets and Liabilities:</b>						
Present value of commitments (as per actuarial valuation)	3.96	3.67	4.32	0.98	1.16	1.35
Fair value of plans	-	-	-	-	-	-
Net liability in the Reformatted Statement of Assets and Liabilities	3.96	3.67	4.32	0.98	1.16	1.35
<b>Movement in net liability recognized in the Reformatted Statement of Assets and Liabilities:</b>						
Net liability as at beginning of the year	3.67	4.32	4.07	1.16	1.35	1.36
Net expense/(gain) recognized in the Reformatted Statement of Profit and Loss	0.59	0.59	0.84	(0.18)	-0.19	(0.01)
Benefits paid during the year	(0.49)	(0.86)	(0.66)	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.19)	(0.48)	0.53	-	-	-
Actuarial changes arising from changes in Demographic assumptions	-	-	0.00			
Experience adjustments	0.38	0.10	(0.46)	-	-	-
Net liability as at end of the year	3.96	3.67	4.32	0.98	1.16	1.35

Note - 37(continued...)

**Disclosures in respect of Gratuity and Compensated Absences (continued...):**

Particulars	Amount Rs. in crores					
	Gratuity (unfunded) March 31, 2022	Gratuity (unfunded) March 31, 2021	Gratuity (unfunded) March 31, 2020	Compensated absences (unfunded) March 31, 2022	Compensated absences (unfunded) March 31, 2021	Compensated absences (unfunded) March 31, 2020
<b>Expense recognized in the</b>						
Current service cost	0.34	0.35	0.53	0.09	0.11	0.18
Past service cost	-	-	-	-	-	-
Interest cost	0.25	0.24	0.31	0.07	0.07	0.10
Expected return on plan assets	-	-	-	-	-	-
Actuarial (gains)/ losses	-	-	-	(0.34)	(0.37)	(0.29)
Expense/(Income) charged to the Reformatted Statement of Profit and Loss	0.59	0.59	0.84	(0.18)	(0.19)	(0.01)
<b>Return on plan assets:</b>						
Expected return on plan assets	-	-	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-

Particulars	Amount Rs. in crores					
	Gratuity (unfunded) March 31, 2022	Gratuity (unfunded) March 31, 2021	Gratuity (unfunded) March 31, 2020	Compensated absences (unfunded) March 31, 2022	Compensated absences (unfunded) March 31, 2021	Compensated absences (unfunded) March 31, 2020
<b>Reconciliation of defined-benefit commitments:</b>						
As at beginning of the year	3.67	4.32	4.07	1.16	1.35	1.36
Current service cost	0.34	0.35	0.53	0.09	0.11	0.18
Past service cost	-	-	-	-	-	-
Interest cost	0.25	0.24	0.31	0.07	0.07	0.10
Benefits paid during the year	(0.49)	(0.86)	(0.66)	-	-	-
Actuarial (gains)/ losses	-	-	-	(0.34)	(0.37)	(0.29)
Actuarial changes arising from changes in financial assumptions	(0.19)	(0.48)	0.53	-	-	-
Actuarial changes arising from changes in Demographic assumptions	-	-	0.00	-	-	-
Experience adjustments	0.38	0.10	(0.46)	-	-	-
Commitments as at end of the year	3.96	3.67	4.32	0.98	1.16	1.35
<b>Reconciliation of plan assets:</b>						
Plan assets as at beginning of the year	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Contributions during the year	-	-	-	-	-	-
Paid benefits	-	-	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-	-	-
Plan assets as at end of the year	-	-	-	-	-	-

The actuarial calculations used to estimate commitments and expenses in respect of Gratuity and Compensated Absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Annexure V: Notes to the Reformatted Financial Information

Note - 37(continued...)

Particulars	Gratuity (Unfunded)			Compensated Absences (Unfunded)		
	2021-2022	2020-2021	2019-2020	2021-2022	2020-2021	2019-2020
Discount rate – gratuity and compensated absences	7.18%	6.79%	6.80%	7.18%	6.79%	6.80%
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected rate of salary increase	5.00%	5.00%	6.00%	5.00%	5.00%	6.00%
Mortality table	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)

N.A.: Not Applicable

The employer best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs. 0.66 crores (March 31, 2021: Rs. 0.21 crores, March 31, 2020: Rs. 0.28 crores) respectively.

**Gratuity**

	March 31, 2022		March 31, 2021		March 31, 2020	
<b>Assumptions</b>	<b>Discount rate</b>		<b>Discount rate</b>		<b>Discount rate</b>	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.24)	0.26	(0.23)	0.25	(0.30)	0.33
	<b>March 31, 2022</b>		<b>March 31, 2021</b>		<b>March 31, 2020</b>	
<b>Assumptions</b>	<b>Future salary increases</b>		<b>Future salary increases</b>		<b>Future salary increases</b>	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	0.26	(0.24)	0.26	(0.24)	0.33	(0.31)

**Compensated absences**

	March 31, 2022		March 31, 2021		March 31, 2020	
<b>Assumptions</b>	<b>Discount rate</b>		<b>Discount rate</b>		<b>Discount rate</b>	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.06)	0.07	(0.07)	0.07	(0.10)	0.11
	<b>March 31, 2022</b>		<b>March 31, 2021</b>		<b>March 31, 2020</b>	
<b>Assumptions</b>	<b>Future salary increases</b>		<b>Future salary increases</b>		<b>Future salary increases</b>	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation (Rs. in crores)	0.07	(0.06)	0.08	(0.07)	0.11	(0.10)

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	Gratuity			Compensated absences			Amount Rs. in crores
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020	
Within the next 12 months (next annual reporting period)	0.10	0.10	0.13	0.02	0.03	0.04	
Between 1 and 2 years	0.07	0.07	0.09	0.02	0.02	0.03	
Between 2 and 5 years	0.44	0.36	0.24	0.14	0.21	0.07	
Between 5 and 6 years	0.10	0.12	0.08	0.02	0.03	0.02	
Beyond 6 years	3.23	3.01	3.79	0.78	0.87	1.19	
<b>Total expected payments</b>	<b>3.95</b>	<b>3.66</b>	<b>4.32</b>	<b>0.98</b>	<b>1.16</b>	<b>1.35</b>	

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 38**

**Disclosures in respect of IND AS - 24 'Related Party Disclosures' :**

The Company's principal related parties consist of its holding company, Indiabulls Housing Finance Limited and its subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

<b>(a) Details of related parties:</b>	<b>March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Description of relationship</b>	<b>Names of related parties</b>		
<b>(i) Where control exists</b>			
Holding company	Indiabulls Housing Finance Limited	Indiabulls Housing Finance Limited	Indiabulls Housing Finance Limited
Subsidiary company	Indiabulls Asset Management Mauritius ICCL Lender Repayment Trust	Indiabulls Asset Management Mauritius ICCL Lender Repayment Trust	Indiabulls Asset Management Mauritius ICCL Lender Repayment Trust
Fellow subsidiary companies (including step down subsidiaries)	Indiabulls Advisory Services Limited	Indiabulls Advisory Services Limited	Indiabulls Advisory Services Limited
	Indiabulls Capital Services Limited	Indiabulls Capital Services Limited	Indiabulls Capital Services Limited
	Indiabulls Insurance Advisors Limited	Indiabulls Insurance Advisors Limited	Indiabulls Insurance Advisors Limited
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors)
	Indiabulls Asset Holding Company Limited	Indiabulls Asset Holding Company Limited	Indiabulls Asset Holding Company Limited
	Indiabulls Collection Agency Limited	Indiabulls Collection Agency Limited	Indiabulls Collection Agency Limited
	Indiabulls Asset Management Company Limited	Indiabulls Asset Management Company Limited	Indiabulls Asset Management Company Limited
	Indiabulls Trustee Company Limited	Indiabulls Trustee Company Limited	Indiabulls Trustee Company Limited
	Ibulls Sales Limited	Ibulls Sales Limited	Ibulls Sales Limited
	Indiabulls Holdings Limited	Indiabulls Holdings Limited	Indiabulls Holdings Limited
	Indiabulls Investment Management Limited (Formerly know as Indiabulls Venture Capital Management Company Limited)	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
	-	-	Indiabulls Venture Capital Trustee Company Limited till March 8, 2019 (Subsidiary of Indiabulls Holdings Limited)
	Pragati Employees Welfare Trust	IBHFL Lender Repayment Trust Pragati Employees Welfare Trust (Formerly known as Indiabulls Housing Finance Limited - Employees Welfare Trust	IBHFL Lender Repayment Trust Indiabulls Housing Finance Limited – Employees Welfare Trust ( w.e.f. December 03, 2019)
	<b>(ii) Other related parties</b>		
Associate of holding company	-	-	OakNorth Holdings Limited (Previously known as Acorn OakNorth Holdings Limited) (till March 30, 2020)
Key management personnel	Mr. Ajit Kumar Mittal – Non-Executive Chairman	Mr. Ajit Kumar Mittal – Non-	Mr. Ajit Kumar Mittal – Non-Executive Chairman
	Mr. Rajiv Gandhi-Managing Director & CEO	Mr. Rajiv Gandhi-Managing Director & CEO (w.e.f. February 15, 2021)	-
	-	Mr Ripudaman Bandral -Managing Director (till February 15, 2021)	Mr Ripudaman Bandral -Managing Director
	Mr. Anil Malhan- Non Executive Director	Mr. Anil Malhan- Non Executive Director	Mr. Anil Malhan- Non Executive Director
	Mrs. Priya Jain, Non-Executive Director (till March 31, 2021)	Mrs. Priya Jain, Non-Executive Director	Mrs. Priya Jain, Non-Executive Director
	Ms. Preetinder Virk, Non-Executive Director (w.e.f. 0	0	-
	Mr. Prem Prakash Mirdha, Independent Director	Mr. Prem Prakash Mirdha, Independent Director	Mr. Prem Prakash Mirdha, Independent Director
	Mr. Shamsher Singh Ahlawat, Independent Director	Mr. Shamsher Singh Ahlawat, Independent Director	Mr. Shamsher Singh Ahlawat, Independent Director

Note - 38 (continued...)

(b) Significant transactions with related parties:

Amount Rs. in crores

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Secured Loan taken (Maximum balance outstanding at any time during the year)</b>			
-Holding Company	5,745.56	4,286.31	4,171.45
<b>Total</b>	<b>5,745.56</b>	<b>4,286.31</b>	<b>4,171.45</b>
<b>Unsecured Loan given (Maximum balance outstanding at any time during the year)</b>			
-Fellow subsidiary	30.00	-	-
<b>Total</b>	<b>30.00</b>	<b>-</b>	<b>-</b>
<b>Investment in equity shares</b>			
-Subsidiary Company	-	-	0.57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.57</b>
<b>Proceeds from partial liquidation of investment</b>			
-Subsidiary Company	-	0.21	-
<b>Total</b>	<b>-</b>	<b>0.21</b>	<b>-</b>
<b>Interest expenses on loans</b>			
-Holding Company	417.97	270.69	215.69
<b>Total</b>	<b>417.97</b>	<b>270.69</b>	<b>215.69</b>
<b>Interest income on loans</b>			
-Fellow Subsidiary	0.29	-	-
<b>Total</b>	<b>0.29</b>	<b>-</b>	<b>-</b>
<b>Assignment of loans to</b>			
-Holding Company	1,196.58	-	5,408.47
<b>Total</b>	<b>1,196.58</b>	<b>-</b>	<b>5,408.47</b>
<b>Redemption of investment in bonds</b>			
-Holding Company	-	555.50	500.00
<b>Total</b>	<b>-</b>	<b>555.50</b>	<b>500.00</b>
<b>Payment made for Redemption of Bonds to:</b>			
-Holding Company	1,990.84	250.00	-
<b>Total</b>	<b>1,990.84</b>	<b>250.00</b>	<b>-</b>
<b>Subscription of Bonds/ Debentures</b>			
-Holding Company	2,000.00	-	-
<b>Total</b>	<b>2,000.00</b>	<b>-</b>	<b>-</b>
<b>Payment made for purchase of Investment from:</b>			
-Holding Company	-	222.02	-
<b>Total</b>	<b>-</b>	<b>222.02</b>	<b>-</b>
<b>Interest income on bonds</b>			
-Holding Company	-	49.09	14.59
<b>Total</b>	<b>-</b>	<b>49.09</b>	<b>14.59</b>
<b>Interest expenses on bonds</b>			
-Holding Company	180.02	125.34	41.07
<b>Total</b>	<b>180.02</b>	<b>125.34</b>	<b>41.07</b>

Note - 38 (continued...)

Particulars	Amount Rs. in crores		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Service charges</b>			
-Holding Company	0.06	0.06	0.07
<b>Total</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>
<b>Income from Service Fee</b>			
-Holding Company	0.10	0.14	-
<b>Total</b>	<b>0.10</b>	<b>0.14</b>	<b>-</b>
<b>Corporate counter guarantees given to third parties by:</b>			
-Holding Company	200.00	200.00	2,300.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>2,300.00</b>
<b>Referral Fees/Commission</b>			
-Fellow Subsidiary	-	0.30	0.48
<b>Total</b>	<b>-</b>	<b>0.30</b>	<b>0.48</b>
<b>Salary / remuneration(Consolidated)*</b>			
-Key Management Personnel	0.74	1.74	2.18
<b>Total</b>	<b>0.74</b>	<b>1.74</b>	<b>2.18</b>
<b>Salary / remuneration(Short-term employee benefits)</b>			
-Key Management Personnel	0.83	1.24	1.51
<b>Total</b>	<b>0.83</b>	<b>1.24</b>	<b>1.51</b>
<b>Salary / remuneration(Share-based payments)</b>			
-Key Management Personnel	-	0.52	0.47
<b>Total</b>	<b>-</b>	<b>0.52</b>	<b>0.47</b>
<b>Salary / remuneration(Post-employment benefits)</b>			
-Key Management Personnel	(0.09)	(0.02)	0.20
<b>Total</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.20</b>

## (c) Balances outstanding as at the year end: Amount Rs. in crores

Nature of Transaction	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Loans taken</b>			
-Holding company	1,486.00	1,296.00	588.42
<b>Total</b>	<b>1,486.00</b>	<b>1,296.00</b>	<b>588.42</b>
<b>Loans given</b>			
-Fellow Subsidiary	30.00	-	-
<b>Total</b>	<b>30.00</b>	<b>-</b>	<b>-</b>
<b>Outstanding Balance of investment in Bonds of (at fair value):</b>			
-Holding company	51.59	-	565.63
<b>Total</b>	<b>51.59</b>	<b>-</b>	<b>565.63</b>
<b>Outstanding Balance of Borrowings in Bonds held by (at fair value):</b>			
-Holding company	2,018.10	1,106.55	1,350.30
<b>Total</b>	<b>2,018.10</b>	<b>1,106.55</b>	<b>1,350.30</b>
<b>Amount receivable/(payable) on assigned loans</b>			
-Holding company	(5.99)	16.12	(109.12)
<b>Total</b>	<b>(5.99)</b>	<b>16.12</b>	<b>(109.12)</b>
<b>Corporate counter guarantees given to third parties by:</b>			
-Holding company	561.50	1,051.00	1,545.50
<b>Total</b>	<b>561.50</b>	<b>1,051.00</b>	<b>1,545.50</b>

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 38 (continued...)

(d) Disclosure related to Fair value of Corporate Guarantee taken from holding as per IND As 109, "Financial Instruments":

Particulars	Amount Rs. in crores		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Deemed cost of fair value of corporate guarantee</b>			
– Indiabulls Housing Finance Limited	10.53	9.33	12.43
<b>Total</b>	<b>10.53</b>	<b>9.33</b>	<b>12.43</b>
<b>Addition to fair value of corporate guarantee</b>			
– Indiabulls Housing Finance Limited	4.18	4.27	9.76
<b>Total</b>	<b>4.18</b>	<b>4.27</b>	<b>9.76</b>
<b>Unamortised portion of deemed cost for corporate guarantees</b>			
– Indiabulls Housing Finance Limited	26.08	32.43	37.49
<b>Total</b>	<b>26.08</b>	<b>32.43</b>	<b>37.49</b>

(f) Statement of Party wise transactions during the Year:

Particulars	Amount Rs. in crores		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Secured Loans Taken*</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	5,745.56	4,286.31	4,171.45
<b>Total</b>	<b>5,745.56</b>	<b>4,286.31</b>	<b>4,171.45</b>
<b>Unsecured Loans Given*</b>			
– Pragati Employees Welfare Trust	30.00	-	-
<b>Total</b>	<b>30.00</b>	<b>-</b>	<b>-</b>
<b>Investment in Equity Shares</b>			
<b>Subsidiary</b>			
– Indiabulls Asset Management Mauritius	-	-	0.57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.57</b>
<b>Proceeds from partial liquidation of investment</b>			
<b>Subsidiary</b>			
– Indiabulls Asset Management Mauritius	-	0.21	-
<b>Total</b>	<b>-</b>	<b>0.21</b>	<b>-</b>
<b>Redemption of investment in bonds</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	-	555.50	500.00
<b>Total</b>	<b>-</b>	<b>555.50</b>	<b>500.00</b>
<b>Payment made for Redemption of Bonds to:</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	1,990.84	250.00	-
<b>Total</b>	<b>1,990.84</b>	<b>250.00</b>	<b>-</b>
<b>Payment made for purchase of Investment from:</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	-	222.02	-
<b>Total</b>	<b>-</b>	<b>222.02</b>	<b>-</b>
<b>Corporate counter guarantees given to third parties for:</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	200.00	200.00	2,300.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>2,300.00</b>

Note - 38 (continued...)

Particulars	Amount Rs. in crores		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>(f) Statement of Party wise transactions during the Year (continued...):</b>			
<b>Assignment of Loans to</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	1,196.58	-	5,408.47
<b>Total</b>	<b>1,196.58</b>	<b>-</b>	<b>5,408.47</b>
<b>Service Charges</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	0.06	0.06	0.07
<b>Total</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>
<b>Income from Service Fee</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	0.10	-	-
<b>Total</b>	<b>0.10</b>	<b>-</b>	<b>-</b>
<b>Interest expenses on Loan</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	417.97	270.69	215.69
<b>Total</b>	<b>417.97</b>	<b>270.69</b>	<b>215.69</b>
<b>Interest income on Loan</b>			
<b>Fellow Subsidiary</b>			
– Pragati Employees Welfare Trust	0.29	-	-
<b>Total</b>	<b>0.29</b>	<b>-</b>	<b>-</b>
<b>Interest Expenses on Bonds</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	180.02	-	-
<b>Total</b>	<b>180.02</b>	<b>-</b>	<b>-</b>
<b>Interest income on Bonds</b>			
<b>Holding Company</b>			
– Indiabulls Housing Finance Limited	-	49.09	14.59
<b>Total</b>	<b>-</b>	<b>49.09</b>	<b>14.59</b>
<b>Referral Fees/Commission</b>			
<b>Fellow Subsidiary</b>			
– Indiabulls Advisory Services Limited	-	0.30	0.48
<b>Total</b>	<b>-</b>	<b>0.30</b>	<b>0.48</b>
<b>Salary / remuneration(Consolidated)</b>			
– Ripudaman Bandral	-	1.45	2.18
– Rajiv Gandhi	0.74	0.28	-
<b>Total</b>	<b>0.74</b>	<b>1.74</b>	<b>2.18</b>
<b>Salary / Remuneration(Short-term employee benefits)</b>			
<b>Remuneration to Directors</b>			
– Ripudaman Bandral	-	0.97	1.51
– Rajiv Gandhi	0.83	0.27	-
<b>Total</b>	<b>0.83</b>	<b>1.24</b>	<b>1.51</b>
<b>Salary / Remuneration(Share-based payments)</b>			
– Ripudaman Bandral	-	0.52	0.47
– Rajiv Gandhi	-	-	-
<b>Total</b>	<b>-</b>	<b>0.52</b>	<b>0.47</b>
<b>Salary / Remuneration(Post-employment benefits)</b>			
– Ripudaman Bandral	-	(0.03)	0.20
– Rajiv Gandhi	(0.09)	0.01	-
<b>Total</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.20</b>



**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 39**

**Earnings per share:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit available for equity shareholders for computing Basic earnings per share (Rs. in crores)	508.22	139.04	19.81
Weighted average number of equity shares used for computing Basic earnings per share (Nos.)	24,77,99,324	24,77,99,324	24,77,99,324
Earnings per share – Basic (Rs. per share)	20.51	5.61	0.80
Net Profit available for equity shareholders for computing Diluted earnings per share (Rs. in crores)	508.22	139.04	19.81
Weighted average number of equity shares used for computing Diluted earnings per share (Nos.)	24,77,99,324	24,77,99,324	24,77,99,324
Earnings per share – Diluted (Rs. per share)	20.51	5.61	0.80
Nominal value of equity shares – (Rs. per share)	10.00	10.00	10.00

**Note - 40**

**Risk Management**

Indiabulls Commercial Credit Limited (ICCL) is a non banking finance company in India and is regulated by the Reserve Bank of India (RBI). In view of the intrinsic nature of its operations as a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective of the Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company 's risk management framework is driven by its Board of Directors and its subcommittees (including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee). The Company gives due importance to prudent lending practices and has implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The Company is exposed to a variety of risks, such as credit risk, market risk, liquidity risk, operational risk and regulatory risks. Well-established systems and procedures provide adequate defense against the regulatory and operational risks.

**(A) Liquidity risk**

Liquidity risk is the potential for loss to an entity arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents (including highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flows) to meet its obligations at all times. It also ensures having access to funding through an adequate amount of committed credit lines. The Company's treasury department is responsible for liquidity and funding as well as settlement management. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. The Company also takes into account liquidity of the market in which the entity operates. In addition, processes and policies related to such risks are overseen by the Asset Liability Management Committee and the senior management regularly monitors the position of cash and cash equivalents vis-à-vis projections. In addition, the Asset Liability Management Committee, guides the Company's treasury team in liquidity risk management through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch,

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities :

March 31, 2022	Amount Rs. in Crores				
	Upto One month	Over one months to 2 years	2 years to 5 years	more than 5 years	Total
Borrowings from banks and others	76.37	4,984.69	3,089.80	795.53	8,946.39
Lease liability recognised under Ind AS 116	0.05	1.19	2.10	-	3.34
Trade payables	-	-	-	-	-
Amount payable on assigned loans	88.64	-	-	-	88.64
Other liabilities	63.59	19.25	-	-	82.84
Undrawn Loan Commitments	-	191.62	-	-	191.62
Temporary overdrawn balances as per books	-	-	-	-	-
Servicing liability on assigned loans	0.27	2.40	0.53	-	3.20
	<b>228.92</b>	<b>5,199.15</b>	<b>3,092.43</b>	<b>795.53</b>	<b>9,316.03</b>

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 40 (continued...)**

	Amount Rs. in Crores				
<b>March 31, 2021</b>	<b>Upto One month</b>	<b>Over one months to 2 years</b>	<b>2 years to 5 years</b>	<b>more than 5 years</b>	<b>Total</b>
Borrowings from banks and others	83.08	7,328.80	971.98	606.43	8,990.29
Lease liability recognised under Ind AS 116	0.04	1.07	2.29	0.43	3.83
Trade payables	-	0.40	-	-	0.40
Amount payable on assigned loans	51.81	-	-	-	51.81
Other liabilities	35.70	28.99	-	-	64.69
Undrawn Loan Commitments	-	171.65	-	-	171.65
Temporary overdrawn balances as per books	3,155.50	-	-	-	3,155.50
Servicing liability on assigned loans	0.40	3.98	0.19	-	4.57
	<b>3,326.53</b>	<b>7,534.89</b>	<b>974.46</b>	<b>606.86</b>	<b>12,442.74</b>

	Amount Rs. in Crores				
<b>March 31, 2020</b>	<b>Upto One month</b>	<b>Over one months to 2 years</b>	<b>2 years to 5 years</b>	<b>more than 5 years</b>	<b>Total</b>
Borrowings from banks and others	35.54	7,331.40	2,608.67	691.61	10,667.22
Lease liability recognised under Ind AS 116	0.25	1.63	2.43	1.41	5.72
Trade payables	-	0.01	-	-	0.01
Amount payable on assigned loans	195.34	-	-	-	195.34
Other liabilities	76.71	7.65	-	-	84.36
Undrawn Loan Commitments	-	5.13	-	-	5.13
Temporary overdrawn balances as per books	2,616.53	-	-	-	2,616.53
Servicing liability on assigned loans	0.55	8.55	1.01	-	10.11
	<b>2,924.92</b>	<b>7,354.37</b>	<b>2,612.11</b>	<b>693.02</b>	<b>13,584.42</b>

**(B) Credit Risk**

Credit Risk is the risk of financial loss arising out of either a customer or counterparty's unwillingness to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's Credit Risk Management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the company's senior management to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate Risk Management department independent of loan origination function. The Risk Management department performs the function of Credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The Risk Management Committee monitors credit risk the using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer, portfolio concentration risks; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. The Risk Management Committee also periodically reviews the credit risk management procedures implemented by Risk management department.

**Derivative financial Instruments**

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the company is also exposed to a settlement risk, being the risk that the company honours its obligation, but the counterparty fails to deliver the counter value.

The Company's concentrations of risk for loans are managed by counterparty and type of loan (i.e. CRE-RH and others as defined by RBI. These are given to both individual and corporate borrowers. The table below shows the concentration of risk by type of loan.

	Amount Rs. in Crores		
	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Commercial Real Estate - Residential Housing (CRE-RH)	1,777.80	4,021.32	3,300.83
Others	9,002.11	8,279.84	8,405.66

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 40 (continued...)**

The Company's concentrations of risk (for financial assets other than loans and advances ) by industry sector are given below:

Amount Rs. in Crores

March 31, 2022	Financial services	Government	Others	Total
<b>Financial assets</b>				
Cash and cash equivalents	324.22	-	-	324.22
Bank balance other than Cash and cash equivalents	21.84	-	-	21.84
Investments	1,001.01	-	-	1,001.01
Other financial assets	48.06	-	-	48.06
March 31, 2021	Financial services	Government	Others	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,809.93	-	-	1,809.93
Bank balance other than Cash and cash equivalents	38.17	-	-	38.17
Investments	949.87	-	-	949.87
Other financial assets	52.58	-	-	52.58
March 31, 2020	Financial services	Government	Others	Total
<b>Financial assets</b>				
Cash and cash equivalents	2,000.27	-	-	2,000.27
Bank balance other than Cash and cash equivalents	52.36	-	-	52.36
Investments	1,590.43	-	-	1,590.43
Other financial assets	129.55	-	-	129.55

**(i) Interest Rate Risk:-**

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The company's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the company's net interest income, while a long term impact is on the company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financial services, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the

- i) Changes in regulatory or market conditions affecting the interest rates
- ii) Short term volatility
- iii) Prepayment risk translating into a reinvestment risk
- iv) Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

Annexure V: Notes to the Reformatted Financial Information

Note - 40 (continued...)

**Interest Rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates in respect of borrowings subject to variable interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Basis Points	Amount Rs. in Crores		
		Effect on Profit before tax and Equity for the year ended March 31, 2022	Effect on Profit before tax and Equity for the year ended March 31, 2021	Effect on Profit before tax and Equity for the year ended March 31, 2020
<b>Borrowings</b>				
Increase in basis points	+25	8.27	(12.29)	(17.05)
Decrease in basis points	-25	(8.27)	12.29	17.05
<b>Loans</b>				
Increase in basis points	+25	32.04	33.64	35.84
Decrease in basis points	-25	(32.04)	(33.64)	(35.84)

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks through the FCNR route.

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Currency Swaps in such a manner that it has fixed determinate outflows in its function currency and as such there would be no significant impact of movement in foreign currency rates on the company's profit before tax (PBT) and equity.

**(iii) Equity Price Risk**

The Company's exposure price risk arises from investments held and classified in the balance sheet either at fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets .

**(D) Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events.

Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 41**

**Leases**

**(i) Adoption of new accounting standard on Leases – Ind AS 116 for FY 2019-20**

The Company has adopted the new standard, Ind AS 116 Leases with effect from 1st April, 2019 using the modified retrospective approach as per para C8 (c)(i) of Ind AS 116. The Company has taken the cumulative impact of applying the standard to retained earnings as on the date of initial application (1st April, 2019). Accordingly, the Company has not restated the comparative information.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 5.37 crores (Previous year Rs. 15.20 crores) and a lease liability of Rs. 5.72 crores (Previous year Rs. 15.20 crores.)

In statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

In the context of initial application, the Company has exercised the option not to apply the new recognition requirements to short-term leases.

**(ii) The lease liabilities as at April 01, 2019 are reconciled to the operating lease commitments as of March 31, 2019, as follows:**

	Amount Rs. In Crore
Operating lease commitments as at March 31, 2019	16.91
Weighted average incremental borrowing rate as at April 01, 2019	9.00%
<b>Lease liabilities as at April 01, 2019</b>	<b>15.20</b>

**(iii) For leases previously accounted for as operating lease, the Company availed following practical expedients transition:**

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

**(iv) Leases where the Company is a Lessee**

(a) The Company has lease contracts for various office premises used in its operations. Leases of office premises generally have lease terms between 11 months to 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of office premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(b) Leases are shown as follows in the Company's Reformatted Statement of Assets and Liabilities and Reformatted Statement of profit and loss:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Building - Office Premises
	Amount Rs. In Crore
<b>Balance as at April 01, 2019 - on account of implementation of Ind AS 116</b>	15.20
Deletion (Terminated during the year)	(5.84)
Depreciation expense	3.99
<b>Closing balance as at March 31, 2020</b>	<b>5.37</b>
Addition	-
Deletion (Terminated during the year)	(0.34)
Depreciation expense	1.36
<b>Closing balance as at March 31, 2021</b>	<b>3.67</b>
Addition	0.07
Deletion (Terminated during the year)	-
Depreciation expense	0.73
<b>Closing balance as at March 31, 2022</b>	<b>3.01</b>

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 41 (continued...)**

Set out below are the carrying amounts of lease liabilities (included under Borrowings (Other than Debt Securities)) and the movements during the period:

Particulars	Amount Rs. In Crore
Balance as at April 01, 2019 - on account of implementation of Ind AS 116	15.20
Deletion (Terminated during the year)	(6.15)
Accretion of interest	1.15
Payments	(4.47)
<b>As at March 31, 2020</b>	<b>5.72</b>
Additions	(0.37)
Deletion (Terminated during the year)	0.38
Accretion of interest	(1.30)
Payments	(0.60)
Change due to modification of leases	
<b>As at March 31, 2021</b>	<b>3.83</b>
Additions	0.07
Deletion (Terminated during the year)	-
Accretion of interest	0.32
Payments	(0.88)
Change due to modification of leases	-
<b>As at March 31, 2022</b>	<b>3.34</b>
Current	0.57
Non-current	2.78

**(c) Amounts recognized in the Reformatted Statement of Profit and Loss**

Particulars	For the year ended	For the year ended March	For the year ended
	March 31,2022	31,2021	March 31,2020
Amount Rs. In Crore			
Depreciation expense of right-of-use assets	0.73	1.36	3.99
Interest expense on lease liabilities	0.32	0.38	1.15
Gain on termination/modification of leases	-	(0.64)	(0.31)
Expense relating to short-term leases (included in other expenses)	0.02	0.10	0.16
<b>Total amount recognised in profit or loss</b>	<b>1.07</b>	<b>1.20</b>	<b>4.99</b>

During the year the Company had total cash outflows for leases of Rs.0.88 crores (March 31, 2021: Rs 0.60 crores, March 31, 2020: Rs 4.47 crores)

**Note - 42**

**Transfers of financial assets**

**Transfers of financial assets that are not derecognised in their entirety**

Securitisations: The company uses securitisations as a source of finance. Such transactions 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.

Securitisations	Amount Rs. In Crore		
	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2020
Carrying amount of transferred assets measured at amortised cost	1,613.13	141.86	139.87
Carrying amount of associated liabilities	(1,584.93)	(139.87)	(146.61)

The carrying amount of above assets and liabilities is a reasonable approximation of their respective fair values **F-79**

**Indiabulls Commercial Credit Limited****Annexure V: Notes to the Reformatted Financial Information****Note - 42 (continued...)****Assignment Deals**

During the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company has sold certain loans (measured at amortised cost) pursuant to assignment deals, as a source of finance. As per the terms of such deals, since the derecognition criteria as per IND AS 109 are met, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Company.

The table below summarises the details of the derecognised loans (measured at amortised cost) and the consequent gain upon derecognition:

**Amount Rs. in Crores**

<b>Loans (at amortised cost)</b>	<b>For the year ended March 2022</b>	<b>For the year ended March 2021</b>	<b>For the year ended March 2020</b>
Amount of derecognised financial assets	1,742.65	32.32	1,139.85
Gain/(loss) from derecognition	19.07	1.46	8.26

Since the Company has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Reformatted Statement of Profit and Loss.

**Note - 43****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 Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to maintain a higher capital base than the mandated regulatory capital at all times
- to maintain an optimal capital structure to reduce cost of capital
- to provide an adequate return to shareholders

The Company monitors capital using a capital adequacy ratio as prescribed by the RBI guidelines. Refer note 46 for details.

**Note - 44****Fair value measurement**

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**(i) Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

**(ii) Valuation governance**

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

**(iii) Assets and liabilities by fair value hierarchy**

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 44 (continued...)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Amount Rs. in Crores				
	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Financial instruments measured at fair value through profit and loss				
Debt Securities	-	51.59	-	51.59
Mutual Funds	69.82	879.60	-	949.42
Equity instruments	-	-	-	-
Total financial instruments measured at fair value through profit and loss	69.82	931.19	-	1,001.01
Financial instruments measured at fair value through Other comprehensive income	-	-	-	-
<b>Total assets measured at fair value on a recurring basis</b>	<b>69.82</b>	<b>931.19</b>	<b>-</b>	<b>1,001.01</b>
<b>Assets measured at fair value on a non-recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total financial assets measured at fair value	<b>69.82</b>	<b>931.19</b>	<b>-</b>	<b>1,001.01</b>
<b>Liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities measured at fair value on a non-recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Amount Rs. in Crores				
	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Financial instruments measured at fair value through profit and loss				
Debt Securities	-	30.39	-	30.39
Mutual Funds	38.43	881.05	-	919.48
Equity instruments	-	-	-	-
Total financial instruments measured at fair value through profit and loss	38.43	911.44	-	949.87
Financial instruments measured at fair value through Other comprehensive income	-	-	-	-
<b>Total assets measured at fair value on a recurring basis</b>	<b>38.43</b>	<b>911.44</b>	<b>-</b>	<b>949.87</b>
<b>Assets measured at fair value on a non-recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total financial assets measured at fair value	<b>38.43</b>	<b>911.44</b>	<b>-</b>	<b>949.87</b>
<b>Liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities measured at fair value on a non-recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 44 (continued...)

Amount Rs. in Crores

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Financial instruments measured at fair value through profit and loss				
Debt Securities	-	596.06	-	596.06
Mutual Funds	110.30	884.07	-	994.37
Equity instruments	-	-	-	-
Total financial instruments measured at fair value through profit and loss	110.30	1,480.13	-	1,590.43
Financial instruments measured at fair value through Other comprehensive income	-	-	-	-
<b>Total assets measured at fair value on a recurring basis</b>	<b>110.30</b>	<b>1,480.13</b>	<b>-</b>	<b>1,590.43</b>
<b>Assets measured at fair value on a non-recurring basis</b>				
Total financial assets measured at fair value	110.30	1,480.13	-	1,590.43
<b>Liabilities measured at fair value on a recurring basis</b>	-	-	-	-
<b>Liabilities measured at fair value on a non-recurring basis</b>	-	-	-	-
<b>Total financial liabilities measured at fair value</b>	-	-	-	-

(iv) Valuation techniques

Debenture and Bonds

Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at reporting date and are classified as Level 2.

Mutual Funds

Open ended mutual funds are valued at NAV declared by respective fund house and are classified under Level 2.

(v) There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

(vi) Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Amount Rs. in Crores

	Carrying Value	March 31, 2022			
		Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>					
Cash and cash equivalents	324.22	-	-	-	-
Bank balances other than cash and cash equivalents	21.84	-	-	-	-
Loans and advances	10,779.91	-	-	-	-
Other Financial assets	48.06	-	-	-	-
<b>Total financial assets</b>	<b>11,174.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	-	-
Debt securities	2,159.42	-	2,171.27	-	2,171.27
Borrowing other than debt securities	5,053.79	-	-	-	-
Subordinated Liabilities	350.00	-	373.66	-	373.66
Other financial liabilities	291.13	-	-	-	-
<b>Total financial liabilities</b>	<b>7,854.34</b>	<b>-</b>	<b>2,544.93</b>	<b>-</b>	<b>2,544.93</b>
<b>Off-balance sheet items:</b>					
Other commitments	-	-	-	-	-
<b>Total off-balance sheet items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note - 44 (continued...)

Amount Rs. in Crores					
	Carrying Value	March 31, 2021			
		Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>					
Cash and cash equivalents	1,809.93	-	-	-	-
Bank balances other than cash and cash equivalents	38.17	-	-	-	-
Loans and advances:	12,301.16	-	-	-	-
Other Financial assets:	52.58	-	-	-	-
<b>Total financial assets</b>	<b>14,201.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>					
Trade payables	0.40	-	-	-	-
Debt securities	2,192.77	-	2,079.73	-	2,079.73
Borrowing other than debt securities	5,280.88	-	-	-	-
Subordinated Liabilities	349.40	-	376.51	-	376.51
Other financial liabilities	3,406.88	-	-	-	-
<b>Total financial liabilities</b>	<b>11,230.33</b>	<b>-</b>	<b>2,456.24</b>	<b>-</b>	<b>2,456.24</b>
<b>Off-balance sheet items:</b>					
Other commitments	-	-	-	-	-
<b>Total off-balance sheet items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Amount Rs. in Crores					
	Carrying Value	March 31, 2020			
		Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>					
Cash and cash equivalents	2,000.27	-	-	-	-
Bank balances other than cash and cash equivalents	52.36	-	-	-	-
Loans and advances:	11,706.49	-	-	-	-
Other Financial assets:	129.55	-	-	-	-
<b>Total financial assets</b>	<b>13,888.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>					
Trade payables	0.01	-	-	-	-
Debt securities	2,440.38	-	2,337.33	-	2,337.33
Borrowing other than debt securities	6,088.82	-	-	-	-
Subordinated Liabilities	348.86	-	363.44	-	363.44
Other financial liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	<b>8,878.07</b>	<b>-</b>	<b>2,700.78</b>	<b>-</b>	<b>2,700.78</b>
<b>Off-balance sheet items:</b>					
Other commitments	-	-	-	-	-
<b>Total off-balance sheet items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 44 (continued...)**

**(vii) 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. The below methodologies and assumptions relate only to the instruments in the above tables.

**Debt Securities & Subordinated**

These includes Subordinated debt, secured debentures, unsecured debentures. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 2.

**Assets and Liabilities other than above**

The carrying value of assets and liabilities other than investments at amortised cost, debt securities and subordinated liabilities represents a reasonable approximation of fair value.

**Note - 45**

**Disclosures in terms of Annex IV of the RBI Directions, 2016:**

Particulars	Amount Rs.in Lakhs March 31, 2022		March 31, 2021		March 31, 2020	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>						
<b>(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>						
(a) Debentures : Secured <sup>(1)</sup>	2,26,027.97	Nil	2,29,785.01	Nil	2,56,204.09	Nil
: Unsecured <sup>(3 &amp; 5)</sup>	36,229.89	Nil	36,172.87	Nil	36,116.92	Nil
(other than falling within the meaning of public deposits)						
(b) Deferred Credits		Nil		Nil		Nil
(c) Term Loans <sup>(2)</sup>	1,96,801.32	Nil	3,81,891.02	Nil	5,36,003.77	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil	Nil	Nil
(f) Other Loans – (specify nature)						
– Loan from Holding Company	1,48,600.00	Nil	1,29,600.00	Nil	58,842.00	Nil
– From Banks-Cash Credit Facility <sup>(4)</sup>	1,479.42	Nil	1,677.06	Nil	1,500.44	Nil
– From Banks-Overdraft Facility	-	Nil	1,840.76	Nil	Nil	Nil

(1) Includes interest accrued but not paid for Rs. 10,086.33 lakhs (2020-21: Rs.10,507.62 Lakhs , 2019-20 : Rs 12,165.32 Lakhs)

(2) Includes interest accrued but not paid for Rs. 328.60 Lakhs (2020-21 Rs. 1290.56 Lakhs, 2019-20: Rs. 2,696.50 Lakhs)

(3) Includes interest accrued but not paid for Rs. 1,229.75 Lakhs (2020-21: Rs. 1232.40 Lakhs, 2019-20: Rs. 1,231.02 Lakhs)

(4) Includes interest accrued but not paid for Rs. NIL (2020-21: Rs. NIL 2019-20 Rs. 0.44 Lakhs )

(5) Unsecured non convertible debentures in the nature of subordinate debts

Note - 45 (continued...)

Assets side:	Amount Rs. in lakhs Outstanding as at		
	March 31, 2022	March 31, 2021	March 31, 2020
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below:]</b>			
(a) Secured	7,84,328.98	9,59,636.25	9,53,433.47
(b) Unsecured	2,83,522.35	2,84,691.93	2,28,826.32
<b>(3) Break up of Leased Assets and</b>			
(i) Lease assets including lease rentals under sundry debtors			
(a) Financial lease	Nil	Nil	Nil
(b) Operating lease	Nil	Nil	Nil
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assets on hire	Nil	Nil	Nil
(b) Repossessed Assets	Nil	Nil	Nil
(iii) Other loans counting towards AFC activities			
(a) Loans where assets have been repossessed	Nil	Nil	Nil
(b) Loans other than (a) above	Nil	Nil	Nil
<b>(4) Break-up of Investments:</b>			
Current Investments			
1. Quoted:			
(i) Shares : (a) Equity	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	56,563.22
(iii) Units of mutual funds	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil
2. Unquoted:			
(i) Shares : (a) Equity	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil
(iii) Units of mutual funds	1,112.56	2,461.38	9,698.24
(iv) Government Securities	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil
(ii) Debentures and Bonds	5,158.87	Nil	Nil
(iii) Units of mutual funds	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil
2. Unquoted :			
(i) Shares : (a) Equity	191.23	191.23	212.06
(b) Preference	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil
(iii) Units of mutual funds	93,829.03	89,486.84	89,738.69
(iv) Government Securities	Nil	Nil	Nil
(v) Others (Security Receipts)	Nil	3,038.54	3,042.86

## Annexure V: Notes to the Reformatted Financial Information

Note - 45 (continued...)

## (5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions (Rs. in lakhs)					
	March 31, 2022			March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1.Related Parties						
(a) Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	3,000.00	3,000.00	Nil	Nil	Nil
2. Other than related parties*	7,67,290.05	2,80,522.35	10,47,812.40	9,25,679.82	2,84,691.93	12,10,371.75
<b>Total</b>	<b>7,67,290.05</b>	<b>2,83,522.35</b>	<b>10,50,812.40</b>	<b>9,25,679.82</b>	<b>2,84,691.93</b>	<b>12,10,371.75</b>

\*Excludes Provision against loan assets of Rs.17,038.92 Lakhs (2020-21: Rs 33,956.42 Lakhs, 2019-20: Rs. 26,777.03 Lakhs)

Category	Amount net of provisions (Rs. in lakhs)		
	March 31, 2020		
	Secured	Unsecured	Total
1.Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties*	9,26,653.85	2,28,828.91	11,55,482.76
<b>Total</b>	<b>9,26,653.85</b>	<b>2,28,828.91</b>	<b>11,55,482.76</b>

## (6) Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted):

Category	March 31, 2022		March 31, 2021		March 31, 2020	
	Market Value / Break up or fair value or NAV (Rs. in lakhs)	Book Value (Net of Provision) (Rs. in lakhs)	Market Value / Break up or fair value or NAV (Rs. in lakhs)	Book Value (Net of Provision) (Rs. in lakhs)	Market Value / Break up or fair value or NAV (Rs. in lakhs)	Book Value (Net of Provision) (Rs. in lakhs)
1. Related Parties						
(a) Subsidiaries	191.23	-	191.23	-	212.06	-
(b) Companies in the same group	5,158.87	4,959.86	-	-	56,563.22	51,644.50
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties:						
Investment in equity shares(quoted)	Nil	Nil	Nil	Nil	Nil	Nil
Investment in Units of mutual funds	94,941.58	93,691.62	91,948.22	90,768.50	99,436.93	97,844.24
Investment in Security Receipts	-	-	3,038.54	3,038.54	3,042.86	3,042.86
<b>Total</b>	<b>1,00,291.68</b>	<b>98,651.48</b>	<b>95,177.99</b>	<b>93,807.04</b>	<b>1,59,255.07</b>	<b>1,52,531.60</b>

## (7) Other information:

Particulars	Amount (Rs. in lakhs)		
	March 31, 2022	March 31, 2021	March 31, 2020
<b>(i) Gross Non-Performing Assets</b>			
(a) Related parties	Nil	Nil	Nil
(b) Other than related parties	26,073.24	62,020.13	34,737.13
<b>(ii) Net Non-Performing Assets</b>			
(a) Related parties	Nil	Nil	Nil
(b) Other than related parties	19,554.00	40,480.00	27,071.58
<b>(iii) Assets acquired in satisfaction of debt</b>	Nil	Nil	Nil

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the Auditors.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 46

Disclosures in terms of Annex XVI of the RBI Directions, 2016

(i) Disclosure of Capital to Risk Assets Ratio (CRAR):

Items	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
CRAR (%)	47.73%	34.48%	32.44%
CRAR - Tier I Capital (%)	44.55%	31.44%	29.54%
CRAR - Tier II Capital (%)	3.18%	3.04%	2.89%
Amount of subordinated debt raised as Tier-II capital (Rs in Crores)	350.00	349.40	348.86
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	Nil

(ii)(a) Exposure to Real Estate Sector:

Category	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Direct Exposure</b>			
(a) Residential Mortgages -			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans up to Rs.15 lakh are Rs. NIL (2020-21 Rs. 115.66 crores, 2019-20: Rs. 59.55 crores).	879.82	1,680.99	1,809.87
(b) Commercial Real Estate -			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,721.06	6,728.57	6,191.93
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
(i) Residential	Nil	Nil	Nil
(ii) Commercial Real Estate.	Nil	Nil	Nil
<b>Total Exposure to Real Estate Sector</b>	<b>5,600.88</b>	<b>8,409.56</b>	<b>8,001.80</b>

(ii)(b) Exposure to Capital Market:

Particulars	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	5.18
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
<b>Total Exposure to Capital Market</b>	<b>-</b>	<b>-</b>	<b>5.18</b>

The above summary is prepared based on the information available with the Company.

Note - 46 (continued...)

(iii) Maturity pattern of certain items of assets and liabilities March 31, 2022\*:

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Amount Rs. in crores
						Foreign Currency Liabilities
1 to 7 days	-	163.99	11.13	4.54	-	-
8 to 14 days	-	9.76	5.09	0.89	-	-
15 days to 30 /31 days	-	89.87	0.40	76.12	-	-
Over one month to 2 months	-	330.59	-	4.62	-	-
Over 2 months to 3 months	-	240.12	0.10	143.08	-	-
Over 3 months to 6 months	-	878.05	0.25	815.69	-	-
Over 6 months to 1 year	-	1,479.72	3.98	559.49	-	-
Over 1 year to 3 years	-	5,995.37	943.46	3,645.41	-	-
Over 3 years to 5 years	-	2,431.74	-	1,736.10	-	-
Over 5 years	-	298.72	58.69	577.27	-	-
<b>Total</b>	-	<b>11,917.93</b>	<b>1,023.10</b>	<b>7,563.21</b>	-	-

(iii) Maturity pattern of certain items of assets and liabilities March 31, 2021\*:

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Amount Rs. in crores
						Foreign Currency Liabilities
1 to 7 days	-	236.50	16.61	-	-	-
8 to 14 days	-	0.94	-	18.75	-	-
15 days to 30 /31 days	-	172.34	-	8.36	-	-
Over one month to 2 months	-	313.31	-	8.38	-	-
Over 2 months to 3 months	-	270.37	-	231.38	-	-
Over 3 months to 6 months	-	674.55	21.46	2,948.78	-	-
Over 6 months to 1 year	-	1,185.43	15.45	891.62	-	-
Over 1 year to 3 years	-	5,831.61	911.44	2,994.88	-	-
Over 3 years to 5 years	-	3,595.83	-	210.28	-	-
Over 5 years	-	987.96	23.33	510.62	-	-
<b>Total</b>	-	<b>13,268.84</b>	<b>988.29</b>	<b>7,823.05</b>	-	-

(iii) Maturity pattern of certain items of assets and liabilities March 31, 2020\*:

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Amount Rs. in crores
						Foreign Currency Liabilities
1 to 7 days	-	256.39	98.39	-	-	-
8 to 14 days	-	24.95	-	-	-	-
15 days to 30 /31 days	-	90.03	-	8.87	-	-
Over one month to 2 months	-	350.56	19.50	8.91	-	-
Over 2 months to 3 months	-	429.40	1.25	254.13	-	-
Over 3 months to 6 months	-	751.26	20.00	1,026.48	-	-
Over 6 months to 1 year	-	1,947.42	0.25	906.28	-	-
Over 1 year to 3 years	-	5,284.01	1,490.33	5,658.41	-	-
Over 3 years to 5 years	-	2,996.18	-	471.41	-	-
Over 5 years	-	726.66	13.31	543.60	-	-
<b>Total</b>	-	<b>12,856.86</b>	<b>1,643.03</b>	<b>8,878.09</b>	-	-

\*In addition to the investments shown in the table above, the company also had cash, cash equivalents and bank balances of Rs. 324.22 Crores [2020-21: Rs. 1,809.68 Crores, 2019-20: Rs 2,000.27 crores]

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Note - 46 (continued...)

(iv) Disclosures of Investments

Particulars	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>(1) Value of Investments</b>			
(i) Gross Value of Investments			
a) In India	1,001.01	949.87	1,590.43
b) Outside India	1.91	1.91	2.12
(ii) Provision for Depreciation			
a) In India	Nil	Nil	Nil
b) Outside India	1.91	1.91	2.12
(iii) Net Value of Investments			
a) In India	1,001.01	949.87	1,590.43
b) Outside India	0.00	0.00	0.00
<b>(2) Movement of provisions held towards depreciation on investments</b>			
(i) Opening balance	1.91	1.91	-
(ii) Add: Provisions made during the year	-	-	2.12
(iii) Less: Write-off/write-back of excess provisions during the year	-	-	-
(iv) Closing balance	1.91	1.91	2.12

(v) Disclosures of Derivatives

(a) Forward Rate Agreement/Interest Rate Swap

Particulars	Amount Rs. in crores		
	March 31, 2022	March 31, 2021	March 31, 2020
(i) The notional principal of swap agreements	Nil	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil	Nil
(iv) Concentrations of credit risk arising from swaps	Nil	Nil	Nil
(v) The fair value of the swap book	Nil	Nil	Nil

(b) Exchange Traded Interest Rate (IR) Derivatives

Particulars	Amount Rs. in crores		
	March 31, 2022	March 31, 2021	March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"(instrument-wise)	Nil	Nil	Nil
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"(instrument-wise)	Nil	Nil	Nil

(c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

In the ordinary course of its business, the Company is exposed to risks resulting from changes in foreign currency exchange rates. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards to manage these risks, in terms of its policy as approved by its Board of Directors which is consistent with its risk management strategy. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations. The Company's risk management activities are subject to the management, direction and control of Risk Management Committee of its Board of Directors, which reports to the Board on the scope of its activities. The Company has appropriately segregated the functions and activities pertaining to its derivative transactions. All derivative transactions entered into by the Company are reported to the Board, and the mark-to-market gain/loss on its portfolio is monitored regularly by the senior management. As at March 31, 2022, the Company has no outstanding forward exchange contract (previous year : Nil) to hedge foreign currency risk.



## Annexure V: Notes to the Reformatted Financial Information

Note - 46 (continued...)

## Quantitative Disclosures

Particulars	Amount Rs. in crores			
	March 31, 2022		March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)				
For hedging	Nil	Nil	Nil	Nil
(ii) Marked to Market Positions(1)				
(a) Asset(+)	Nil	Nil	Nil	Nil
(b) Liability(-)	Nil	Nil	Nil	Nil
(iii) Credit Exposure(2)	Nil	Nil	Nil	Nil
(iv) Unhedged Exposures	Nil	Nil	Nil	Nil

## (vi)(a) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	Amount Rs. in crores		
	March 31, 2022	March 31, 2021	March 31, 2020
(i) No. of accounts	105	14	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	293.11	22.48	20.77
(iii) Aggregate consideration	313.49	19.00	20.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA
(v) Aggregate gain/ (loss) over net book value	20.38	(3.48)	(0.77)

## (vi)(b) Disclosures relating to Securitisation

Particulars	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(1) No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil	Nil
(2) Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	Nil	Nil	Nil
(3) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet			
a) Off-balance sheet exposures			
* First loss	Nil	Nil	Nil
* Others	Nil	Nil	Nil
b) On-balance sheet exposures			
* First loss	Nil	Nil	Nil
* Others	Nil	Nil	Nil
(4) Amount of exposures to securitisation transactions other than MRR			
a) Off-balance sheet exposures			
i) Exposure to own securitisations			
* First loss	Nil	Nil	Nil
* loss			
ii) Exposure to third party securitisations			
* First loss	Nil	Nil	
* Others	Nil	Nil	Nil
			Nil
b) On-balance sheet exposures			
i) Exposure to own securitisations			
* First loss	Nil	Nil	
* Others	Nil	Nil	Nil
ii) Exposure to third party securitisations			
* First loss	Nil	Nil	
* Others	Nil	Nil	Nil

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 46 (continued...)**

**(vi)(c) Details of non-performing financial assets purchased/sold**

**A. Details of non-performing financial assets purchased:**

Particulars	Amount Rs. in crores		
	March 31, 2022	March 31, 2021	March 31, 2020
1. (a) No. of accounts purchased during the year	Nil	Nil	Nil
(b) Aggregate outstanding	Nil	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil	Nil
(b) Aggregate outstanding	Nil	Nil	Nil

**B. Details of non-performing financial assets sold:**

Particulars	Amount Rs. in crores		
	March 31, 2022	March 31, 2021	March 31, 2020
1. No. of accounts sold	Nil	Nil	Nil
2. Aggregate outstanding	Nil	Nil	Nil
3. Aggregate consideration received	Nil	Nil	Nil

(vii) No penalties have been imposed on the Company by RBI and other regulators for the Financial Year ended March 31, 2022 (March 31, 2021: Nil, March 31, 2020: Nil).

(viii) The Company has been assigned the following credit ratings during the year March 31, 2022:

Deposits Instrument	Name of rating agency	Date of rating / revalidation	Rating assigned	Borrowing limit or conditions imposed by rating agency, if any (Amt. in Rs. Crs)
Bank Loan Facilities	CRISIL	08-Mar-22	CRISIL AA	2,500.00
Subordinate debt	CRISIL	08-Mar-22	CRISIL AA	500.00
Retail Bond	CRISIL	08-Mar-22	CRISIL AA	4,508.83
Non convertible Debentures	CRISIL	08-Mar-22	CRISIL AA	2,250.00
NCDs (Public Issue of retail secured redeemable non-convertible debentures)	CRISIL	08-Mar-22	CRISIL AA	1,991.17
Short Term Debt (CPs)	CRISIL	08-Mar-22	CRISIL A1+	3,000.00
Long-term/short -term bank facilities	CARE	22-Dec-21	CARE AA/CARE A1+	8,000.00
Subordinate debt	CARE	22-Dec-21	CARE AA	500.00
Non convertible Debentures	CARE	22-Dec-21	CARE AA	800.00
Public Issue of secured redeemable non-convertible debentures	CARE	28-Dec-21	CARE AA	123.63
Public Issue of retail secured redeemable non-convertible debentures	CARE	22-Dec-21	CARE AA	1,000.00
Public Issue of unsecured redeemable non-convertible debentures	CARE	22-Dec-21	CARE AA	500.00
Short Term Debt (CPs)	CARE	22-Dec-21	CARE A1+	500.00
Non convertible Debentures	Brickwork	11-Mar-22	BWR AA+	500.00
Non convertible Debentures	Brickwork	11-Mar-22	BWR AA+	2,000.00
Bank Loan Facilities	Brickwork	14-Dec-21	BWR AA+	1,500.00
Subordinate debt	Brickwork	11-Mar-22	BWR AA+	750.00
Public Issue of retail secured redeemable non-convertible debentures	Brickwork	11-Mar-22	BWR AA+	1,000.00
Public Issue of retail unsecured redeemable non-convertible debentures	Brickwork	11-Mar-22	BWR AA+	500.00
Short Term Debt (CPs)	Brickwork	03-Sep-21	BWR A1+	500.00
Retail Bond	ICRA	31-Mar-22	ICRA AA	2,000.00

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 46 (continued...)

The Company has been assigned the following credit ratings during the year March 31, 2021:

Deposits Instrument	Name of rating agency	Date of rating / revalidation	Rating assigned	Borrowing limit or conditions imposed by rating agency, if any (Amt. in Rs. Crs)
Bank Loan Facilities	CRISIL	31-Mar-21	CRISIL AA	2,500.00
Subordinate debt	CRISIL	31-Mar-21	CRISIL AA	500.00
NCDs	CRISIL	31-Mar-21	CRISIL AA	1,450.00
Public Issue of retail secured redeemable non-convertible debentures	CRISIL	31-Mar-21	CRISIL AA	4,991.17
Public Issue of retail unsecured redeemable non-convertible debentures	CRISIL	31-Mar-21	CRISIL AA	500.00
Short Term Debt (CPs)	CRISIL	31-Mar-21	CRISIL A1+	3,000.00
Long-term bank facilities	CARE	26-Mar-21	CARE AA	8,000.00
Subordinate debt	CARE	23-Mar-21	CARE AA	500.00
NCDs	CARE	23-Mar-21	CARE AA	1,000.00
Public Issue of secured redeemable non-convertible debentures	CARE	23-Mar-21	CARE AA	1,991.17
Public Issue of retail secured redeemable non-convertible debentures	CARE	26-Mar-21	CARE AA	1,000.00
Public Issue of unsecured redeemable non-convertible debentures	CARE	26-Mar-21	CARE AA	500.00
Short Term Debt (CPs)	CARE	23-Mar-21	CARE A1+	500.00
NCDs	Brickwork	29-Mar-21	BWR AA+	1,500.00
Bank Loan Facilities	Brickwork	29-Mar-21	BWR AA+	1,500.00
Subordinate debt	Brickwork	29-Mar-21	BWR AA+	750.00
Public Issue of retail secured redeemable non-convertible debentures	Brickwork	29-Mar-21	BWR AA+	1,000.00
Public Issue of retail unsecured redeemable non-convertible debentures	Brickwork	29-Mar-21	BWR AA+	500.00
Short Term Debt (CPs)	Brickwork	29-Mar-21	BWR A1+	500.00

The Company has been assigned the following credit ratings during the year March 31, 2020

Deposits Instrument	Name of rating agency	Date of rating / revalidation	Rating assigned	Borrowing limit or conditions imposed by rating agency, if any (Amt. in Rs. Crs)
Bank Loan Facilities	CRISIL	24-Mar-20	CRISIL AA	2,500.00
Subordinate debt	CRISIL	24-Mar-20	CRISIL AA	500.00
NCDs	CRISIL	24-Mar-20	CRISIL AA	1,450.00
NCDs (Public Issue of retail secured redeemable non-convertible debentures)	CRISIL	24-Mar-20	CRISIL AA	3,000.00
NCDs (Public Issue of retail secured redeemable non-convertible debentures)	CRISIL	24-Mar-20	CRISIL AA	2,000.00
NCDs (Public Issue of retail unsecured redeemable non-convertible debentures)	CRISIL	24-Mar-20	CRISIL AA	500.00
Short Term Debt (CPs)	CRISIL	24-Mar-20	CRISIL A1+	3,000.00
Short Term Debt (CPs)	ICRA	30-Aug-19	[ICRA]A1+	8,000.00
Long-term bank facilities	CARE	14-Feb-20	CARE AA	15,000.00
Subordinate debt	CARE	14-Feb-20	CARE AA	1,200.00
NCDs	CARE	14-Feb-20	CARE AA	2,000.00
Public Issue of secured redeemable non-convertible debentures	CARE	14-Feb-20	CARE AA	5,000.00
Public Issue of unsecured redeemable non-convertible debentures	CARE	14-Feb-20	CARE AA	500.00
Short Term Debt (CPs)	CARE	14-Feb-20	CARE A1+	8,000.00
NCDs	Brickwork	23-Mar-20	BWR AA+	1,500.00
Bank Loan Facilities	Brickwork	23-Mar-20	BWR AA+	1,500.00
Subordinate debt	Brickwork	23-Mar-20	BWR AA+	750.00

Note - 46 (continued...)

(ix) Additional Disclosures

(a) Provisions and Contingencies

	Amount Rs. in crores		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2022	March 31, 2021	March 31, 2020
Provisions for depreciation on Investment	1.91	1.91	2.12
Provision towards NPA	253.46	585.92	28.31
Provision made towards Income tax(including deferred tax and MAT Credit)	104.32	13.75	7.44
Provision for Standard Assets	(18.96)	(66.95)	147.99

(b) Concentration of Advances

	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers	4,052.79	3,822.21	3,188.50
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	37.95%	30.72%	26.97%

(c) Concentration of Exposures

	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers	4,052.79	3,822.21	3,188.50
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	37.95%	30.72%	26.87%

(d) Concentration of NPAs

	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	179.11	384.06	148.14

(e) Sector-wise NPAs

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Sector	Percentage of NPAs to Total Advances in that sector		
Agriculture & allied activities	0.00%	0.00%	0.00%
MSME	1.16%	5.65%	1.27%
Corporate borrowers	2.20%	5.39%	3.73%
Services	0.00%	0.00%	0.00%
Unsecured personal loans	0.00%	2.78%	0.00%
Other personal loans	0.00%	0.00%	0.00%
Auto loans and Other Loans	5.45%	1.71%	1.94%

Annexure V: Notes to the Reformatted Financial Information

Note - 46 (continued...)

(f) Movement of NPAs

Particulars	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Net NPAs to Net Advances (%)	1.83%	3.25%	2.29%
(ii) Movement of NPAs (Gross)			
a) Opening balance	620.20	347.37	197.00
b) Additions during the year	329.26	835.80	988.16
c) Reductions during the year	688.73	562.97	837.79
d) Closing balance	260.73	620.20	347.37
(iii) Movement of Net NPAs			
a) Opening balance	404.80	270.71	148.65
b) Additions during the year	75.80	134.09	122.06
c) Reductions during the year	285.06	-	-
d) Closing balance	195.54	404.80	270.71
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	215.40	76.66	48.35
b) Additions during the year	253.46	585.92	28.31
c) Reductions during the year	403.67	447.18	-
d) Closing balance	65.19	215.40	76.66

(g) Detail of Loans transferred / acquired during the Year ended March 31 ,2022 under the Master Direction - RBI(Transfer of Loan Exposures) Directions , 2021 Dated September 24 ,2021 as given below:

(i) Details of Loans not in Default transferred / acquired through assignment :

Entity	Amount Rs. in crores			
	March 31, 2022		March 31, 2021	
	Transferred	Acquired	Transferred	Acquired
Count of Loan accounts Assigned	2308	77	84	388
Amount of Loan accounts Assigned	1,743.65	126.85	32.32	55.74
Retention of beneficial economic interest (MRR)	129.42	14.09	3.59	10.90
Weighted Average Maturity (Residual Maturity in months)	103.03	281.55	158.53	121.35
Weighted Average Holding Period [in months]	15.60	40.55	25.04	11.16
Coverage of tangible security coverage	1.00	1.00	1.00	1.00
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

(ii) Details of stressed loans transferred during the year

Particulars	Amount Rs. in crores		
	March 31, 2022		
	To Asset Reconstruction Companies (ARC)		
	NPA	SMA	Total
Number of accounts*	101	2	103
Aggregate principal outstanding of loans transferred (Rs. in crores)	329.60	47.34	376.94
Weighted average residual tenor of the loans transferred (in months)	87.37	54.22	141.60
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	247.20	45.91	293.11
Aggregate consideration (Rs. in crores)	261.98	46.44	308.42
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-	-

\* Apart from above company has sold Write off 2 Cases to ARC Purchase consideration Rs.5.07 Cr during Financial year 2021-22

Annexure V: Notes to the Reformatted Financial Information

Note - 46 (continued...)

(ii) Details of stressed loans transferred during the year

Particulars	Amount Rs. in crores		
	March 31, 2021		
	To Asset Reconstruction Companies (ARC)		
	NPA	SMA	Total
Number of accounts*	14	-	14
Aggregate principal outstanding of loans transferred (Rs. in crores)	29.98	-	29.98
Weighted average residual tenor of the loans transferred (in months)	248.97	-	248.97
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	22.48	-	22.48
Aggregate consideration (Rs. in crores)	19.00	-	19.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-	-

(iii) The Company has not acquired any stressed loan during the year ended March 31, 2022.

(iv) Details of Security Receipts held and Credit rating during the year ended March 31, 2022:

Recovery Rating	March 31, 2022	
	Anticipated recovery as per recovery rating	Amount (Rs. In crores)
RR1*	100% - 150%	39.14
Unrated*		30.25
<b>Total</b>		<b>69.39</b>

\* Rating in process, pursuant to regulatory norms, the ARC shall obtain initial rating of Security Receipts(SR) from an approved credit rating agency within a period of 6 months from the date of acquisition.

Detail of Loans transferred / acquired under the Master Direction - RBI(Transfer of Loan Exposures) Directions , 2021 Dated September 24 ,2021 is not applicable to financial year 2019-20.

(h) Disclosures under Master Direction - Reserve Bank of India ( Securitisation of Standard Assets ) Directions , 2021 dated September 24 ,2021

Particulars	Amount Rs. in crores	
	As at March 31, 2022	As at March 31, 2021
(1) No of SPEs holding assets for securitisation transactions originated	10	2
(2) Total amount of securitised assets as per books of the SPEs	1,640.84	92.33
(3) Total amount of exposures retained by the originator to comply with	-	-
a) Off-balance sheet exposures	-	-
First loss	-	-
Others	-	-
b) On-balance sheet exposures	64.64	25.50
First loss	64.64	25.50
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	88.37	-
i) Exposure to own securitisations	88.37	-
First loss	-	-
Others	88.37	-
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others	-	-
(5) Sale consideration received for the securitised assets	F-95 1,816.08	151.94
(6) Gain/loss on sale on account of securitisation	-	-

Disclosures under Master Direction - Reserve Bank of India ( Securitisation of Standard Assets ) Directions , 2021 dated September 24 ,2021 is not applicable to financial year 2019-20.

Annexure V: Notes to the Reformatted Financial Information

Note - 46 (continued...)

(x) Overseas Assets

Name of Joint Venture/Subsidiary	Other Partner in the JV	Country	Amount Rs. in crores		
			Total Assets		
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Indiabulls Asset Management Mauritius-Wholly Owned Subsidiary	NA	Mauritius	1.91	1.91	2.12

(xi) Disclosure of Complaints -Customer Complaints

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
(a) No. of complaints pending at the beginning of the year	-	3	-
(b) No. of complaints received during the year	40	44	100
(c) No. of complaints redressed during the year	40	47	97
(d) No. of complaints pending at the end of the year	-	0	3

Note: In computing the above information and disclosures, certain estimates, assumptions and adjustments have been made by the Management for its regulatory submissions which have been relied upon by the Auditors.

(xii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the limits for SGL / GBL

Note - 47

Disclosures in terms of RBI circular vide reference no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated as on March 13, 2020

Amount in Rs crore							
March 31, 2022							
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	
Performing Assets	Stage 1	7,244.38	35.91	7,208.47	30.00	5.91	
	Stage 2	3,173.40	68.86	3,104.54	12.70	56.16	
	Subtotal	10,417.78	104.77	10,313.01	42.70	62.07	
<b>Non-Performing Assets (NPA)</b>							
Substandard	Stage 3	253.90	63.48	190.42	25.39	38.09	
Doubtful	Stage 3	6.83	1.71	5.12	1.48	0.23	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		260.73	65.19	195.54	26.87	38.32	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms(moratorium etc.)	Stage 1	191.62	0.43	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Subtotal		191.62	0.43	-	-	-	
<b>Total</b>	<b>Stage 1</b>	<b>7,436.00</b>	<b>36.34</b>	<b>7,208.47</b>	<b>30.00</b>	<b>5.91</b>	
	<b>Stage 2</b>	<b>3,173.40</b>	<b>68.86</b>	<b>3,104.54</b>	<b>12.70</b>	<b>56.16</b>	
	<b>Stage 3</b>	<b>260.73</b>	<b>65.19</b>	<b>195.54</b>	<b>26.87</b>	<b>38.32</b>	
<b>Total Provision</b>		<b>10,870.13</b>	<b>170.39</b>	<b>10,508.55</b>	<b>69.57</b>	<b>100.39</b>	

Note - 47 (continued...)

Disclosures in terms of RBI circular vide reference no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated as on March 13, 2020 (continued...)

March 31, 2021							Amount in Rs crore
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	
Performing Assets	Stage 1	10,267.93	84.70	10,183.23	80.95	3.75	
	Stage 2	1,555.15	39.25	1,515.90	24.45	14.80	
Subtotal		11,823.08	123.95	11,699.13	105.40	18.55	
<b>Non-Performing Assets (NPA)</b>							
Substandard	Stage 3	495.19	177.14	318.05	53.29	123.85	
Doubtful	Stage 3	125.01	38.26	86.75	30.46	7.80	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		620.20	215.40	404.80	83.75	131.65	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms(moratorium etc)	Stage 1	171.65	0.21	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Subtotal		171.65	0.21	-	-	-	
<b>Total</b>	<b>Stage 1</b>	<b>10,439.58</b>	<b>84.91</b>	<b>10,183.23</b>	<b>80.95</b>	<b>3.75</b>	
	<b>Stage 2</b>	<b>1,555.15</b>	<b>39.25</b>	<b>1,515.90</b>	<b>24.45</b>	<b>14.80</b>	
	<b>Stage 3</b>	<b>620.20</b>	<b>215.40</b>	<b>404.80</b>	<b>83.75</b>	<b>131.65</b>	
<b>Total Provision</b>		<b>12,614.93</b>	<b>339.56</b>	<b>12,103.93</b>	<b>189.15</b>	<b>150.20</b>	

Includes Provisions for moratorium (Refer note 61)



Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 47 (continued...)

Disclosures in terms of RBI circular vide reference no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated as on March 13, 2020 (continued...)

March 31, 2020							Amount in Rs crore
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	
Performing Assets	Stage 1	8,128.98	64.38	8,064.60	32.66	31.71	
	Stage 2	3,346.25	126.73	3,219.52	21.65	105.08	
	Subtotal	11,475.23	191.11	11,284.12	54.31	136.80	
<b>Non-Performing Assets (NPA)</b>							
Substandard	Stage 3	198.64	39.65	158.99	19.86	19.79	
Doubtful	Stage 3	148.73	37.01	111.72	30.22	6.79	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		347.37	76.66	270.71	50.08	26.58	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms(moratorium etc)	Stage 1	5.13	0.00	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Subtotal		5.13	0.00	-	-	-	
<b>Total</b>	<b>Stage 1</b>	<b>8,134.11</b>	<b>64.38</b>	<b>8,064.60</b>	<b>32.66</b>	<b>31.71</b>	
	<b>Stage 2</b>	<b>3,346.25</b>	<b>126.73</b>	<b>3,219.52</b>	<b>21.65</b>	<b>105.08</b>	
	<b>Stage 3</b>	<b>347.37</b>	<b>76.66</b>	<b>270.71</b>	<b>50.08</b>	<b>26.58</b>	
<b>Total Provision</b>		<b>11,827.73</b>	<b>267.77</b>	<b>11,554.83</b>	<b>104.39</b>	<b>163.38</b>	

Includes Provisions for moratorium (Refer note 61)

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 48**

Disclosures in terms of Annex II of the RBI Directions, 2016;

**Funding Concentration based on significant counterparty**

March 31, 2022				
S No	No. of significant counterparties	Amount in Rs Crores	% of Total Deposits	% of Total Liabilities
1	11	5,583.35	NA	69.11%

March 31, 2021				
S No	No. of significant counterparties	Amount in Rs Crores	% of Total Deposits	% of Total Liabilities
1	11	7,150.26	NA	63.16%

	March 31, 2022	March 31, 2021
Top 20 large Deposits	Not Applicable	Not Applicable

Particulars	Amount in Rs Crores*	
	March 31, 2022	March 31, 2021
Top 10 borrowings (Crores)	5,500.02	6,983.60
Top 10 borrowings [% of Total borrowings]	92.05%	90.80%

\* Represents contractual amount

**Funding Concentration based on significant instrument/product**

Name of the instrument/product	Amount in Rs Crores*			
	March 31, 2022		March 31, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Term Loans from banks and Others	1,964.73	24.32%	3,806.00	33.62%
Secured Non Convertible Debentures	2,159.42	26.73%	2,192.77	19.37%
Loan from Holding Company	1,486.00	18.39%	1,296.00	11.45%
Subordinated Debt	350.00	4.33%	349.40	3.09%
Cash Credit (includes Securitisation and Lease Liability)	1,603.06	19.84%	178.88	1.58%

**Stock Ratios:**

	March 31, 2022	March 31, 2021
CP as % of total public funds	0.00%	0.00%
CP as % of total liabilities	0.00%	0.00%
CP as % of total assets	0.00%	0.00%
NCD (original maturity of less than 1 year) as % of total public funds	0.00%	0.00%
NCD (original maturity of less than 1 year) as % of total liabilities	0.00%	0.00%
NCD (original maturity of less than 1 year) as % of total assets	0.00%	0.00%
Other short term liabilities as % of total public funds	11.23%	46.08%
Other short term liabilities as % of total liabilities	8.31%	31.31%
Other short term liabilities as % of total assets	5.11%	22.33%

\* Total Liabilities = Total Balance Sheet Size - Net Worth

Disclosures in terms of Annex II of the RBI Directions, 2016 is not applicable to financial year 2019-20.

**Institutional set-up for liquidity risk management**

The Company has constituted an Asset Liability Management Committee ('ALCO'), a sub-committee of the Board of Directors, to oversee ALM on an ongoing basis. The meetings of ALCO are held at periodic intervals for reviewing the specific risks relating to liquidity risk and interest rate sensitivity.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 49

Disclosures in terms of Annex III of the RBI Directions, 2016 ;

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
<b>Minimum LCR</b>	50%	60%	70%	85%	100%
<b>LCR disclosure</b>					
		<b>Q4 FY 2021-22</b>		<b>Q3 FY 2021-22</b>	
		<b>Total Unweighted Value(average)</b>	<b>Total Weighted Value(average)</b>	<b>Total Unweighted Value(average)</b>	<b>Total Weighted Value(average)</b>
<b>High Quality Liquid Assets</b>					
<b>1. Total High Quality Liquid Assets (HQLA)</b>		<b>167.49</b>	<b>167.49</b>	<b>647.13</b>	<b>647.13</b>
Cash in Hand and Bank balance		167.49	167.49	647.13	647.13
<b>Cash Outflow</b>					
<b>2. Deposit for deposit taking companies</b>		NA	NA	NA	NA
<b>3. Unsecured wholesale funding</b>		-	-	-	-
<b>4. Secured wholesale funding</b>		24.59	28.28	-	-
<b>5. Additional Requirements, of which</b>		-	-	889.43	1,022.84
(i) Outflow related to derivative exposures and other collateral		-	-	-	-
(ii) Outflow related to loss of funding on debt products		-	-	-	-
(iii) Credit and Liquidity facilities		-	-	-	-
<b>6 Contractual funding Obligations</b>		105.85	121.73	-	-
<b>7 Other Contingent funding Obligations</b>		30.00	34.50	80.00	92.00
<b>8. Total Cash Outflow</b>		<b>160.44</b>	<b>184.51</b>	<b>969.43</b>	<b>1,114.84</b>
<b>Cash Inflows</b>					
<b>9. Secure Lending</b>		-	-	-	-
<b>10. Inflow from fully performing exposure</b>		502.42	376.81	503.35	377.52
<b>11. Other Cash inflows</b>		335.93	251.95	217.30	162.98
<b>12. Total Cash Inflows</b>		<b>838.34</b>	<b>628.76</b>	<b>720.66</b>	<b>540.49</b>
			<b>Total Adjusted value</b>		<b>Total Adjusted value</b>
<b>13. Total HQLA</b>			<b>167.49</b>		<b>647.13</b>
<b>14. Total Net cash outflow over next 30 days</b>			<b>46.13</b>		<b>608.85</b>
<b>15. Liquidity Coverage Ratio</b>			<b>363.12%</b>		<b>106.29%</b>

Notes:

1. Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
2. Weighted values are calculated as per the applicable haircuts or stress factors

The above represents the LCR as at March 31, 2022. The average LCR for Q4 FY 21-22 computed based on the average of the respective monthly LCRs for each of the months in Q4 FY 21-22 is calculated at 437%.

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 49 (continued...)

Disclosures in terms of Annex III of the RBI Directions, 2016 ;

LCR disclosure	Q2 FY 2021-22		Q1 FY 2021-22		
	Total Value(average)	Unweighted Total Weighted Value(average)	Total Value(average)	Unweighted Total Weighted Value(average)	
<b>High Quality Liquid Assets</b>					
<b>1. Total High Quality Liquid Assets (HQLA)</b>		<b>226.01</b>	<b>226.01</b>	<b>416.02</b>	<b>416.02</b>
Cash in Hand and Bank balance		226.01	226.01	416.02	416.02
<b>Cash Outflow</b>					
2. Deposit for deposit taking companies		NA	NA	NA	NA
3. Unsecured wholesale funding		-	-	-	-
4. Secured wholesale funding		742.57	853.96	267.18	307.26
5 Additional Requirements, of which		-	-	-	-
(i) Outflow related to derivative exposures and other collateral		-	-	-	-
(ii) Outflow related to loss of funding on debt products		-	-	-	-
(iii) Credit and Liquidity facilities		-	-	-	-
6 Contractual funding Obligations		76.20	87.63	75.00	86.25
7 Other Contingent funding Obligations		30.00	34.50	30.00	34.50
<b>8. Total Cash Outflow</b>		<b>848.77</b>	<b>976.09</b>	<b>372.18</b>	<b>428.01</b>
<b>Cash Inflows</b>					
9. Secure Lending		-	-	-	-
10. Inflow from fully performing exposure		503.35	377.52	540.00	405.00
11. Other Cash inflows		916.67	687.50	-	-
<b>12. Total Cash Inflows</b>		<b>1,420.02</b>	<b>1,065.02</b>	<b>540.00</b>	<b>405.00</b>
			<b>Total Adjusted value</b>		<b>Total Adjusted value</b>
<b>13. Total HQLA</b>			<b>226.01</b>		<b>416.02</b>
<b>14. Total Net cash outflow over next 30 days</b>			<b>244.02</b>		<b>107.00</b>
<b>15. Liquidity Coverage Ratio</b>			<b>92.62%</b>		<b>388.79%</b>

Notes:

1. Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
2. Weighted values are calculated as per the applicable haircuts or stress factors

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 49 (continued...)

Disclosures in terms of Annex III of the RBI Directions, 2016 ;

LCR disclosure	Q4 FY 2020-21		Q3 FY 2020-21	
	Total Value(average)	Unweighted Total Weighted Value(average)	Total Value(average)	Unweighted Total Weighted Value(average)
<b>High Quality Liquid Assets</b>				
<b>1. Total High Quality Liquid Assets (HQLA)</b>	<b>769.69</b>	<b>769.69</b>	<b>186.41</b>	<b>186.41</b>
Cash in Hand and Bank balance	769.69	769.69	186.41	186.41
<b>Cash Outflow</b>				
2. Deposit for deposit taking companies	NA	NA	NA	NA
3. Unsecured wholesale funding	-	-	-	-
4. Secured wholesale funding	170.02	195.52	234.11	269.22
5 Additional Requirements, of which				
(i) Outflow related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflow related to loss of funding on debt products	-	-	-	-
(iii) Credit and Liquidity facilities	-	-	-	-
6 Contractual funding Obligations	1,100.50	1,265.57	439.07	504.94
7 Other Contingent funding Obligations	-	-	-	-
<b>8. Total Cash Outflow</b>	<b>1,270.52</b>	<b>1,461.09</b>	<b>673.18</b>	<b>774.16</b>
<b>Cash Inflows</b>				
9. Secure Lending	-	-	-	-
10. Inflow from fully performing exposure	345.00	258.75	337.00	252.75
11. Other Cash inflows	620.72	465.54	607.40	455.55
<b>12. Total Cash Inflows</b>	<b>965.72</b>	<b>724.29</b>	<b>944.40</b>	<b>708.30</b>
		<b>Total Adjusted value</b>		<b>Total Adjusted value</b>
<b>13. Total HQLA</b>		<b>769.69</b>		<b>186.41</b>
<b>14. Total Net cash outflow over next 30 days</b> (Weighted value of total cash outflow- Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		<b>736.80</b>		<b>193.54</b>
<b>15. Liquidity Coverage Ratio</b>		<b>104.46%</b>		<b>96.32%</b>

Notes:

1. Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
2. Weighted values are calculated as per the applicable haircuts or stress factors

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Indiabulls Commercial Credit Limited

Annexure V: Notes to the Reformatted Financial Information

Note - 49 (continued...)

Disclosures in terms of Annex III of the RBI Directions, 2016 ;

LCR disclosure	Q2 FY 2020-21		Q1 FY 2020-21	
	Total Value(average)	Unweighted Total Weighted Value(average)	Total Value(average)	Unweighted Total Weighted Value(average)
<b>High Quality Liquid Assets</b>				
<b>1. Total High Quality Liquid Assets (HQLA)</b>	<b>530.33</b>	<b>530.33</b>	<b>969.73</b>	<b>969.73</b>
Cash in Hand and Bank balance	530.33	530.33	969.73	969.73
<b>Cash Outflow</b>				
2. Deposit for deposit taking companies	NA	NA	NA	NA
3. Unsecured wholesale funding	-	-	-	-
4. Secured wholesale funding	170.02	195.52	234.11	269.22
5 Additional Requirements, of which				
(i) Outflow related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflow related to loss of funding on debt products	-	-	-	-
(iii) Credit and Liquidity facilities	-	-	-	-
6 Contractual funding Obligations	1,100.50	1,265.57	439.07	504.94
7 Other Contingent funding Obligations	-	-	-	-
<b>8. Total Cash Outflow</b>	<b>1,270.52</b>	<b>1,461.09</b>	<b>673.18</b>	<b>774.16</b>
<b>Cash Inflows</b>				
9. Secure Lending	-	-	-	-
10. Inflow from fully performing exposure	345.00	258.75	337.00	252.75
11. Other Cash inflows	620.72	465.54	607.40	455.55
<b>12. Total Cash Inflows</b>	<b>965.72</b>	<b>724.29</b>	<b>944.40</b>	<b>708.30</b>
		<b>Total Adjusted value</b>		<b>Total Adjusted value</b>
<b>13. Total HQLA</b>		<b>530.33</b>		<b>969.73</b>
<b>14. Total Net cash outflow over next 30 days</b> (Weighted value of total cash outflow- Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		<b>1,025.79</b>		<b>551.37</b>
<b>15. Liquidity Coverage Ratio</b>		<b>51.70%</b>		<b>175.88%</b>

Notes:

1. Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
2. Weighted values are calculated as per the applicable haircuts or stress factors

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Disclosures in terms of Annex III of the RBI Directions, 2016 is not applicable to financial year 2019-2020.

## Note - 50

## Disclosure of Foreign Currency Exposures:-

Particulars	Foreign Currency	Year ended March 31, 2022		
		Exchange Rate	Amount in Foreign Currency	Amount Rs. in Crores
<b>I. Assets</b>				
Receivables (trade & other)	NA	-	-	-
Other Monetary assets	NA	-	-	-
Total Receivables (A)	NA	-	-	-
Hedges by derivative contracts (B)	NA	-	-	-
Unhedged receivables (C=A-B)	NA	-	-	-
<b>II. Liabilities</b>				
Payables (trade & other)				
Borrowings (ECB and Others)	USD	-	-	-
Total Payables (D)	USD	-	-	-
Hedges by derivative contracts (E)	USD	-	-	-
Unhedged Payables F=D-E)	USD	-	-	-
<b>III. Contingent Liabilities and Commitments</b>				
Contingent Liabilities	NA	-	-	-
Commitments	NA	-	-	-
Total (G)	NA	-	-	-
Hedges by derivative contracts(H)	NA	-	-	-
Unhedged Payables (I=G-H)	NA	-	-	-
<b>Total unhedged FC Exposures (J=C+F+I)</b>	NA	-	-	-

Note: For the above disclosure, Interest accrued on borrowings at respective year end has not been considered

Particulars	Foreign Currency	Year ended March 31, 2021		
		Exchange Rate	Amount in Foreign Currency (USD)	Amount Rs. in Crores
<b>I. Assets</b>				
Receivables (trade & other)	NA	-	-	-
Other Monetary assets	NA	-	-	-
Total Receivables (A)	NA	-	-	-
Hedges by derivative contracts (B)	NA	-	-	-
Unhedged receivables (C=A-B)	NA	-	-	-
<b>II. Liabilities</b>				
Payables (trade & other)				
Borrowings (ECB and Others)	USD	-	-	-
Total Payables (D)	USD	-	-	-
Hedges by derivative contracts (E)	USD	-	-	-
Unhedged Payables F=D-E)	USD	-	-	-
<b>III. Contingent Liabilities and Commitments</b>				
Contingent Liabilities	NA	-	-	-
Commitments	NA	-	-	-
Total (G)	NA	-	-	-
Hedges by derivative contracts(H)	NA	-	-	-
Unhedged Payables (I=G-H)	NA	-	-	-
<b>Total unhedged FC Exposures (J=C+F+I)</b>	NA	-	-	-

Note - 50 (continued...)

Particulars	Foreign Currency	Year ended March 31, 2020		
		Exchange Rate	Amount in Foreign Currency (USD)	Amount Rs. in Crores
<b>I. Assets</b>				
Receivables (trade & other)	NA	-	-	-
Other Monetary assets	NA	-	-	-
Total Receivables (A)	NA	-	-	-
Hedges by derivative contracts (B)	NA	-	-	-
Unhedged receivables (C=A-B)	NA	-	-	-
<b>II. Liabilities</b>				
Payables (trade & other)				
Borrowings (ECB and Others)	USD	-	-	-
Total Payables (D)	USD	-	-	-
Hedges by derivative contracts (E)	USD	-	-	-
Unhedged Payables F=D-E)	USD	-	-	-
<b>III. Contingent Liabilities and Commitments</b>				
Contingent Liabilities	NA	-	-	-
Commitments	NA	-	-	-
Total (G)	NA	-	-	-
Hedges by derivative contracts(H)	NA	-	-	-
Unhedged Payables (I=G-H)	NA	-	-	-
<b>Total unhedged FC Exposures (J=C+F+I)</b>	NA	-	-	-

Note - 51

There are no borrowing costs to be capitalised as at March 31, 2022 (March 31, 2021: Rs. Nil , March 31, 2020: Rs. NIL).

Note - 52

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the Reformatted Statement of assets and liabilities at March 31, 2022, March 31, 2021 and March 31, 2020 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Reformatted Statement of assets and liabilities and no provision is required to be made against the recoverability of these balances.

Note - 53

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2022 (March 31, 2021: Nil, March 31, 2020: Nil).

Note - 54

Major classes of assets held for sale as at March 31, 2022 are as below:

Description	Amount Rs. in crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Residential	618.03	230.37	274.72
Commercial	54.79	154.33	305.80
<b>Total</b>	<b>672.82</b>	<b>384.70</b>	<b>580.52</b>



**Indiabulls Commercial Credit Limited****Annexure V: Notes to the Reformatted Financial Information****Note - 55**

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2022 .

**55.2** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**55.3** The Company has not received any funds 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;

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note - 56**

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, by the Company during the year ended March 31, 2022.

**Note - 57**

The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**Note - 58**

The Company has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2022.

**Note - 59**

**59.1** In terms of Circular no. RBI/2014-15/458, DNBR(PD).CC.No 019/03.10.01/2014-15 dated February 06, 2015, every NBFC is required to become a member of all Credit information Companies. As of the date of these financial statements, the Company has obtained the membership of Equifax Information Services Private Limited and CRIF High Mark Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and Credit Information Bureau (India) Limited.

**59.2** With reference to RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12 2021, and subsequent RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15 ,2022, related to up-gradation of accounts classified as NPA , the Company has opted to follow the RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15 ,2022 to be in compliance with aforesaid RBI circular.

**Note - 60**

The Company has complied with the RBI Directions, 2016 to the extent applicable.

**Note - 61**

**Disclosure on Moratorium – COVID 19 Regulatory Package – Asset Classification And Provisioning pursuant to the Notification Vide: DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020:**

Particulars	Amount Rs. In crores		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of above notification*	NIL	875.67	525.84
(ii) Respective amount where asset classification benefits is extended*	NIL	619.52	165.14
(iii) Provisions made in terms of paragraph 5 of the above notification	NIL	61.95	8.26
(iv) Provisions adjusted during the respective accounting periods against slippages	NIL	-	-
(v) residual provisions in terms of paragraph 6	NIL	61.95	-

\*excludes loan which is assigned or securitized by the Company

Note - 61 (continued...)

Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021:

March 31, 2022					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)@	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1.46	-	-	0.00	1.46
Corporate persons*	45.98	-	1.06	36.06	8.85
Of which, MSMEs	35.68	-	1.06	32.60	2.02
Others	10.29	-	-	3.46	6.83
<b>Total</b>	<b>47.44</b>	<b>-</b>	<b>1.06</b>	<b>36.07</b>	<b>10.31</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

@ Includes restructuring done in respect of resolution invoked till September 30, 2021 and processed subsequently

Disclosures of cases restructured under Resolution Framework for COVID-19-related Stress

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	-	-	-	-	-
Corporate persons*	1.00	11.65	-	5.66	1.69
Of which, MSMEs	-	-	-	-	-
Others	1.00	11.65	-	5.66	1.69
<b>Total</b>	<b>1.00</b>	<b>11.65</b>	<b>-</b>	<b>5.66</b>	<b>1.69</b>

Disclosures of cases restructured under Resolution Framework for COVID-19-related Stress for the financial year 2019-20 is Rs. Nil.

**Disclosure on refund of Interest on Interest amount :** Pursuant to the Notification Vide: RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021, company has refunded/adjusted amount of Rs NIL (Previous year Rs 15.17 Crs) to its borrowers, which was initially charged as Interest on Interest amount during the moratorium Period of March 1, 2020 to August 31, 2020.

Note - 62

There have been no events or transactions which have occurred since the date of reformatted statement of assets and liabilities or are pending that would have a material effect on the reformatted financial information and requires adjustment to the accounting estimates and disclosures included in the reformatted financial information at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.

No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the reformatted financial information in order to make them not misleading regarding the financial position, results of operations, or cash flows or changes in equity of the Company.

**Indiabulls Commercial Credit Limited**

**Annexure V: Notes to the Reformatted Financial Information**

**Note - 63**

The financial statements of the Company for the year ended March 31, 2021 and March 31, 2020 included in these reformatted financial information, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 19, 2021 and July 3, 2020 respectively.

**Note - 64**

Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

**Indiabulls Commercial Credit Limited**  
**Statement of Dividend**

**Annexure VI**

Particulars		Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Equity Share Capital (₹ in Cr)		247.80	247.80	247.80
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00
Interim Dividend on Equity Shares (Rs. per Equity Share)	(b)	-	-	-
Interim Dividend on Equity Shares (Rs. in Crore)		-	-	-
Interim Dividend Declared Rate (In %)	(c=b/a)	0%	0%	0%
Final Dividend on Equity Shares (Rs. per Equity Share)	(d)	-	-	-
Final Dividend on Equity Shares (Rs. in Crore)		-	-	-
Final Dividend Declared Rate (In %)	(e=d/a)	0%	0%	0%

For and on behalf of the Board of Directors of  
Indiabulls Commercial Credit Limited

Rajiv Gandhi  
Managing Director & CEO  
DIN : 09063985  
Mumbai, December 15, 2022

Ajit Kumar Mittal  
Non Executive Director  
DIN : 02698115  
New Delhi, December 15, 2022

Ashish Kumar Jain  
Chief Financial Officer  
New Delhi, December 15, 2022

Ajit Kumar Singh  
Company Secretary  
New Delhi, December 15, 2022

**Hem Sandeep & Co.**

**Chartered Accountants**

Office: D 118, Saket, New Delhi – 110017

Phone: +91 11 4052 4636

Email: info@hemsandeep.com

**Rao & Emmar**

**Chartered Accountants**

No. 204 and 205, 2nd Floor,

Ramanashree Arcade MG Road

Bengaluru 560001

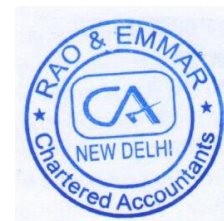
Phone: +91 99106 11114

Email:hemant@raoemmar.com

**Independent Auditor’s Review Report on the unaudited financial results of Indiabulls Commercial Credit Limited for the quarter and the nine months period ended December 31, 2022 pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To The Board of Directors of  
Indiabulls Commercial Credit Limited  
New Delhi**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Indiabulls Commercial Credit Limited (“the Company”) for the quarter and the nine months period ended December 31, 2022 (“the Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”). This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time (“RBI Guidelines”) and other accounting principles generally accepted in India and in accordance with Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410-‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit, conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We do not express an audit opinion.



3. Based on our review conducted as stated above in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

#### Other Matters

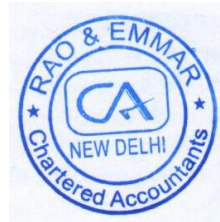
4. As described in Note 3 of the accompanying Statement, the figures for the quarter ended December 31, 2022 are the balancing figures between reviewed figures in respect of the nine months period ended December 31, 2022 and for the half year ended September 30, 2022. The figures for the quarter ended December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months period ended December 31, 2021 and for the half year ended September 30, 2021.

For Hem Sandeep & Co.  
Chartered Accountants  
Firm Registration No. 009907N



Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, February 14, 2023  
UDIN: 23089011BGYEXD1297

For Rao & Emmar  
Chartered Accountants  
Firm Registration No. 003084S



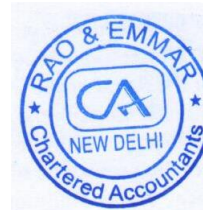
Hemant Gupta  
Partner  
Membership No. 500806  
New Delhi, February 14, 2023  
UDIN: 23500806BGYXQJ4923

**Indiabulls Commercial Credit Limited**  
**(Formerly known as Indiabulls Infrastructure Credit Limited)**  
**(CIN: U65923DL2006PLC150632)**  
**Unaudited Financial Results**  
**for the quarter and nine months ended December 31, 2022**

(Rupees in Crores)

**Statement of Unaudited Results for the quarter and nine months ended December 31, 2022**

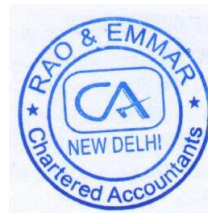
Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.22	30.09.22	31.12.21	31.12.22	31.12.21	31.03.22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Revenue from operations</b>						
(i) Interest Income	337.79	509.44	386.55	1,240.10	1,237.89	1,583.73
(ii) Fees and commission Income	3.61	4.92	4.07	14.25	6.38	10.58
(iii) Net gain on fair value changes	123.51	8.84	-	129.14	-	219.70
(iv) Net gain on derecognition of financial instruments under amortised cost category	24.78	10.38	6.82	43.09	7.53	19.07
<b>Total Revenue from operations</b>	<b>489.69</b>	<b>533.58</b>	<b>397.44</b>	<b>1,426.58</b>	<b>1,251.80</b>	<b>1,833.08</b>
2 Other Income	0.01	0.12	3.47	0.23	8.71	8.80
<b>3 Total Income (1+2)</b>	<b>489.70</b>	<b>533.70</b>	<b>400.91</b>	<b>1,426.81</b>	<b>1,260.51</b>	<b>1,841.88</b>
<b>4 Expenses</b>						
Finance Costs	211.10	220.02	235.35	638.40	713.01	941.48
Net loss on fair value changes	-	-	5.81	-	9.79	-
Impairment on financial instruments	171.40	170.59	(18.04)	354.57	(20.00)	248.92
Employee Benefits Expenses	11.18	7.33	6.93	20.05	19.70	24.15
Depreciation and amortization	0.40	0.42	0.41	1.23	1.25	1.64
Other expenses	4.19	2.84	1.48	10.00	9.67	13.15
<b>Total expenses</b>	<b>398.27</b>	<b>401.20</b>	<b>231.94</b>	<b>1,024.25</b>	<b>733.42</b>	<b>1,229.34</b>
<b>5 Profit / (Loss) before tax (3-4)</b>	<b>91.43</b>	<b>132.50</b>	<b>168.97</b>	<b>402.56</b>	<b>527.09</b>	<b>612.54</b>
<b>6 Tax expense</b>						
Current tax expense	14.96	35.60	40.29	95.34	102.52	51.89
Deferred Tax Charge / (Credit)	11.93	(4.70)	6.31	5.78	33.67	52.43
<b>Total Tax Expense</b>	<b>26.89</b>	<b>30.90</b>	<b>46.60</b>	<b>101.12</b>	<b>136.19</b>	<b>104.32</b>
<b>7 Profit / (Loss) for the Period / Year (5-6)</b>	<b>64.54</b>	<b>101.60</b>	<b>122.37</b>	<b>301.44</b>	<b>390.90</b>	<b>508.22</b>
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss						
(a) Remeasurement (loss) / gain on defined benefit plan	(0.02)	(0.31)	(0.11)	(0.02)	(0.15)	(0.19)
(ii) Income tax impact on above	0.01	0.08	0.03	0.01	0.04	0.05
B (i) Items that will be reclassified to profit or loss						
(ii) Income tax impact on above	-	-	-	-	-	-
Total Other comprehensive (loss) / income (net of tax)	(0.01)	(0.23)	(0.08)	(0.01)	(0.11)	(0.14)
9 Total comprehensive income /(loss) (after tax) (7+8)	64.53	101.37	122.29	301.43	390.79	508.08



Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.22	30.09.22	31.12.21	31.12.22	31.12.21	31.03.22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
10. Paid-up equity share capital	247.80	247.80	247.80	247.80	247.80	247.80
11. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						4,817.04
12. Analytical Ratios						
(i) Capital Adequacy Ratio (%)				46.95%	34.04%	47.73%
(ii) Earnings per share (EPS)						
* <i>(EPS for the quarters and nine months are not annualised)</i>						
-Basic (Amount in Rs.)	2.60	4.10	4.94	12.16	15.77	20.51
-Diluted (Amount in Rs.)	2.60	4.10	4.94	12.16	15.77	20.51
-Face Value (Amount in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per Share (EPS) after extraordinary items						
* <i>(EPS for the quarters and nine months are not annualised)</i>						
-Basic (Amount in Rs.)	2.60	4.10	4.94	12.16	15.77	20.51
-Diluted (Amount in Rs.)	2.60	4.10	4.94	12.16	15.77	20.51
-Face Value (Amount in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
13. NPA Ratios						
(a) Amount of Gross Non Performing Assets				293.32	286.30	260.73
(b) Amount of Net Non Performing Assets				196.79	199.02	195.55
(c) % of Gross Non Performing Assets				3.58%	2.30%	2.44%
(d) % of Net Non Performing Assets				2.40%	1.60%	1.83%
(e) Return on Assets				2.26%	2.44%	3.50%

**Notes to the Financial Results:**

- The above financial results for the quarter and nine months ended 31 December 2022 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on February 14, 2023. The financial results have been subjected to a limited review by the joint statutory auditors of the Company and their report thereon is unmodified.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021. These financial results have been prepared in the format prescribed under the notified schedule III of the Companies Act, 2013 for Non-Banking Financial Companies issued by Ministry of Corporate Affairs (MCA) on 11 October 2018, as amended, and on the basis of Ind-AS that are applicable to the Company based on the MCA Notification GSR 111(E) and GSR 365(E) dated 16 February 2015 and 31 March 2016 respectively.
- The figures for the quarter ended December 31, 2022 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2022 and for the six months ended September 30, 2022. The figures for the quarter ended December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2021 and for the six months ended September 30, 2021.





4 **Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC 51/21.04.048/2021-22 dated 24 September 2021**

(a) Details of transfer through assignment in respect of loans not in default during the nine months ended 31 December 2022

Entity	Assignment
Count of Loan accounts Assigned	2109
Amount of Loan accounts Assigned	3,527.10
Retention of beneficial economic interest (MRR)	212.47
Weighted Average Maturity (Residual Maturity in months)	43.11
Weighted Average Holding Period [in months]	14.58
Coverage of tangible security coverage	1.00
Rating-wise distribution of rated loans	Unrated

(b) Details of stressed loans transferred during the nine months ended December 31, 2022

Number of accounts	9
Aggregate principal outstanding of loans transferred (Rs. in crore)	7.93
Weighted average residual tenor of the loans transferred (in months)	150.71
Net book value of loans transferred (at the time of transfer) (Rs. in crore)	5.95
Aggregate consideration (Rs. in crore)	6.74
Additional consideration realised in respect of accounts transferred in earlier years	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-

\*Apart from above, the Company has assigned 2 written off loans to ARCs for a purchase consideration of ₹ 0.58 Lakhs during the nine months ended December 31, 2022.

(c) The Company has not acquired any stressed loan during the nine months ended 31 December 2022.

5 The Company does not hold any Security Receipts as on December 31, 2022.

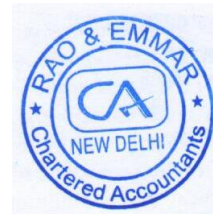
6 The Bond Issue Committee of the Board of Directors of the Company vide its resolution dated February 02, 2023 approved and allotted 11,05,650 NCDs of face value of ₹1,000 each, aggregating to ₹110.565 crores on public issue basis in terms of the Shelf Prospectus dated December 30, 2022 and Tranche I prospectus dated December 30, 2022 .

7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

8 The Chief Operating Decision Maker ("CODM") reviews operations and allocates resources at the Company level. Therefore, the operations of the Company fall under its main business of financing by way of loans against property (LAP), mortgage backed SME loans, and certain other purposes in India, which is considered to be the only reportable segment in accordance with IND-AS 108 - Operating Segments. All other activities of the Company revolve around the main business.

9 The Company has, in all material respects, utilised the proceeds of issue of non convertible debt securities as stated in the respective offer documents.

10 The secured non-convertible debentures issued by the Company are fully secured by pari passu charge against mortgage of immovable property, hypothecation of other financial assets and current and future loan assets of the Company except such receivable specifically charged (including investment) to the extent as stated in the Information Memorandum/Offering Documents/Prospectus. Further the Company has maintained security cover as stated in the Information Memorandum/Offering Documents/Prospectus.



11 From the quarter ending December 31,2022, the company is in compliance with RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12 2021, related to classification of NPA and up-gradation of accounts classified as NPA.

12 Figures for the prior year / period have been regrouped and / or reclassified wherever considered necessary.

Registered Office: Building No. 27, 5th Floor, KG Marg, New Delhi-110001.

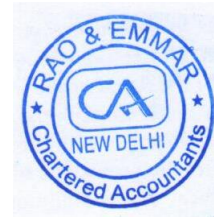
For and on behalf of the Board of Directors

Place : Mumbai

Date : February 14, 2023

Rajiv Gandhi

Managing Director & CEO



**Indiabulls Commercial Credit Limited**  
**(Formerly known as Indiabulls Infrastructure Credit Limited)**  
**(CIN: U65923DL2006PLC150632)**

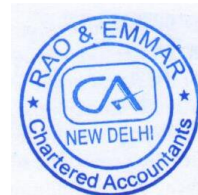
Unaudited Financial Results for the quarter and nine months ended December 31, 2022

Additional Information in Compliance with the provisions of Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

	Particulars	As on December 31, 2022
1	Debt Equity Ratio (Loan Funds / Own Funds)	1.39
2	Debt Service Coverage Ratio	Not Applicable, being an NBFC
3	Interest Service Coverage Ratio	Not Applicable, being an NBFC
4	Outstanding Redeemable Preference Shares (quantity and value)	N.A.
5	Capital Redemption Reserve (Rs. in Crores)	4.00
6	Debenture Redemption Reserve (Rs. in Crores)	8.36
7	Net worth (Rs. in Crores)	5,339.30
8	Net Profit after Tax (Rs. in Crores)	301.44
9	Earnings per Share (EPS) - Basic and Diluted (Amount in Rs.)	12.16
10	Current Ratio	Not Applicable, being an NBFC
11	Long term debt to working capital	Not Applicable, being an NBFC
12	Bad debts to Account receivable ratio	Not Applicable, being an NBFC
13	Current liability ratio	Not Applicable, being an NBFC
14	Total debts to total assets (Debt Securities + Borrowings (Other than Debt Securities) + Subordinated liabilities) / Total Assets	0.55
15	Debtors turnover	Not Applicable, being an NBFC
16	Inventory turnover	Not Applicable, being an NBFC
17	Operating Margin	Not Applicable, being an NBFC
18	Net profit Margin (Profit after tax / Total Income)	
	As on Quarter ended 31 December 2022	13.18%
	As on nine months ended 31 December 2022	21.13%
19	Sector specific equivalent ratios, as applicable	
(A)	% of Gross Non Performing Assets (Gross NPA / Loan Book)	3.58%
(B)	% of Net Non Performing Assets (Net NPA / Loan Book)	2.40%
(C)	Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	46.95%
(D)	Liquidity Coverage Ratio (%) for Q3 FY 23 (Regulatory Requirement - 60%)	399%



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## MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Tranche II Prospectus and hereinafter below, there have been no material developments since March 31, 2022, and there have arisen no circumstances that materially or adversely affect 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.

On February 9, 2022, the Board of Directors of the Company approved shifting of registered office of the Company from M 62 and 63, First Floor, Connaught Place, New Delhi 110 001 to 5th Floor, Building No. 27, KG Marg Connaught Place, New Delhi 110001, India, with effect from April 30, 2022.

On May 20, 2022, the Board approved shifting of one of the Corporate Offices of the Company from 'Plot No. 448-451, Udyog Vihar, Phase – V, Gurugram, Haryana-122016' to 'Plot No. 422B, Udyog Vihar, Phase-IV, Gurugram Haryana – 122016' w.e.f. June 1, 2022.

The Bond Issue Committee of the Board of Directors of the Company *vide* resolution dated July 13, 2022, approved the allotment of 5,000 secured, redeemable, non-convertible debentures of face value of ₹1,000,000 each for cash at par, aggregating to ₹ 500,00,00,000/- on private placement basis.

On July 18, 2022, Indiabulls Asset Management Mauritius Limited (incorporate outside India), a wholly owned subsidiary of the Company, was declared defunct by respective authorities of the country of incorporation.

The Bond Issue Committee of the Board of Directors of the Company *vide* resolution dated February 2, 2023, approved the allotment of 1,105,650 secured, redeemable, non-convertible debentures of face value of ₹1,000 each for cash at par, aggregating to ₹ 110,56,50,000/- on public issue basis under the first tranche of the Shelf Prospectus.

No other material developments have taken place in our Company since March 31, 2022, and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of the Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the section "*Financial Information*" on page 171 of this Tranche II Prospectus.

There has been no material increase in indebtedness incurred by our Company and no equity shares have been allotted by our Company since March 31, 2022.

## FINANCIAL INDEBTEDNESS

Details of the outstanding borrowings of our Company as on December 31, 2022:

S. No.	Nature of Borrowing	Amount (₹in crores)
1.	Secured Borrowings	7,080.74
2.	Unsecured Borrowings	353.56
	<b>Total</b>	<b>7,434.30</b>

Nature of Borrowings	Amount (₹in crores)
Debt Securities	2,660.38
Borrowings (Other than Debt Securities)	4,423.49
Subordinated liabilities	350.43
<b>Total</b>	<b>7,434.30</b>

Set forth below, is a brief summary of the borrowings by our Company as on December 31, 2022, together with a brief description of certain significant terms of such financing arrangements.

### Secured Loan Facilities:

Our Company's secured borrowings as on December 31, 2022 amount to ₹7,080.74 crores.

The details of the secured borrowings are set out below:

### Term Loans

The total sanctioned amount of term loans availed from banks as on December 31, 2022 is ₹4,615.00 crores, the total amount outstanding (as per Ind-AS) as on December 31, 2022 is ₹1,272.73 crores, and the principal amount outstanding as on December 31, 2022 is ₹1,279.93 crores. The details of the term loans as of December 31, 2022 are set out below:

S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
1.	Bank of Baroda (erstwhile Vijay bank)	Term Loan	150.00	75.00	75.00	June 29, 2023	Repayment of principal to be made in two equated annual installments at end of 4th year and 5th year after a moratorium period of 36 months from the date of first disbursement. Door to door tenure of 5 years.	-	The Bank is at liberty to charge penal interest at 2% p.a. for any delayed/unpaid instalments without any notice for the same. Please note that a default means any non-payment of the due amount as per the schedule of repayment drawn and executed between the Company and the bank on the due date. The amount due but not paid on the due date constitutes the default and penal interest will be levied on the amount so defaulted from the

S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
									due date till its complete payment.
2.	Canara Bank	Term Loan	500.00	494.10	500.00	May 9, 2027	Repayment of principal to be made in 18 equal quarterly installments after a moratorium of 6 months from the date of drawn date.	The loan can be prepaid by paying a penalty of 2% of the amount prepaid. However, no prepayment penalty shall not be levied if the prepayment happens at the insistence of the Bank or the prepayment is funded through the own sourced of the borrower.	The borrowed shall pay a default interest, on the defaulted amount calculated for the period commencing from the due date of such payment until actual payment at the rate of 2% p.a. for the period of default on the outstanding amount plus interest tax/other statutory levies, if any, for the time damages.
3.	Canara Bank (erstwhile Syndicate Bank)	Term Loan	500.00	194.85	196.15	March 06, 2027	Door to door 7 years with initial moratorium of 6 months. Repayable in 26 equal instalments post moratorium	-	Penal rate of 0.50% p.a. on outstanding liability shall be collected if the audited financial statement is not submitted within 7 months from the date of closure of financial year.

S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
							period of 6 months from draw down date.		
4.	NABARD	Refinance facility	500.00	30.00	30.00	January 31, 2024	Half yearly inst. Of 75 Cr from 31.01.19 to 31.07.21 and half yearly inst. Of 10 Cr from 31.01.22 to 31.01.24	Prepayment of instalment to done by giving 3 days prior notice and the same will attract prepayment charges as per the prevailing rate on the date of prepayment.	NoC from existing lenders for creating charge has to be submitted within 90 days of release of refinance, failing which penal interest of 1% will be levied thereafter.
5.	NABARD	Refinance facility	783.00	58.73	58.72	January 31, 2024	Half yearly inst. Of 117.45 Cr from 31.07.19 to 31.01.22 and half yearly inst. Of 19.575 Cr from 31.07.22 to 31.01.24	Prepayment of instalment to done by giving 3 days prior notice and the same will attract prepayment charges as per the prevailing rate on the date of prepayment.	NoC from existing lenders for creating charge has to be submitted within 90 days of release of refinance, failing which penal interest of 1% will be levied thereafter.
6.	NABARD	Refinance facility	732.00	58.56	58.56	July 31, 2024	Half yearly inst. Of 109.80	Prepayment of instalment to	NoC from existing lenders for



S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
							Cr from 31.07.19 to 31.01.22 and half yearly inst. Of 14.64 Cr from 31.07.22 to 31.07.24	done by giving 3 days prior notice and the same will attract prepayment charges as per the prevailing rate on the date of prepayment.	creating charge has to be submitted within 90 days of release of refinance, failing which penal interest of 1% will be levied thereafter.
7.	NABARD	Refinance facility	300.00	24.00	24.00	July 31, 2024	Half yearly inst. Of 45 Cr from 31.07.19 to 31.01.22 and half yearly inst. Of 6 Cr from 31.07.22 to 31.07.24	Prepayment of instalment to done by giving 3 days prior notice and the same will attract prepayment charges as per the prevailing rate on the date of prepayment	NoC from existing lenders for creating charge has to be submitted within 90 days of release of refinance, failing which penal interest of 1% will be levied thereafter.
8.	NABARD	Refinance facility	200.00	150.00	150.00	September 30, 2026	Quarterly instalments of 10 Crs each from 31.12.2021 to 30.09.2026	Prepayment can be done at the rate 2.5% p.a. and will be chargeable for each instalment due separately for the entire period from the	In the event of default, penal interest at the rate 2% p.a. over and above the interest rate at which refinance was disbursed, will be charged on the

S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
								date of the prepayment to the date on which the instalment is actually due for payment. The prepayment can only be initiated after a minimum notice of 3 days.	defaulted amount and for the period of default. NoC from existing lenders for creating charge has to be submitted within 90 days of release of refinance, failing which penal interest of 1% will be levied thereafter.
9.	NABARD	Refinance facility	200.00	130.00	130.00	March 31,2026	Quarterly instalments of 10 Crs each from 30.06.2021 to 31.03.2026	Prepayment can be done at the rate 2.5% p.a. and will be chargeable for each instalment due separately for the entire period from the date of the prepayment to the date on which the instalment is actually due for payment. The prepayment can only be initiated after a	In the event of default, penal interest at the rate 2% p.a. over and above the interest rate at which refinance was disbursed, will be charged on the defaulted amount and for the period of default. NoC from existing lenders for creating charge has to be submitted within 90 days of release of refinance, failing which penal

S. No.	Lender Name	Facility	Sanctioned Amount (₹ in crores)	Amount outstanding (As per Ind-AS) (₹ in crores)	Principal Amount outstanding (as on December 31, 2022) (in ₹ crore)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause
								minimum notice of 3 days.	interest of 1% will be levied thereafter.
10.	SIDBI	Term Loan	750.00	57.50	57.50	June 10, 2023	Repayable in 20 quarterly installments of ₹37.50 crores each, commencing from the 10th day of the month immediately after the expiry of 6 months from the date of first disbursement, i.e., February 13, 2018, out of the loan sanctioned by SIDBI.	The Company shall not prepay the outstanding principal amount of loan in full or in part thereof 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.	A penal interest of 2% p.a. over and above the applicable rate shall be levied for defaults in payment of principal interest and other monies payable under the loan agreement. Arrears of penal interest shall carry interest at the rate applicable for the loan.
<b>Total</b>			<b>4,615.00</b>	<b>1,272.73</b>	<b>1,279.93</b>				

### ***Security for the above term loans***

First *pari passu* charge on (i) all the current assets (including) investments of our Company, both present and future and (ii) all current and future loan assets of our Company and all monies receivable thereunder. The minimum asset cover required to be maintained by our Company for secured loan facilities mentioned above ranges from 100% to 120%.

### ***Events of Default under our Term Loans:***

Please see “—*Events of Default under our Financing Arrangements*” on page 185 of this Tranche II Prospectus.

### **Working Capital Demand Loans and Cash Credit facilities from Banks:**

The total sanctioned amount of working capital demand loans and cash credit facility availed from banks as on December 31, 2022 is ₹25.00 crores, the amount outstanding (as per Ind-AS) of working capital demand loans and cash credit facility as on December 31, 2022 is ₹15.77 crores, and the principal amount outstanding of working capital demand loans and cash credit facility as on December 31, 2022 is ₹15.77 crores. The details of the working capital demand loans and cash credit facilities are set out below:

<b>Sr. No.</b>	<b>Lender Name</b>	<b>Facility</b>	<b>Sanctioned Amount (₹ in crores)</b>	<b>Amount outstanding (As per Ind-AS) (₹ in crores)</b>	<b>Principal Amount Outstanding (as on December 31, 2022) (₹ in crores)</b>	<b>Maturity Date</b>	<b>Repayment Schedule</b>
1.	RBL Bank	Cash Credit	25.00	15.77	15.77	NA	On Demand
<b>Total</b>			<b>25.00</b>	<b>15.77</b>	<b>15.77</b>		

### ***Security for the above working capital demand loans and cash credit facilities***

First *pari passu* charge on (i) all the current assets (including) investments of our Company, both present and future and (ii) all current and future loan assets of our Company and all monies receivable thereunder. The minimum asset cover required to be maintained by our Company for secured loan facilities mentioned above ranges from 100% to 125%.

### ***Events of Default under our working capital demand loans and cash credit facilities:***

Please see “—*Events of Default under our Financing Arrangements*” on page 185 of this Tranche II Prospectus.

### **Secured Non-Convertible Debentures**

Our Company has issued secured redeemable non-convertible debentures of which ₹2,660.38 crores (as per Ind-AS) is outstanding as on December 31, 2022, the details of which are set forth below:

Particulars	Amount (₹ in crores)
25,400 secured NCDs of face value of ₹10,00,000 each	2,537.87
12,36,256 secured NCDs of face value of ₹1,000 each	122.51
<b>Total</b>	<b>2,660.38</b>

Redemption date represents actual maturity and does not consider call/put option, except as stated below:

Sr. No.	Description (ISIN)	Tenor (in Years)	Coupon Rate (in %)	Amount outstanding (₹ in crores)	Amount outstanding (As per Ind-AS) (in ₹ crores)	Date of Allotment	Date of Redemption	Credit Rating
1.	INE244L07028	7.00	9.05%	40.00	39.92	July 8, 2016	July 7, 2023	CRISIL AA & CARE AA
2.	INE244L07127	5.00	8.66%	20.73	20.64	September 25, 2018	September 25, 2023	CRISIL AA & CARE AA
3.	INE244L07135	5.00	8.90%	0.91	0.91	September 25, 2018	September 25, 2023	CRISIL AA & CARE AA
4.	INE244L07143	5.00	9.00%	75.22	74.85	September 25, 2018	September 25, 2023	CRISIL AA & CARE AA
5.	INE244L07150	10.00	8.75%	0.06	0.06	September 25, 2018	September 25, 2028	CRISIL AA & CARE AA
6.	INE244L07168	10.00	8.84%	12.40	12.10	September 25, 2018	September 25, 2028	CRISIL AA & CARE AA
7.	INE244L07176	10.00	9.10%	0.35	0.35	September 25, 2018	September 25, 2028	CRISIL AA & CARE AA
8.	INE244L07184	10.00	9.20%	13.96	13.61	September 25, 2018	September 25, 2028	CRISIL AA & CARE AA
9.	INE244L07226	2.00	8.60%	200.00	199.86	September 21, 2021	September 21, 2023	BWR AA+
10.	INE244L07234	3.00	8.75%	600.00	599.57	September 21, 2021	September 21, 2024	BWR AA+
11.	INE244L07242	5.00	9.00%	1200.00	1199.08	September 21, 2021	September 21, 2026	BWR AA+
12.	INE244L07259	10.00	9.70%	500.00	499.44	July 13, 2022	July 13, 2032	CRISIL AA & BWR AA+
<b>Total</b>				<b>2,663.63</b>	<b>2,660.38</b>			

**Security for Secured Non-Convertible Debentures:**

Secured redeemable non-convertible debentures are secured against immovable property and a first pari passu charge on (i) all the current assets (including investments) of our Company, both present and future and (ii) all current and future loan assets of our Company and all monies receivable thereunder. The minimum asset cover required to be maintained by our Company for each secured NCD ranges from 100% to 125%.

**Penalty Clause for all Secured Non-Convertible Debentures:**

Penalty clause applicable to all secured non-convertible debentures – (i) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% per annum 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 from the deemed date of allotment, our Company shall pay penal interest of at least 1% per annum over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor.

**Other Secured Borrowings**

Our Company has no other secured borrowing other than: (a) as set out above as on December 31, 2022; (b) the securitisation outstanding amount of ₹1,707.86 crores as on December 31, 2022.

**Details of Unsecured Loan Facilities:****Subordinated Debt**

Our Company has issued unsecured redeemable subordinated non-convertible debentures of which ₹350.43 crores is outstanding (as per Ind – AS) as on December 31, 2022, the details of which are set forth below:

Particulars	Amount (₹ in crores)
35,500 unsecured NCDs of face value of ₹1,00,000 each	350.43
<b>Total</b>	<b>350.43</b>

Redemption date represents actual maturity date.

Sr. No.	Description (ISIN)	Tenor (in Years)	Coupon Rate (in %)	Amount outstanding (₹ in crores)	Amount outstanding (As per Ind-AS) (in ₹ crores)	Date of Allotment	Date of Redemption	Credit Rating
1.	INE244L0801 8	10.00	8.45	60.00	58.96	November 8, 2017	November 8, 2027	CARE AA and BWR AA+

Sr. No.	Description (ISIN)	Tenor (in Years)	Coupon Rate (in %)	Amount outstanding (₹ in crores)	Amount outstanding (As per Ind-AS) (in ₹ crores)	Date of Allotment	Date of Redemption	Credit Rating
2.	INE244L0802 6	9.97	8.45	40.00	39.31	November 30, 2017	November 30, 2027	CARE AA and BWR AA+
3.	INE244L0803 4	10.00	8.45	50.00	50.00	January 5, 2018	January 5, 2028	CRISIL AA and CARE AA
4.	INE244L0804 2	10.00	8.85	100.00	99.91	March 28, 2018	March 28, 2028	CRISIL AA and CARE AA
5.	INE244L0804 2	8.85	8.85	5.00	4.59	May 2, 2019	March 28, 2028	CRISIL AA and CARE AA
6.	INE244L0805 9	10.00	8.80	100.00	97.66	May 2, 2018	May 2, 2028	CRISIL AA and CARE AA
<b>Total</b>				<b>355.00</b>	<b>350.43</b>			

#### Perpetual Debt

The total perpetual debt outstanding as at December 31, 2022 is nil.

#### Commercial Papers

The total face value of commercial papers outstanding as December 31, 2022, is nil.

#### Details of corporate guarantees:

The amount of corporate guarantees issued by our Company for securitization transactions/assignment with different assignee as on December 31, 2022 is nil.

As December 31, 2022, the amount of corporate guarantee issued by our Company in favour of its subsidiaries, joint venture entities, Group Companies, etc. is nil.

#### Inter-Corporate Deposits:

Our Company has not borrowed any amount by way of inter-corporate deposits under the same management as on December 31, 2022.

#### Inter-Corporate Loans:

Except as disclosed below, our Company has borrowed an amount of ₹2,250.00 crores by way of demand loans under the same management as on December 31, 2022, the details of which are set forth below:

S. No.	Name of entity	Date of sanction	Sanction Limit (in crores)	Rate of interest (in %)	Amount outstanding (As per Ind-AS) (₹ in crores)	Amount outstanding as on December 31, 2022 (₹ in crores)
1	Indiabulls Housing Finance Limited	March 31, 2021	500.00	9.00	500.00	500.00
2	Indiabulls Housing Finance Limited	October 26, 2021	500.00	9.00	500.00	500.00
3	Indiabulls Housing Finance Limited	August 22, 2022	1,250.00	9.00	424.00	424.00
<b>Total</b>			<b>2,250.00</b>		<b>1,424.00</b>	<b>1,424.00</b>

#### **Loan from Directors and Relatives of Directors:**

Our Company has not raised any loan from directors and relatives of directors as on December 31, 2022.

#### **Restrictive Covenants under our Financing Arrangements:**

Many of our financing arrangements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent in the following:

- i. To create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/person if it breaches the asset cover of the facility;
- ii. To transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loans if it breaches the asset cover of the facility;
- iii. To change or in way alter the capital structure of the borrowing concern;
- iv. Effect any scheme of amalgamation or reconstitution;
- v. Implement a new scheme or expansion or take up an allied line of business or manufacture;
- vi. Enlarge the scope of the other manufacturing/trading activities, if any;
- vii. Withdraw or allow to be withdrawn any moneys brought in by the promoters and directors or relatives and friends of the promoters or directors;
- viii. Invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due;
- ix. To change its constitution, more particularly change in promoter, directors or in the core management team or any merger/acquisition/amalgamation;
- x. To undertake any new project/ any further expansion;
- xi. To obtain any fund based/non fund based credit facility from any financial institution or any other source if it breaches the asset cover of the facility;
- xii. To effect any change in Company's capital structure;
- xiii. To undertake any investment activity within group companies except transactions with holding company in normal course of business;
- xiv. To enter into any scheme of expansion programme or take up any new activities;
- xv. To invest or lend money except in the ordinary course of business or act as surety or guarantor;



- xvi. To lease out or dispose of the building/ machinery/ vehicle/ other assets or any part of the building/ machinery/ vehicle/ other assets mortgaged/ hypothecated or shift of plant and machinery/ vehicle/ other assets to any other place if it breaches the asset cover of the facility;
- xvii. To transfer, encumber, charge, alienate its movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money, etc.;
- xviii. To enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit if it breaches the asset cover of the facility;
- xix. To permit any merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- xx. Implement any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;
- xxi. Make any investments by way of share capital, or debentures or loan or to place deposits with any concern except giving trade credits/ except in normal course of business;
- xxii. Revalue its assets at any time;
- xxiii. Permit any transfer of the controlling interest of promoters/ directors/ partners or make drastic change in the management set up;
- xxiv. Enter into contractual obligations of long term nature or affecting the borrower's financial position to any significant extent;
- xxv. Carry on general trading activity other than the sale of its own products;
- xxvi. Purchase or sell capital goods on hire purchase basis or lease basis;
- xxvii. Increase the remuneration of directors/ partners whether by way of salary, commission, perquisite, sitting fees, etc. or make any change in the existing practice with regard to payment of remuneration, salary, perquisite, sitting fees, etc.;
- xxviii. To make investments in or giving loans to subsidiary or associate companies to effect mergers and acquisitions;
- xxix. To pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
- xxx. To give guarantee on behalf of third parties except in the ordinary course of business;
- xxxi. To make any amendment in our Company's memorandum and articles of association;
- xxxii. To enter into partnership, profit sharing or royalty agreement or other similar arrangement whereby its income or profits are or might be shared with any other person, firm or company or enter into any management contract or similar arrangement whereby the business and operations of the borrower are managed by any person, firm or company; and
- xxxiii. To change the registered office or the location of the borrower.

**Events of Default under our Financing Arrangements:**

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

- i. Default in the repayments of the loans by our Company;
- ii. Entering into a composition with its creditors;
- iii. If our Company becomes bankrupt or is adjudicated as insolvent or any insolvency petition is filed against our Company;
- iv. Order or resolution passed for the winding up of our Company, or if a petition or a notice of a meeting to pass such a resolution has been initiated;
- v. If any of the representations made by our Company in the application for granting credit facilities is found to be untrue or false;

- vi. If any instalments of the principal money, due in respect of the loans, whether payment is demanded or not, remain unpaid on the due date for payment by our Company;
- vii. Any interest due in respect of the loan remaining unpaid and in arrears after the same have become due;
- viii. Any execution, attachment or distraint being enforced or levied against the whole or any part of our Company's property;
- ix. A receiver being appointed in respect of the whole or any part of the property of our Company;
- x. Ceasing or threatening to cease, to carry on the activity/ activities for the purpose for which loans are borrowed or availed;
- xi. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to depreciate the value of the security given to the bank by our Company;
- xii. The occurrence of any event or circumstances which would likely or prejudicially or adversely affect in any manner the capacity of our Company to repay our loans;
- xiii. Going into liquidation, except for the purpose of amalgamation or reconstruction;
- xiv. Cross default;
- xv. Failure on our Company's part to create the security as provided in the respective facility agreement;
- xvi. Default in perfection of securities;
- xvii. Inadequate insurance;
- xviii. Invalidity or unenforceability of the documents of our Company;
- xix. Nationalisation or expropriation of our Company's assets or operations;
- xx. Downgrade in rating below present rating;
- xxi. Non-compliance with RBI norms;
- xxii. Change in ownership or management control of our Company; and
- xxiii. Diversion of funds apart from the purpose for which the respective facilities are sanctioned by the banks.

**Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities:**

As on the date of this Tranche II Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee(s) issued by our Company, in the past 3 years.

**Details of any outstanding borrowing 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:**

Nil

**The total amount of loans and advances from related parties (ICDs) outstanding as of December 31, 2022:**

Please see “—*Inter-Corporate Loans*” on page 183 of this Tranche II Prospectus

**List of top 10 holders of non-convertible securities in terms of value (on cumulative basis) as on December 31, 2022:**

<b>Sr. No.</b>	<b>Name of Debenture Holder</b>	<b>Amount (in ₹ crores)</b>	<b>% of total non-convertible securities outstanding</b>
1.	Indiabulls Housing Finance Limited	1,558.50	51.63%
2.	Life Insurance Corporation of India	500.00	16.56%
3.	Indiabulls Properties Private Limited	328.00	10.87%
4.	Indiabulls Real Estate Limited	133.50	4.42%
5.	Food Corporation of India CPF Trust	101.00	3.35%
6.	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	72.80	2.41%
7.	The Provident Fund Trust for The Employees Of Indian Oil Corporation Ltd (Md)	40.00	1.33%
8.	Board Of Trustees M .S. R.T.C. CPF	30.00	0.99%
9.	Visakhapatnam Steel Project Employees Provident Fund Trust	25.60	0.85%
10.	Board Of Trustees G. S. R. T. C . C P Fund	15.00	0.50%
	<b>Total</b>	<b>2,804.40</b>	<b>100%</b>

**Details of rest of the borrowings (if any, including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on December 31, 2022:**

Nil.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

*Our Company, Directors, Promoter, and Group Companies are subject to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) petitions pending before appellate authorities, (c) criminal complaints, (d) civil suits, and (e) tax matters. We believe that the number of proceedings which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there are no outstanding litigations involving our Company, Promoter, Directors, Group Companies or subsidiaries or any other person, whose outcome would have a material adverse effect on our operations or financial position, or which may affect the Issue or an investor's decision to invest in the Issue.*

*For the purpose of disclosures in this Tranche II Prospectus, our Company has considered the following litigations as 'material' litigations:*

- 1. all pending proceedings whether civil, arbitral, tax related litigations, or otherwise of our Company, Directors and Promoter of value exceeding 1% of the consolidated net worth of our Company as on March 31, 2022, i.e., more than ₹50.64 crores (“**Materiality Threshold**”);*
- 2. For the promoter, Indiabulls Housing Finance Limited (“**IHFL**” or the “**Promoter**”), the materiality threshold to be set at 1% of its net worth for the financial year 2022. Accordingly, the materiality threshold for quantifiable civil and tax legal proceedings will be approximately ₹166.74 crores (being 1% of the consolidated net worth), and*
- 3. any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

*Save as disclosed below, there are no:*

- 1. outstanding civil or tax proceedings involving the Company, Directors and Promoter in which the pecuniary amount involved is in excess of the Materiality Threshold.*
- 2. outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or the Stock Exchanges or ministry of corporate affairs, registrar of companies or any other such similar authorities, involving the Company, its Directors and Promoter.*
- 3. outstanding criminal proceedings filed by or against the Company, its Directors and Promoter.*
- 4. defaults in or non-payment of any statutory dues by the Company.*
- 5. litigations or legal actions pending or taken against the Promoter by a Government department or a statutory body during the last three years immediately preceding the year of this Tranche II Prospectus.*
- 6. inquiries, inspections or investigations initiated or conducted under the Securities laws or 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 if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Tranche II Prospectus for the Company.*
- 7. outstanding litigation involving our Company, Directors, Promoter, Group Companies or subsidiaries or any other person, whose outcome could have material adverse effect on the position of our Company, or which may affect the Issue or an investor's decision to invest in the Issue.*
- 8. pending proceedings initiated against our Company for economic offences.*
- 9. material frauds committed against our Company in the last three years preceding the date of this Tranche II Prospectus and actions taken by our Company in this regard.*

#### **I. Involving our Company**

##### **A. Material Civil Proceedings**

*Against our Company*

1. The Enforcement Directorate (“**ED**”) filed an original complaint bearing no. 1327 of 2020 before the Ld. Adjudicating Authority under the Prevention of Money Laundering Act, 2002 (“**PMLA**”), New Delhi, provisionally attaching the properties of Khurshedabad, S.K. Barodawala Marg, Cumbala Hill, Mumbai-26 *vide* Provisional Attachment Order no. 04/2020 dated July 9, 2020 (“**PAO**”). Our Company filed an application for impleadment and reply/ objection in the above said complaint, *inter alia* on the grounds that (i) the property is mortgaged with our Company and we only hold a security interest over the property, (ii) no notice was ever issued to our Company and by virtue Section 26 C and E of the SARFAESI Act, our Company has prior right over the property attached. By an order dated April 8, 2021, the Adjudicating Authority under the PMLA (“**Adjudicating Authority**”) confirmed the PAO. In the writ petition filed by IHFL, the Hon’ble High Court of Delhi has ordered that status quo be maintained on the attached properties, which include Khurshedabad, S.K. Barodawala Marg, Cumbala Hill, Mumbai-26 till the appeal is taken up for consideration by the Appellate Tribunal, PMLA. Our Company has filed the appeal within the said stipulated time. Our Company has also filed an application seeking permission to initiate the sale of the mortgaged properties. The matter is currently pending.
2. Three separate securitization applications under Section 17 of the SARFAESI Act have been filed by Adithya Developers (“**Borrower**”) before the Debts Recovery Tribunal, Bangalore (“**DRT**”) challenging the measures taken by our Company under Section 13(4) of the SARFAESI Act by way of taking over the possession of certain properties in respect of a loan. The Borrower had availed three loan facilities for ₹71,50,00,000, ₹48,50,00,000 and ₹96,72,467 respectively from our Company, and on account of default committed in the repayment of the loans, their loan accounts were classified as NPA and our Company had issued notices under Section 13(2) of SARFAESI Act. The Borrower has alleged that no loan facility has been granted by our Company and the Borrower has not given any security against the loan facilities. Our Company has filed our reply with the matter pending before the DRT for arguments on April 20, 2021. No relief has been granted by the DRT. Further, the Borrower has filed a writ petition in April 2022 in the High Court of Karnataka (“**Karnataka High Court**”). The Karnataka High Court *vide* order dated March 02, 2021 passed an order for all auctions undertaken by our Company to be subject to the outcome of this writ petition to be filed.

Furthermore, a criminal revision petition has been filed by the Borrower before the District & Sessions Court, Bangalore challenging the order dated February 23, 2022, passed by the Additional Chief Metropolitan Magistrate (the “**ACMM**”) allowing the application under Section 14 of SARFAESI Act, 2002. We have filed our objection. Subsequent to the filing of the revision petition, the Borrowers have filed a writ petition before the High Court of Karnataka for setting aside the order dated September 4, 2021, passed by the ACMM, whereby application under Section 14 of SARFAESI Act, 2002 for taking physical possession was allowed. In the writ petition, status quo order had been granted subject to deposit of ₹25 crores by the Borrower, however, the Borrower deposited ₹10 crores only. The matter was argued, and the status quo order has not been extended.

3. Ashok Investors Trust Limited (“**Petitioner**”) has filed a suit for declaration and for invoking a permanent injunction against our Company seeking to restrain them from selling and/or creating third party rights in respect of pledged shares charged in favour of our Company pursuant to a loan of ₹150 crores. The Court *vide* an *ex-parte* order dated August 30, 2022, had directed the parties to maintain status quo with respect to the pledged shares. Our Company filed a revision before High Court of Bombay which directed the trial court to hear the parties afresh. Subsequently, the trial court passed an order dated September 21, 2022, The matter is currently pending.

The Petitioner has thereafter filed an appeal against the order of vacation before the High Court of Bombay which is currently pending. Subsequently, the Petitioner has filed another suit for declaration before Civil court, Dindoshi which is currently pending.

4. Priya Mercantile and Trading Private Limited (“**Petitioner**”) has filed a suit before the Civil Court, Dindoshi for declaration and for invoking a permanent injunction against our Company seeking to restrain them from selling and/or creating third party rights in respect of pledged shares charged in favour of our Company pursuant to a loan of ₹50 crores. The Court *vide* an *ex-parte* order dated August 30, 2022, had directed the parties to maintain status quo with respect to the pledged shares. Our Company filed a revision petition before the High Court of

Bombay which directed the trial court to hear the parties afresh. Subsequently, the trial court passed an order dated September 21, 2022, *vide* which *ex-parte* injunction order was vacated. The matter is currently pending.

The Petitioner has thereafter filed an appeal against the order of vacation before the High Court of Bombay which is currently pending. Subsequently, the Petitioner has filed another suit for declaration before Civil court, Dindoshi which is currently pending.

5. Creation Windtech Private Limited (“**Petitioner**”) has filed a suit for declaration and for invoking a permanent injunction against our Company seeking to restrain us from terming it as borrower pursuant to alleged loan facility granted to it. The matter is currently pending.
6. An application was filed by Ravindra Biyani and AS Confin Private Limited (the “**Petitioners**”) against IHFL, Mr. Gagan Banga, and our Company (the “**Defendants**”) seeking an injunction to restrain the Defendants from (i) invoking the pledge and/or appropriating the pledged shares and/or from disposing off the assets and immovable properties pledged in favour of the Defendants by the Petitioners pursuant to the investment made by the Defendants in AS Confin Private Limited (the “**Loan**”); and (ii) giving effect to the promissory note, loan agreement, document of pledge and the power of attorney, all dated May 21, 2021 executed in relation to the Loan. The Court *vide* order dated August 25, 2022, has restrained the Defendants from invoking the pledge and/or appropriating the shares and/or from disposing off the assets and immovable properties. The Civil Judge (Senior Division), District Court, Alipore disposed off the matter *vide* order dated December 1, 2022. The Petitioner has thereafter filed an appeal against the order of dismissal before the District Judge, Alipore. The matter is currently pending.

Subsequently, our Company filed a petition under Section 11 of the SARFAESI Act, before the High court of Delhi (“**High Court**”). The High Court has issued notice to the respondents of the petition under Section 11. The matter is currently pending.

Additionally, the Petitioner has filed a FIR against the Defendants under sections 420, 406, 409, 506, 120B of the Indian Penal Code. Our Company and other have filed a petition before High Court of West Bengal at Kolkata seeking the quashing of above-said FIR, the petition has been heard. The High Court of West Bengal has allowed the investigation of the case, by virtual mode, and has stated no coercive steps be taken against the FIR named accused persons for a period of 8 weeks from the date of the order. The matter is currently pending.

7. Rajen Dhruv and Hiren Dhruv (“**Petitioners**”) have filed a special leave petition (“**SLP**”) against the order dated July 21, 2022 passed by the High Court of Bombay (“**Bombay High Court**”) whereby the Bombay High Court had found the Petitioners guilty of contempt on grounds of *inter alia* non-compliance of directions and schedule of repayment in relation to certain plots financed by Axis Finance Limited, and ordered them to undergo civil imprisonment. The Supreme Court *vide* order dated August 26, 2022, has observed that there are only three creditors in the matter i.e. Axis Finance Limited, IHFL and our Company, and accordingly notices to IHFL and our Company have been issued and instructions to appoint a court receiver has been given for the purpose of satisfying all creditor claims. The matter is currently pending.

*By our Company*

1. Our Company, along with IHFL, had issued 11 recall notices to Bliss Abode Private Limited, Bliss Agri and Eco Private Limited, Bliss Habitat Private Limited, Imagine Estate Private Limited, Bliss Villa (Delhi) Private Limited, Bliss House Private Limited, Imagine Realty Private Limited, Imagine Residence Private Limited, Imagine Estate Private Limited, Imagine Habitat Private Limited and their respective co-borrowers and guarantors, each dated March 9, 2020 (“**Recall Notices**”), on account of occurrence of a material adverse event as contemplated under the relevant facility documents. These Recall Notices pertained to loan facilities wherein (i) Rana Kapoor and/or his relatives were guarantors; or (ii) Rana Kapoor was a co-borrower.

Subsequently, our Company and IHFL issued 21 notices under Section 13(2) of the SARFAESI Act (“**SARFAESI Notices**”), each dated June 18, 2020, to Bliss Villa (Delhi) Private Limited, Imagine Estate Private Limited, Imagine Residence Private Limited, Bliss Adobe Private Limited, Bliss House Private Limited, Imagine

Residence Private Limited, Imagine Estate Private Limited, Imagine Homes Private Limited, Imagine Habitat Private Limited, Bliss Agri and Eco Tourism Private Limited, Bliss House Private Limited and their respective co-borrowers and guarantors, calling upon them to forthwith pay the outstanding amount aggregated across all individual SARFAESI Notices of ₹2,364.58 crores, along with tax deducted at source (“**TDS**”) with amount aggregating to ₹11.53 crores, due as on the date of the SARFAESI Notices in accordance with their respective liabilities under the loan documents. The notices state that in the event there is a default in payment of the outstanding amounts, IHFL, in its capacity as the financial creditor shall be entitled to take such steps as provided under Section 13(4) of the SARFAESI Act, which include, *inter alia*, taking possession and disposing of the secured assets as described in the SARFAESI Notices. IHFL has, through notices, each dated September 4, 2020, issued under Section 13(4) of the SARFAESI Act and newspaper publications on September 6, 2020, and September 7, 2020, taken symbolic possession of the secured assets as described in the SARFAESI Notices.

Further, IHFL has filed seven applications under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Section 9 Applications**”) in the High Court of Delhi, New Delhi (“**Delhi High Court**”) against Bliss Abode Private Limited, Bliss Agri and Eco Tourism Private Limited, Bliss House Private Limited, Bliss (Villa) Delhi Private Limited, Imagine Habitat Private Limited, Bliss Habitat Private Limited, Imagine Realty Private Limited and their respective co-borrowers and guarantors (collectively, “**Respondents**”). Through its orders, each dated March 13, 2020, the Delhi High Court has, *inter alia*, restrained the Respondents from creating any encumbrance or lien or third-party rights on the secured assets. By its common order dated June 29, 2020, the Delhi High Court extended the operation of the interim orders, each dated March 13, 2020, and fixed the next date of hearing to September 3, 2020. Through its common order dated September 3, 2020, the Delhi High Court has disposed of the Sections 9 Applications and has ordered the Sections 9 Applications to be treated as applications made under Section 17 of the Arbitration and Conciliation Act, 1996 and same are to be filed before the sole arbitrator Justice Deepak Verma (retired). The operation of the orders dated March 13, 2020, has been extended till September 19, 2020. Further, the Delhi High Court has also ordered that the sole arbitrator Justice Deepak Verma (retired) may modify, continue or vary the operation of the orders dated March 13, 2020.

Further, IHFL also invoked the arbitration clause and initiated 10 arbitral proceedings before Justice Deepak Verma (retired) as the sole arbitrator in each of the 10 arbitral proceedings. IHFL has filed its statement of claim against Imagine Estate Private Limited, Bliss Abode Private Limited, Bliss Agri and Eco Tourism Private Limited, Imagine Residence Private Limited, Bliss House Private Limited, Imagine Home Private Limited, Imagine Habitat Private Limited, Bliss Habitat Private Limited, Imagine Realty Private Limited, Bliss Villa (Delhi) Private Limited and their respective co-borrowers and guarantors (“**Respondents 1**”).

Additionally, our Company also invoked the arbitration clause and initiated arbitral proceedings against Imagine Estate Private Limited and others (“**Respondents 2**”) before Justice Deepak Verma (retired) as the sole arbitrator and has filed its statement of claim against Respondents 2. With the consent of all the parties involved, since the aforementioned 11 arbitral proceedings were identical in nature, by an order dated July 9, 2020, and July 11, 2020, these proceedings were consolidated with ‘Indiabulls Housing Finance Limited and Bliss Agri and Eco Tourism Private Limited’ being the ‘lead matter’. Respondents 1, Respondents 2 and Rana Kapoor have filed their statements of defence against our Company and IHFL, primarily claiming relaxation under the circulars issued by RBI on grant of moratorium and on that basis have challenged the loan recall notices. Additionally, Respondents 1 and Respondents 2 have made counter claims for, *inter alia* (i) an amount aggregating to ₹10 crores, respectively, in each of the 11 arbitration proceedings; (ii) award ₹245 crores, which was refunded by Indiabulls Infraestate Limited (“**IIL**”) to IHFL in favour of Bliss Habitat Private Limited; and (iii) award ₹252.64 crores, which was refunded by IIL to our Company, in favour of Imagine Realty Private Limited. In response to the statements of defence, our Company and IHFL have denied all allegations and categorically clarified that the benefit of moratorium is discretionary and cannot be claimed as a matter of right. In respect to the arbitration proceedings initiated by IHFL and our Company and the claims made, the learned sole arbitrator Justice Deepak Verma (retired) passed arbitral awards on February 28, 2023. Further, a consolidated award dated February 28, 2023 in relation to the ‘lead matter’ was passed by the learned sole arbitrator concluding all the arbitral proceedings under Section 32 of the Arbitration and Conciliation Act, 1996.

IHFL has filed a writ petition W.P. (C) 13494/2021 before the Delhi High Court (“**Court**”) seeking permission to sell the properties which were the secured assets of IHFL and have been attached *vide* provisional attachment

orders dated July 9, 2020 (“**Subject Properties**”). Since the adjudicating authorities under the Prevention of Money Laundering Act, 2002 (“**Adjudicating Authorities**”) have not been functional, IHFL was constrained to approach the Court for the sale of Subject Properties. IHFL, by virtue of this writ of mandamus prayed that IHFL be allowed to sell the Subject Properties impugned in this writ petition. The Court *vide* order dated December 20, 2021, has issued notice on the said petition. An application has been filed by the petitioner seeking restraint on further selling of shares by IHFL. The Court has issued a notice on the application. The writ petition has been disposed off with liberty to file the application before the Adjudicating Authorities and the said application has been filed before the Adjudicating Authorities for seeking permission to initiate the process of sale of the mortgaged properties. Notice has thereafter been issued post admission of the application by the Adjudicating Authority. The matter is currently pending.

Furthermore, in connection with ongoing investigation against Rana Kapoor, the Enforcement Directorate, Government of India, (“**ED**”) had issued a summons on March 24, 2020, to Rajiv Gandhi, one of IHFL’s senior management personnel, seeking details of, and certain documents in connection with the aforesaid loan facilities. Relevant documents and details as sought by the ED have been submitted by IHFL. The matter is currently pending.

2. Our Company filed a petition before the National Company Law Tribunal, Bengaluru bench (“**NCLT**”), under section 95 of IBC read with rule 7(2) of the I&B (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, seeking to initiate the insolvency resolution process against the personal guarantor, Sushil Mantri with respect to loan given to Mantri Developers Private Limited for loan amount of ₹176 Crore. The guarantee was invoked on December 29, 2021. The NCLT appointed an Insolvency Resolution Professional (“**IRP**”) on October 6, 2022. The matter has been listed on November 21, 2022, for the report of IRP. The IRP has filed the report and the matter is currently pending.
3. Our Company (the “**Financial Creditor**”) has filed three separate petitions before the NCLT, Chandigarh (“**NCLT, Chandigarh**”), each dated December 16, 2022, under Section 95 of the Insolvency and Bankruptcy Code, 2016 (the “**Petitions**”). The Petition has been filed against the personal guarantors namely Anil Bhalla, Gautam Bhalla and Gaurav Bhalla (the “**Personal Guarantors**”) for secured loan facilities availed by Vatika Limited (the “**Corporate Debtor**”) under certain loan agreements. On account of persistent non-payment of dues under these loan facilities by the Corporate Debtor, recall notices were issued by the Financial Creditor followed by invocation of personal guarantees given by the Personal Guarantors under respective Deed of Guarantees in relation to the loan facilities, and initiation of Insolvency Resolution Process against them through the Petition.

Through order dated December 23, 2022, the NCLT, Chandigarh has directed for the appointment of a Resolution Professional. The matter is currently pending.

4. Our Company (the “**Financial Creditor**”) has filed an application before the NCLT, New Delhi on November 30, 2022 (the “**Application**”), under Section 7 of the Insolvency and Bankruptcy Code 2016 against Vatika IT Parks Private Limited, (the “**Corporate Debtor**”), who has availed a secured loan from the Financial Creditor for the purpose of construction and/or development of housing/residential projects. The loan was executed pursuant to a loan agreement executed between the parties and on account of default of payment of instalments, a recall notice followed by the Application was issued/filed to the Corporate Debtor. The matter is currently pending.

#### *B. Criminal Proceedings*

As on the date of this Tranche II Prospectus, there are no criminal proceedings initiated against or by our Company.

#### *C. Material Tax Proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our Company.

#### *D. Regulatory and Statutory Proceedings*



There are no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Company during the last three years immediately preceding the year of the issue of this Tranche II Prospectus and that there has been no direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.

*E. Consumer cases*

Our Company has approximately nine consumer complaints/ appeals in which we are respondents. These primarily pertain to alleged deficiency in services. The issues involved in such complaints include, *inter alia*, forceful repossession of vehicles; sale of vehicles; non-issuance of no objection certificates and higher rate of interest and other charge.

*F. Proceedings under Section 138 of Negotiable Instruments Act*

Our Company, in the ordinary course of business, has filed complaints against various parties, including some of our customers under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques.

*G. Details of any inquiries, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the last three years immediately preceding the year of issue of offer document in the case of our Company; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Tranche II Prospectus for the Company.*

Nil

*H. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.*

Particulars	April 1, 2022 to December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Nature of Frauds</b>	Nil	Nil	1	Nil
<b>Aggregate amount involved (₹in crores)</b>	0	0	₹5.05 crores (POS is nil; Property auctioned and amount recovered)	0
<b>Corrective actions taken by the Company</b>	NA	NA	FIR registered <i>vide</i> FIR no 79/20 and pending for investigation	NA

**II. Involving our Promoter, IHFL**

*A. Criminal Proceedings*

*Against our Promoter, IHFL*

1. Manisha Rajgaria (“**Complainant**”) filed a complaint dated July 19, 2010 before the Chief Judicial Magistrate, South 24 Parganas at Alipore (“**CJM, Alipore**”) against IHFL and Sameer Gehlaut, in his capacity as the erstwhile managing director of IHFL alleging commission of criminal breach of trust punishable under Section 406 of the IPC in relation to certain loan facilities extended by IHFL. The CJM, Alipore took cognizance of the matter and transferred the matter to the Judicial Magistrate, 10<sup>th</sup> Court, Alipore (“**JM, Alipore**”) for disposal. By an order dated July 29, 2010 (“**Impugned Order 1**”), the JM, Alipore issued process against Sameer Gehlaut. The matter was last heard on August 13, 2020. Additionally, IHFL has filed an application in the High Court of Calcutta, Criminal Revisional Jurisdiction (“**Calcutta High Court**”) seeking to, *inter alia*, (i) quash the

Impugned Order 1 and the proceedings before the JM, Alipore; and (ii) stay the proceedings before the JM, Alipore. By an order dated June 20, 2011, the Calcutta High Court stayed the proceedings before the JM, Alipore for a period of 10 weeks. The matter is currently ongoing.

The Complainant further filed another complaint dated March 25, 2011 against IHFL and three former directors, Sameer Gehlaut, Rajiv Ratan and Saurabh K Mitthal (“**Accused**”) on grounds of alleged criminal breach of trust punishable under Section 406 and commission of offenses punishable under Sections 420 and 120B of the IPC in relation for misappropriation of the cheques issued by the Complainant which was encashed by IHFL after the loan account was closed upon due payments made by the Complainant. The CJM, Alipore took cognizance of the matter and transferred the matter to JM, Alipore. By an order dated March 29, 2011 (“**Impugned Order 2**”), the JM, Alipore issued process against the Accused. Subsequently, IHFL filed an application in the Calcutta High Court seeking to, *inter alia*, (i) quash the Impugned Order 2 and the proceedings before the JM Alipore; and (ii) stay the proceedings before the JM, Alipore. By an order dated May 18, 2011, the Calcutta High Court stayed the proceedings before the JM, Alipore for a period of 10 weeks. The matter is currently ongoing.

2. Joy Gopal Mukherjee (“**Complainant**”) filed a complaint before the Additional Chief Judicial Magistrate, at Durgapur (“**ACJM, Durgapur**”) against Arun Kumar and Mintu Roy who are employees of IHFL (collectively, “**Accused**”) alleging commission of offence punishable under Section 403, 406, 511, 420 of the IPC on grounds that the Accused allegedly demanded money in excess of his loan liabilities, misappropriating cheques provided as security for the loan extended by IHFL and initiating malicious legal proceedings to recover such loan amount. By an order dated April 19, 2016, the ACJM, Durgapur issued summons to the Accused. The next date of hearing as set was February 10, 2021. The Accused have filed quashing petition before the High Court of Judicature at Calcutta (“**Calcutta High Court**”) and the Calcutta High Court by an order dated September 28, 2016, stayed the proceedings before the ACJM, Durgapur for six weeks. The matter is currently ongoing.
3. The Commissioner of Police, Greater Chennai Square, Chennai received a complaint filed by K. Ganapathi Mudaliar, on behalf of Uma Maheshwari (“**Complainant**”) against IHFL, C Vengatesh, Softex Private Limited and V. Vijayalashmi alleging, *inter alia*, cheating, criminal breach of trust and forgery. It was alleged that Uma Vijayalashmi entrusted the property documents with C Vengatesh before settling in the United States of America and such property was illegally mortgaged by C Vengatesh as security against loan obtained from IHFL. Subsequently, the Sub-Inspector of Police, Central Crime Branch registered a first information report against the accused on February 02, 2010. Upon completion of the investigation, the final report November 11, 2014, was filed before the XI Metropolitan Magistrate, Saidapet Chennai (“**XI MM, Chennai**”) pursuant to which a charge sheet (“**Impugned Charge Sheet**”) was made against C Vengatesh, V. Vijayalashmi and Amrish Agarwal, former employees of IHFL (collectively “**Accused**”). Subsequently, Amrish Agarwal, has filed a quashing petition in the High Court of Judicature at Madras (“**Madras High Court**”) seeking to quash the Impugned Charge Sheet on the grounds that even if the facts stated in the FIR were accepted as true, no offence can be made out against him. By an order dated July 09, 2015, the Madras High Court while disposing of the petition held Amrish Agarwal has been accused on the sole basis that he was the manager who sanctioned the loan which by itself is not sufficient to criminally hold a person liable and ordered for reinvestigation into the matter. Additionally, the Madras High Court directed Amrish Agarwal to surrender before the XI MM, Chennai and give a bond of ₹25,000 with two sureties pursuant to which XI MM, Chennai shall release Amrish Agarwal on bail. It further directed both the de facto complainant Uma Maheshwari and Amrish Agarwal to appear before the assistant commissioner of police as and when required and in case of non-cooperation, the bail issued to Amrish Agarwal may be cancelled. Furthermore, the Complainant has filed a petition for further investigation in the Madras High Court seeking to direct the Sub-Inspector of Police, Central Crime Branch, EDF – II, Team 4 to conduct further investigation and file additional / supplementary report within reasonable time. The matter is currently ongoing.
4. Minnie Verghese has registered a first information report in Hennur Police Station, Bengaluru against Prabin Pradhan, who is an employee of IHFL, S.B Sudhakar and Narasimha Reddy (collectively, “**Accused**”) for, *inter alia*, alleged cheating and criminal conspiracy on account of sanctioning loan facilities by IHFL against property documents forged by S.B Sudhakar, pursuant to which a charge sheet was made against the Accused. The XI Additional Chief Metropolitan Magistrate, Bengaluru (“**XI CMM, Bengaluru**”) took cognizance of the matter and issued process by an order dated April 19, 2016. Prabin Pradhan, Azahar Ali and Sriharsha K, employees of

IHFL (collectively, "**Petitioners**") filed a criminal petition in the High Court of Karnataka ("**Karnataka High Court**") for quashing the proceedings initiated before the XI CMM, Bengaluru and filed an application praying for a stay on further proceedings. The Karnataka High Court through its order dated June 08, 2016 granted a stay on the proceedings for a period of 12 weeks and recalled the non-bailable warrants but clarified that the Petitioners shall appear before the court in all hearings. The matter has since not been listed.

5. Neeraj Kumar filed an application under section 340 of the CrPC before the Judicial Magistrate First Class, Gurugram ("**JMFC, Gurugram**") against IHFL alleging that IHFL has committed the offence of perjury by giving false information within its knowledge on oath and concealing the fact that IHFL received payments and accordingly, sought for initiation of criminal proceedings against IHFL. The application was dismissed by JMFC, Gurugram through its order dated January 7, 2020 ("**Dismissal Order**"). Subsequently, Neeraj Kumar has filed an appeal before the Additional District and Sessions Judge, Gurugram ("**ADSJ, Gurugram**") against the Dismissal Order. By an order dated February 7, 2020, the ADSJ, Gurugram issued summons to IHFL. The matter is currently pending.
6. Joginder Sansanwal ("**Complainant**") filed an application before the Metropolitan Magistrate, Patiala House Court, New Delhi ("**Patiala House, Delhi**") under Section 156 of the CrPC against IHFL in relation to the dispute pertaining to the applicable rate of interest and tenure of the loan facility extended to the Complainant and alleged forgery and fabrication of certain loan documents. By an order dated November 17, 2018, the Patiala House, Delhi directed the registration of a first information report ("**FIR**") against IHFL. Subsequently, the Parliament Street Police Station registered an FIR on December 01, 2018 against IHFL for offenses punishable under Sections 406, 420, 468 and 471 of IPC. The matter is currently pending.
7. Raghani Property Holdings Private Limited ("**Complainant**"), filed a criminal complaint dated April 19, 2017 before the Chief Metropolitan Magistrate, Calcutta ("**CMM, Calcutta**") against IHFL, Sameer Gehlaut, Labh Singh Sitara, Gagan Banga, Prem Prakash Mirdha, Shamesher Singh Ahlawat, Sachin Chaudhary, Ajit Kumar Mittal and Ashwini Omprakash Kumar as directors of IHFL, and Lucina Land Development Limited ("**LLDL**") and certain directors and executives of LLDL (collectively, the "**Respondents**") alleging commission of offences punishable under sections 406, 409, 506 and 420 read with sections 34 and 120B of the IPC in relation to repayment of a loan extended by IHFL. The Complainant has alleged that the Respondents have entered into criminal conspiracy and have cheated the Complainant. The Complainant has also alleged that the Respondents have engaged in unilaterally modifying the terms of the "interest subvention scheme" under which the Complainant had availed loan from IHFL to purchase of two apartments at "Indiabulls Greens" situated at Raigad, Maharashtra. The CMM, Calcutta took cognizance of the matter and transferred the matter to the Metropolitan Magistrate, 19th Court, Calcutta ("**MM Court, Calcutta**") for enquiry and disposal. By an order dated April 25, 2017 ("**Impugned Order**"), the MM Court, Calcutta issued summons and processes against the Respondents. Subsequently, the Respondents filed a petition in the High Court of Calcutta, Criminal Revisional Jurisdiction ("**Calcutta High Court**") seeking to (i) quash the Impugned Order and the proceedings before the CMM, Calcutta; and (ii) to stay the proceedings before the MM Court, Calcutta. By an order dated July 05, 2017 ("**Stay Order**"), the Calcutta High Court granted a stay on proceedings for six weeks or until further orders with liberty to apply for extension of the stay order. The stay granted through the Stay Order has been periodically extended through orders of the Calcutta High Court and was last extended by the Calcutta High Court on its own motion till September 15, 2021, with liberty to parties to apply for vacation of such order. Application for extension of the Stay Order has been filed.
8. In April 2021, an FIR was registered against the Company and its officials in Palgarh, Maharashtra. The Company had filed a petition before the High Court of Bombay seeking quashing of the FIR wherein the court stayed further investigations. However, in February 2022, the Enforcement Directorate ("**ED**") conducted searches at our offices in Delhi, Gurugram and Mumbai and sought information regarding certain clients, which IHFL duly provided. The ED investigation was under an Enforcement Case Information report ("**ECIR**") that was registered pursuant to the FIR in Palgarh. Subsequently, IHFL filed a writ petition on February 24, 2022, before the High Court of Delhi seeking quashing of the ECIR. In the meantime, the High Court of Bombay quashed the Palgarh FIR by an order dated May 4, 2022. Although ED is not a party to the quashing proceedings, ED has filed a special leave petition ("**SLP**") against the quashing order dated May 4, 2022, passed by High Court of Bombay. The SLP is pending admission, no notices have been issued yet. The fact relating to the

pending SLP was brought to the notice of the High Court of Delhi by the ED. Separately, the Supreme Court in its judgment dated July 27, 2022, for certain matters dealing with the Prevention of Money Laundering Act (“PMLA”) held that proceedings under PMLA cannot continue where the schedule offence has been quashed by a competent court. Consequently, in view of the order passed by the High Court of Bombay quashing the Palgarh FIR and the subsequent judgment passed by the Supreme Court, the High Court of Delhi by its judgement dated September 26, 2022 has quashed the ECIR while also setting aside all proceedings arising from the ECIR including all look out circulars (LOCs) issued thereunder while directing that there would be no further coercive action, search, seizure or summons arising from the ECIR. Furthermore, the ED has filed a special leave petition (“SLP 1”) against the quashing order dated September 26, 2022, passed by High Court of Delhi. The SLP 1 is pending admission, no notices have been issued yet.

9. In the month of March, 2013 Bishan Singh Singhal and Uma Singhal & Annad Singhal availed two loans against property bearing no-plot no B-52, Dhauri Piao, New Krishna Park, Vikas Puri, New Delhi- 110018 of ₹4,75,00,000.00 (Rupees Four Crores and Seventy Five Lacs only) against the loan account number H LAPDCP00162213 for the purpose of the payment of other financial institution and another loan of ₹1,39,00,000.00 (Rupees One Crores and Thirty Nine Lacs Only) was sanctioned *vide* loan account number H LAPDCP00161040 for the purpose of their business needs. That after disbursal of the loan, the borrowers failed to make the payment of EMIs. Due to continuous default IHFL initiated SARFAESI proceedings. As a counter the borrower Bishan Singhal filed a complaint against IHFL and its employees, Mr. Bhavya Narwal, Mr. Shailesh, Sanjeev Chopra, Love Mittal, Mr. Ashutosh for committing an offence of cheating, fraud, forgery and criminal conspiracy punishable under sections 420, 467, 468, 471, 120-B & 34 I.P.C. The same is pending for investigation.

*By our Promoter, IHFL*

1. IHFL lodged a first information report (“FIR”) in the Udyog Vihar Police Station, Gurugram on June 04, 2019 against Vikash Shekhar and his associates for acts of forgery, extortion, criminal intimidation and threat pursuant to which Vikash Shekhar was arrested on June 8, 2019. Upon arrest, Vikash Shekhar disclosed that Ram Mani Pandey and Kislay Pandey obtained his signatures and drafted complaints which were subsequently filed against IHFL before various higher officials. Subsequently, Ram Mani Pandey was arrested on June 27, 2019, and it was revealed that Ram Mani Pandey had falsely claimed to be an advocate. By an order dated March 2, 2020, the Judicial Magistrate First Class, Gurugram (“JMFC, Gurugram”) framed charges against Vikash Shekhar and Ram Mani Pandey. Proceeding under Section 82 CRPC was executed against Kislay Pandey.

Additionally, Vikash Shekhar filed a petition in the High Court of Punjab and Haryana at Chandigarh (“**Punjab High Court**”) seeking handover of the investigation of FIR No.216/19 dated June 4, 2019 Udyog Vihar Police Station to some independent agency like CBI, and to appoint an independent special investigation team (SIT) to conduct de-nova investigation etc. He also filed an application seeking exemption from personal appearance before the trial court during the pendency of the petitions. The petitions were dismissed as withdrawn with liberty to avail alternative remedy.

Further, Kislay Pandey filed the fourth application before the Court of Sessions Judge at Gurugram on July 29, 2020, seeking an anticipatory bail which was also dismissed by the Additional Sessions Judge, Gurugram *vide* an order dated August 10, 2020. Additionally, Kislay Pandey had filed a writ petition before the Punjab and Haryana High Court seeking quashing of FIR which was dismissed by an order dated February 27, 2020. Further, Ram Mani Pandey filed the fifth bail application before the Sessions Judge at Gurugram seeking a regular bail. By an order dated May 19, 2020, the Additional Sessions Judge granted regular bail to Ram Mani Pandey with directions to furnish bail bonds of ₹50,000 with one surety in the like amount to the satisfaction of the duty / area Magistrate with conditions that Ram Mani Pandey shall not try to influence the prosecution witness and shall not evade the trial.

Furthermore, IHFL and Sachin Choudhary (in his capacity as the Director of IHFL) had filed a suit for permanent injunction against Vikash Shekhar, Ram Mani Pandey, Kislay Pandey and others (collectively, “**Defendants**”) in the High Court of Delhi at New Delhi (“**Delhi High Court**”) seeking, *inter alia*, to (i) permanently restrain the Defendants from giving publicity in print and/or social media the complaints filed by them against IHFL; (ii)

issue direction to the Bar Council of India to initiate proceedings to revoke the practice license of Kislay Pandey; and (iii) restraining Vikash Shekhar from appearing as an advocate till such time he is enrolled as an advocate with the State Bar Council. By an order dated July 8, 2019 (“**Stay Order**”), the High Court of Delhi issued summons and granted an interim injunction restraining the Defendants from jointly and severally disseminating and publishing information or suit or complaints made to statutory authority in relation to IHFL through print or social media until the next date of hearing. Kislay Pandey has filed his written statement denying all averments made against him in the present suit. The suit has been decreed *vide* order dated September 6, 2022 against Vikash Shekhar and has been withdrawn against Ram Mani Pandey, Kislay Pandey and Managium Juris. The matter is currently adjourned for service of the remaining Defendants.

2. IHFL had filed a complaint dated September 03, 2010 with the Economic Offence Wing of Delhi Police against Raj Kumar Suneja, Chhaya Devi, Raj Rani Goel, Sandeep Kumar and Ashok Kumar (collectively, “**Accused**”) seeking to register a first information report and prompt legal action under Sections 403, 415, 418, 420, 423, 424, 463, 464, 466, 467, 468, 469, 471, 477-A and 120-B of the IPC which was referred to the Additional Commissioner of Police, New Delhi through letter dated November 8, 2010. However, no action was taken by the police and accordingly, IHFL filed a complaint before the Additional Chief Judicial Magistrate, Patiala House Court, New Delhi (“**ACJM, Patiala House**”) against the Accused seeking, *inter alia*, (i) direction to the station house officer, of Connaught Place Police Station, to register the FIR and initiate investigation; and (ii) take cognizance of the matter and issue summons to the Accused. The matter is pending in the court of Ms. Pragati Singh MM PH Court for final arguments on status report filed by local police and is currently listed on April 12, 2023 for pre-summing evidence.
3. IHFL has filed an application under section 156(3) of the CrPC against Sai Power Corporation, Raj Kamal Srivastava and Rashmi Srivastava before the Chief Metropolitan Magistrate, Patiala House Courts, New Delhi for the commission of offenses punishable under Sections 405, 406, 415, 420, 423, 464, 466, 467, 468, 469, 471, 477A and 120-B of the IPC seeking (i) direction the station house officer, Connaught Place Police Station to register a case and initiate investigation; and (ii) take cognizance of the matter and issue summons to the Accused. An application under section 156(3) of the CrPC was dismissed by an order dated February 28, 2020 and the matter was taken up for pre-summoning evidence on July 13, 2020. The matter is currently pending.
4. IHFL has filed a complaint under Sections 499, 500, 501 and 502 of the IPC against the Caravan Magazine and Chief Executive Editor and Editor of the Caravan Magazine as the accused persons in connivance of each other, having published libellous content by way of an article titled as “New affidavit in Indiabulls case accused Yes Bank of dubious loans of thousand crores” in the magazine on November 25, 2019, to cause defamation to IHFL. The complaint case is pending before the Ld. Metropolitan Magistrate, Patiala House Courts, New Delhi for recording the evidence of witnesses. The matter is currently pending.
5. IHFL filed a first information report no. 0751 on August 12, 2017 (“**FIR**”) against Pratap Singh (“**Petitioner**”) for criminal breach of trust, cheating and conspiracy punishable under section 420, 406 and 120-B of IPC against his loan account with IHFL. The petitioner consequently approached the High Court of Haryana and Punjab under a criminal petition bearing number CRM-M-31714-2017 alleging that IHFL has filed the FIR against the Petitioner despite offering to repay the borrowed funds. The High Court of Haryana and Punjab passed an interim order dated August 29, 2017, wherein no coercive action was instructed to be taken against the Petitioner. The matter is currently pending.
6. IHFL has registered first information reports in the ordinary course of business under Section 154 of the CrPC alleging *inter alia* commission of offenses punishable under Sections 405, 406, 408, 409, 420, 467, 468, 470, 471, 474, 75, 477A and 120-B of the IPC against our customers. The matters are currently outstanding.

*B. Material Civil Proceedings*

*Against our Promoter, IHFL*

1. Suryachakra Power Corporation Limited (“**SPCL**”) and others filed a writ petition in the High Court of Judicature Hyderabad for the State of Telangana and for the State of Andhra Pradesh (“**High Court of Andhra Pradesh**”)

against IHFL and Indiabulls Infrastructure Credit Limited (“**IICL**”) and others, seeking directions to be issued to declare, *inter alia* that (i) IHFL does not have the authority to invoke the provisions of the SARFAESI Act against SPCL or the assets of Suryachakra Global Enviro Power Limited (“**SGEPL**”) and South Asian Agro Industries Limited (“**SAAIL**”); and (ii) the issue of notices of sale, each dated November 30, 2015 are arbitrary, illegal and without jurisdiction. By an order dated January 04, 2016, the High Court of Andhra Pradesh issued notice to IHFL, however, clarified that the sale conducted shall be subject to final adjudication of this writ petition.

IHFL had also initiated petitions against SGEPL and SAAIL, respectively in the High Court of Andhra Pradesh wherein by orders, each dated June 22, 2015, the High Court of Andhra Pradesh ordered winding-up of SGEPL and SAAIL and appointed an official liquidator. Through our letters, each dated July 7, 2015, the official liquidator was notified that IHFL, being a secured creditor, is entitled to proceed with recovery of the amount outstanding from SGEPL and SAAIL in accordance with the provisions of SARFAESI Act and that further steps for sale of assets of SGEPL and SAAIL have been initiated. Subsequently, by separate sale notices, each dated November 30, 2015, addressed to (i) SGEPL, Bhuvana Engineering and Consultants Private Limited (“**BECPL**”) and their personal guarantors; and (ii) SAAIL, BECPL (erstwhile Ushayodaya Energy and Project Consultants Private Limited), SGEPL and its personal guarantors, IHFL notified that the process of e-auction has been initiated in accordance with the provisions of SARFAESI Act. In the meanwhile, the Industrial Development Bank of India (IDBI) filed two applications in the High Court of Andhra Pradesh seeking to stay the auction proceedings initiated by IHFL on the ground that if the official liquidator effects the sale of the properties belonging to SGEPL and SAAIL, then the proceeds can be utilized for clearing the dues of, *inter alia* the workers and creditors. The matter is yet to be listed. Upon completion of the auction process, the sale of property belonging to SGEPL was affected through sale deed dated June 08, 2017, and the sale of the property belonging to SAAIL was effected through sale deed dated May 24, 2017.

Further, S. M. Manepalli has filed a writ petition before the High Court of the State of Telangana at Hyderabad (“**Telangana High Court**”) against IHFL and the Official Liquidator for SGEPL seeking a direction in the nature of writ of mandamus declaring the inaction of Official Liquidator for SGEPL in making claims against IHFL as the custodian of SGEPL, thus causing damage to S.M Manepalli. The Telangana High Court, through an order dated March 31, 2021, issued notice to IHFL to show cause as to why the writ petition should not be admitted.

Additionally, IHFL issued notices, each dated March 19, 2018, addressed to S.M. Manepalli and Manepalli Sesavatharam in their capacity as personal guarantors for the loan facility availed by (i) SGEPL and BECPL; and (ii) SAAIL and BCEPL, for invocation of arbitration in accordance with the terms of the loan agreements, each dated March 30, 2012. IHFL has filed two statements of claim against BECPL, S.M. Manepalli and Manepalli Sesavatharam (collectively, “**Respondents**”) before the sole arbitrator Justice J.D. Kapoor (retired), claiming an aggregate amount of ₹119.40 crores and ₹122.34 crores, in connection with the loans extended to SGEPL and SAAIL, respectively. By orders, each dated September 28, 2018, the sole arbitrator ordered for the proceedings to proceed *ex-parte* against BECPL and Manepalli Sesavatharam. S.M. Manepalli has filed the statements of defense each seeking to, *inter alia* (i) dismiss the claims made by IHFL; (ii) direct IHFL to deposit ₹57.19 crores and ₹61.67 crores with the official liquidator which as per the workings provided in the statement of defense in connection with loan extended to SAAIL and to SGEPL, respectively; and (iii) claim for exemplary cost of ₹50 crores for illegal invocation of personal guarantee in connection with loan extended to SGEPL and exemplary cost of ₹50 crores for illegal invocation of personal guarantee in connection with loan extended to SAAIL.

2. Anir Tech Park Private Limited (“**Anir**”) filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 in the High Court of Judicature at Madras (“**Madras High Court**”) against IHFL, Maavadi Soft Tech Ventures (India) Private Limited (“**Maavadi**”) and others seeking, *inter alia* to restrain IHFL from alienating, transferring or otherwise dealing with equity shares and assets of Maavadi which was placed as security against the loan facility extended by IHFL to Maavadi and True Value Homes (India) Private Limited for an amount aggregating to ₹441 crores. Through its order dated April 3, 2019, which was further clarified through order dated April 16, 2019 (“**Stay Order**”), the Madras High Court granted an injunction restraining IHFL from *inter alia* alienating shares or assets of Maavadi which had been pledged as security in favour of IHFL till May 1, 2019. The Madras High Court, through its order dated September 29, 2020, vacated the injunction imposed on IHFL under the Stay Order.

Additionally, Anir filed a suit in the XI Assistant City Civil Court, Chennai against IHFL, Maavadi and others seeking to *inter alia* restrain IHFL from creating third party rights encumbering or otherwise dealing with the property to the extent of 38,225 square feet secured by way of deed of hypothecation and a declaration that the alleged hypothecation as null and void.

3. Bliss House Private Limited (“**BHPL**”), Imagine Habitat Private Limited (“**IHPL**”), Imagine Residence Private Limited (“**IRPL**”) and Bliss Agri and Eco Tourism (“**BAE**”) (collectively, “**Applicants**”) have in connection with three loans aggregating to ₹190 crores extended by IHFL filed a securitisation application before the Debt Recovery Tribunal-II, Delhi (“**DRT, Delhi**”) seeking to, *inter alia*, set aside and quash the second notice of sale dated October 30, 2020 (“**Second Notice of Sale**”) pertaining to 50% of the property situated at plot no. 20, Sardar Patel Marg, New Delhi (“**Property**”) for recovery of an amount aggregating to ₹255.43 crores and amount pending tax deduction at source aggregating to ₹2.09 crores and further sought for interim relief to *inter alia* (i) restrain IHFL from conducting the online auction on November 18, 2020. IHFL has filed its reply dated December 22, 2020, and the Applicants have filed a rejoinder dated January 17, 2021.

As the online auction on November 18, 2020, failed, IHFL issued a third notice of sale dated November 20, 2020 pertaining to the Property (“**Third Notice of Sale**”) with the proposed date of the online auction on December 9, 2020. Aggrieved by the Third Notice of Sale, the Applicants filed another securitisation application before the DRT, Delhi seeking to, *inter alia*, set aside and quash the Third Notice of Sale and further sought for interim relief to *inter alia* restrain IHFL from conducting the online auction on December 09, 2020. IHFL through its reply dated January 4, 2021, has denied all averments of the Applicants on the grounds *inter alia* that the challenge to the notice of sale is not maintainable. The Applicants have further filed their rejoinder on January 18, 2021. The DRT Delhi through its order dated January 28, 2021, held that the sale of the Property shall be subject to final result of the securitisation application. The matter is currently pending.

4. A provisional attachment order dated July 09, 2020 (“**PAO**”) was passed by the Deputy Director, Enforcement Directorate, Mumbai in respect of immovable property situated at Amrita Shergill Marg, New Delhi (“**Property**”) which is valued at approximately ₹685 crores. IHFL has a prior right over the Property belonging to Bliss Abode Private Limited in terms of the relevant provisions of the SARFAESI Act. By an order dated January 1, 2021 (“**Impugned Order**”), the Adjudicating Authority under the Prevention of Money Laundering Act, 2002 (“**Adjudicating Authority**”) confirmed the PAO. Aggrieved by the Impugned Order IHFL has filed an appeal dated January 20, 2021, before the Appellate Tribunal, New Delhi against the Directorate of Enforcement, Rana Kapoor, Bindu Kapoor and Bliss Abode Private Limited to set aside the Impugned Order on the grounds, *inter alia*, of failure to put IHFL to notice of the Impugned Order. Appellate Authority *vide* order dated February 15, 2021, has granted status quo to the operation of the eviction order until next date of hearing. Additionally, we have filed an application with the Appellate Tribunal seeking permission to initiate the sale of the mortgaged properties. The matter is currently pending.
5. Citizens Whistle Blower Forum (“**CWBF**”) filed a writ petition in public interest (“**PIL**”) before the High Court of Delhi at New Delhi (“**Delhi High Court**”) against IHFL, Sameer Gehlaut, Union of India through its Secretary of Ministry of Finance and Ministry of Corporate Affairs (“**MCA**”), National Housing Bank, Reserve Bank of India, Registrar of Companies – Kolkata, Serious Fraud Investigation Office (“**SFIO**”) and Securities and Exchange Board of India, seeking direction for investigation by government authorities into alleged violations by IHFL and alleged irregularities pertaining to facilities extended by IHFL to five borrower groups. IHFL filed two applications in the Delhi High Court, being (i) an application dated September 27, 2019 seeking, *inter alia*, dismissal of the writ petition and imposition of exemplary costs; and (ii) an application dated September 27, 2019 under Section 340 of the CrPC seeking prosecution against Prashant Bhushan, the deponent of the PIL, for having made false statements on oath. A common reply dated October 22, 2019 (“**Common Reply**”) was filed by Prashant Bhushan on behalf of CWBF denying the averments made in the two applications made by IHFL and raising further allegations against IHFL. Through its rejoinder dated October 23, 2019, IHFL denied all further allegations made in the Common Reply.

Subsequently, MCA through its interim affidavit dated October 22, 2019 and additional affidavit dated November 28, 2019 stated that pursuant to the inspection of the books of accounts of IHFL, the MCA had received the inspection report on November 15, 2019 which provided that out of facilities extended to the five

borrower groups being the subject matter of the PIL, three loans were repaid and the remaining two loans were reported to be “Standard Accounts”. Additionally, RBI submitted a counter affidavit dated February 26, 2020, in the PIL to place on record certain facts relevant to RBI. In its counter affidavit, RBI has not made any statement that violations have been committed by IHFL. Further, based on facts referred in the counter affidavit, RBI has submitted that the PIL is not maintainable either on facts or on law against RBI and hence liable to be dismissed as such. Further, through its counter affidavit dated January 6, 2020, SEBI submitted that prima facie, there appears to be no allegations of non-compliance, if any, of the provisions of Securities and Exchange Board of India Act, 1992 or any rules and regulations made thereunder. SEBI also requested for it to be deleted from the array of parties as it was not the proper and necessary party to the proceedings. By an order dated February 28, 2020, the Delhi High Court granted four weeks time to NHB, the Registrar of Companies, Kolkata and SFIO to file their counter affidavits and the counsel for Union of India sought time to take instructions. On November 8, 2020, NHB submitted a counter affidavit stating certain procedural lapses that were identified pursuant to which minor penalties were imposed. Additionally, CWBF has filed an application seeking restraint on further sale of shares of the Company by Mr. Sameer Gehlaut. The matter is currently pending.

6. On August 8, 2012, Veritas Investment Research Corporation (“**Veritas**”) published a report co-authored by Neeraj Monga dated August 01, 2012, and titled “**Bilking India**” (“**Report**”). The Report was based on factually incorrect data pertaining to Indiabulls Real Estate Limited (“**IBREL**”) and Indiabulls Financial Services Limited (“**IFSL**”) (now merged with IHFL) (collectively, “**Indiabulls Group**”), and thereby adversely impacted the price of the publicly traded shares of IHFL. A criminal complaint dated August 08, 2012 was registered at the Police Station, Cyber Cell, Mumbai and a first information report was also registered by IBREL on August 08, 2012 at the Police Station, Udyog Vihar, Gurgaon against Veritas, Neeraj Monga and another stating, *inter alia*, that Neeraj Monga threatened to publish the Report if the Indiabulls Group failed to pay USD 50,000. Further, IHFL also published a press release on August 8, 2012, stating that the allegations made in the Report were factually incorrect and misleading. Subsequently, on August 5, 2014, Veritas and Neeraj Monga filed a claim in the Superior Court of Justice, Ontario, (“**SCJ, Ontario**”) against the Indiabulls Group claiming an aggregate of ₹1.10 crores Canadian Dollars as punitive damages on the grounds that the press release dated August 08, 2012, was false and defamatory. IHFL moved to the Delhi High Court seeking an anti-suit injunction against Veritas and the Court granted a stay order on October 27, 2014, restraining Veritas and the author from proceeding further with the claim before the Superior Court of Justice, Ontario and from initiating any fresh proceedings. IHFL also filed a petition before the Delhi High Court for contempt of Court against Veritas and the authors of the report for deliberately continuing the proceedings in Ontario disregarding the Delhi High Court’s order dated October 27, 2014, and also on account of the content of certain affidavits filed before the Superior Court of Justice, Ontario. Thereafter, by way of an order dated April 29, 2019, the Delhi High Court disposed of the two suits seeking anti-suit injunctions along with the contempt petitions and all other related applications. The contempt petitions were disposed of after Veritas, Neeraj Monga and Nitin Mangal undertook that they would not publish or request anyone to publish the contents of the affidavit except for use in judicial proceedings. The Division Bench of Delhi High Court has issued notice on the appeals filed by IHFL, whereby orders dated April 29, 2019, passed by the Single Judge have been challenged.

Separately, we have filed a motion before the Superior Court of Justice, Ontario challenging its territorial jurisdiction to entertain the claim filed by Veritas and Neeraj Monga and for that purpose has also relied upon the stay order passed by the Delhi High Court. On 19 May 2015, we filed a suit against Veritas and Neeraj Monga before the Delhi High Court for damages amounting to ₹200 crores and future interest and a permanent injunction on circulating defamatory material against IHFL. Veritas and Neeraj Monga filed a motion before the Ontario Court seeking an anti-suit injunction against the suit for damages filed by IHFL before Delhi High Court. On October 02, 2015, Ontario Superior Court of Justice dismissed the motion filed by Veritas and the co-author. The order of dismissal of motion was followed by an order dated November 04, 2015, whereby the Ontario Court awarded cost of Canadian \$27,500 against Veritas and Neeraj Monga and in favour of IHFL. The matter is currently pending.

7. Four separate petitions under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Arbitration Act**”), were filed by Kadam Developers Private Limited (“**KDPL**”), Shipra Leasing Private Limited (“**SLPL**”), Shipra Estate Private Limited (“**SEL**”) and Shipra Hotels Limited (“**SHL**” along with KDPL, SLPL and SEL, the “**Shipra Group Companies**”) against IHFL in the High Court of Delhi at New Delhi (“**Delhi High Court**”) and such



petitions collectively, “**Section 9 Petitions – I**”) seeking interim relief to restrain IHFL from *inter alia* (i) transferring / selling / alienating or otherwise parting with the shares pledged by Shipra Group Companies in favour of IHFL; (ii) taking any action to give effect to notice dated January 14, 2021 invoking the shares pledged in favour of IHFL in relation to loans extended to SLPL, SEL and SHL (“**Loans**”). Subsequently, IHFL issued a notice dated April 16, 2021, to the Shipra Group Companies, Mohit Singh and others informing them that IHFL will proceed with the sale of the pledged shares. Consequently, the Shipra Group Companies, filed second set of four separate petitions under Section 9 of the Arbitration Act in the Delhi High Court (“**Section 9 Petitions – II**”) against IHFL and others (as proforma parties) seeking interim relief to restrain IHFL from *inter alia* (i) transferring / selling / alienating or otherwise parting with any “security” including post-dated cheques provided in favour of IHFL; and (ii) taking any action to give effect to notice dated January 14, 2021 invoking the shares pledged in favour of IHFL and / or notice dated April 16, 2021 for sale of pledged shares, in relation to loans extended to SLPL, SEL and SHL. Through an order dated May 20, 2021 (“**Impugned Order**”), the Delhi High Court dismissed the Section 9 Petitions – I and Section 9 Petitions – II.

Additionally, Mohit Singh filed a petition under Section 9 of the Arbitration Act in the Delhi High Court against IHFL and others (as proforma parties) seeking interim relief to restrain IHFL from *inter alia* (i) from acting in furtherance of the notice dated July 03, 2021 by way of which the shares held by SEL in KDPL have been sold to Creative Souls Technology India Limited; and (ii) to maintain status quo in relation to shares of KDPL as on May 30, 2021. The court *vide* order dated November 8, 2021, has dismissed the petition. On the application filed by SEL under Section 17 *vide* order dated April 28, 2022, the Tribunal has directed parties to maintain status quo with respect to their shareholdings in KDPL.

DLF Home Developers Limited has also filed a petition under Section 9 of the Arbitration Act in the Delhi High Court against IHFL, SEL, KDPL, Mohit Singh (“**Respondents**”) and Yamuna Expressway Industrial Development Authority seeking interim relief to restrain the Respondents from, *inter alia*, (i) selling / transferring / alienating rights or interest directly or indirectly in land situated at Sector 128, Noida (“**Property**”); and (ii) attempting or giving effect to illegal termination or revocation of agreement to sell the Property dated May 30, 2021, including unilateral termination notice dated June 26, 2021, issued by IHFL. The court through its judgement dated November 8, 2021, has dismissed the petition, with directions to maintain status quo with respect to the property owned by KDPL till pendency of the arbitration proceedings in this regard.

Additionally, three separate Petitions under Section 9 of the Arbitration Act have been filed by SEL, SLPL and KDPL against IHFL before the High Court of Delhi. The High Court has directed the parties to maintain status quo with respect to the property owned by KDPL. In the petition filed by SEL the High Court *vide* order dated July 19, 2021, has directed the parties to maintain status quo as to the shares of KDPL and further directed that none of the parties shall exercise any rights in respect of the said shares. After hearing arguments on August 16, 2021, the court *vide* order dated November 08, 2021, has dismissed the case.

KDPL, SEL, SHL and SLPL have filed four separate Petitions under Section 11 of the Arbitration Act for appointment of the arbitrator and through a common order dated August 17, 2021, the Delhi High Court has appointed Justice Vikramajit Sen (retired) as the sole arbitrator. Additionally, DLF Home Developers Limited have filed Petition under Section 11 of the Arbitration Act for appointment of the arbitrator and through an order dated August 12, 2021, the Delhi High Court Justice Pankaj Jaiswal (retired) as the sole arbitrator to adjudicate the matter. DLF Home Developers Limited, along with others, has filed a statement of claim and IHFL has filed a statement of defence. On the application filed by SEL, Justice Pankaj Jaiswal (retired) has been replaced with Justice Vikramajit Sen (retired) as the sole arbitrator in the arbitration initiated by DLF Home Developers. IHFL has also filed an application under Section 16 of Arbitration Act challenging the jurisdiction of the arbitrator. On the application filed by SEL, under Section 17 of the Arbitration Act, *vide* order dated April 28, 2022, the Tribunal directed the parties to maintain status quo with respect to their shareholdings in KDPL. Creative Souls being the purchaser of shares has filed an application seeking vacation of ad-interim status quo order dated April 28, 2022. Tribunal *vide* order dated September 28, 2022, has vacated the status quo on the transfer of shares, however status quo on the land continues.

Additionally, SLPL has filed an application seeking to restrain IHFL from creating third party interest in Shipra Mall being plot No.9, Vaibhav Khand Indirapuram (“**Shipra Mall**”). IHFL has filed three separate appeals under

Section 37(2)(b) of the Arbitration Act for challenging the Order dated August 30, 2022 (“**Order 1**”) whereby the Sole Arbitrator in an application filed by the Respondent under Section 17 of the Arbitration Act has prohibited us from confirming the sale of a mortgaged property i.e. “Shipra Mall” *vide* order dated February 21, 2023, the Delhi High Court has allowed our appeals and has set aside the Order 1.

IHFL has also filed three separate applications for seeking revival of the captioned appeals which were disposed off by the Hon’ble Court *vide* order dated July 8, 2022. Appeals were filed by IHFL under Section 37(2)(b) of the Arbitration Act challenging the order dated June 11, 2022 (“**Order 2**”) passed by the Sole Arbitrator while adjudicating applications filed by SPL. *vide* judgement dated February 21, 2023, the Delhi High Court has allowed our appeals and set aside the Order 2.

IHFL has an application under Section 7 of Insolvency and Bankruptcy Code, 2016 (“**IBC**”) against SLPL in the National Company Law Tribunal, New Delhi (“**NCLT, Delhi**”) seeking to initiate corporate insolvency resolution process against SLPL. The NCLT, Delhi through orders dated August 12, 2021 and July 9, 2021 has directed SLPL to file a reply. Additionally, IHFL has filed a petition under Section 95 of IBC in NCLT, Delhi, seeking to initiate corporate insolvency resolution process against Mohit Singh in his capacity as the personal guarantor for loans granted to SEL. IRP has been appointed in both the matters and they have been directed to submit the report. The application has been argued and order has subsequently been reserved.

IHFL had sanctioned 14 different loans to SHL, SEL and SLPL (the “**Applicants**”). IHFL had issued recall notices for the 14 different loans on December 15, 2020. The Applicants have filed a securitisation application (“**Securitisation Appeal**”) before the Debt Recovery Tribunal, Lucknow (the “**DRT**”). The Applicants in their Securitisation Appeal have *inter-alia* challenged the sale notice dated December 12, 2022 and order dated May 30, 2022 by the District Magistrate, Ghaziabad, UP (“**DM**”). *Vide* order dated March 16, 2023, the Securitisation Appeal was dismissed. The Applicants have filed a write petition before the High Court of Lucknow challenging the impugned order dated March 16, 2023.

Further, the Applicants have filed a fresh securitisation appeal (“**Second Securitisation Appeal**”) before the DRT *inter alia* seeking to (i) set aside the sale in pursuance to auction held on March 6, 2023, (ii) to set aside notice dated March 16, 2023 issued by Naib Tehsildar for taking possession on March 16, 2023 and (iii) to order for restoration of the status quo ante as on March 15, 2023. IHFL has also filed an application for perjury against the Applicants and its directors before the High Court of Lucknow. The matter is currently pending.

8. Reddy Veeranna and Tejraj Gulecha have filed two separate writ petitions against Karnataka Industrial Areas Development Board (“**KIADB**”), Embassy East Business Park Pvt. Ltd. (formerly known as Concord India Private Limited (“**CIPL**”), NSL Renewable Power Private Limited (“**NSL**”), Mandva Holdings Private Limited, IDBI Trusteeship Services Limited, Indiabulls Housing Finance Limited, Embassy Inn Private Limited, Embassy Property Developments Private Limited (“**EDPL**”) and Embassy Services Private (“**ESPL**”). They have alleged in their writ petition that conditions of lease have been violated, Embassy East Business Park Pvt. Limited, CIPL and Embassy Inn Private Limited have without obtaining permission to mortgage from KIADB have created two charges by way of mortgage over the leased property for a sum of ₹840 crores from IDBI Trusteeship Services Limited and IHFL has given loan of ₹400 crores and ₹78 crores for which the hypothecation over the leased property has been created. Reddy Veeranna and Tejraj Gulecha have *inter alia* prayed that KIADB be directed to take action for violation of the terms of the lease. IHFL is yet to file a reply in the matter.

Additionally, the Petitioner has filed a FIR against the Defendants under sections 420, 406, 409, 506, 120B of the Indian Penal Code. Our Company and other have filed a petition before High Court of West Bengal at Kolkata seeking the quashing of above-said FIR, the petition has been heard. The High Court of West Bengal has allowed the investigation of the case, by virtual mode, and has stated no coercive steps be taken against the FIR named accused persons for a period of 8 weeks from the date of the order. The matter is currently pending.

9. Supertech Realtors Private Limited has filed a petition under Section 213 of the Companies Act, 2013 before the NCLT, Delhi (“**NCLT**”) and currently no notices have been issued by the NCLT.

Supertech Limited, Supertech Realtors and Revital Reality Private Limited have also filed a petition under Section 9 of the Arbitration and Conciliations Act, 1996 bearing number *OMPI (Comm) 89 of 2022* before the High Court of Delhi. We have filed objections on the maintainability of this petition, and the Hon'ble Court while recording our objection has refused to issue notice of the matter and has directed the parties to reconcile the accounts. IHFL has filed an application under Section 340 of CrPC against Supertech Limited. The matter is currently pending.

IHFL has filed petition under section 9 of the Arbitration and Conciliation Act, 1996 against Revital Reality Private Limited seeking direction to restrain the respondents from alienating/ selling/ transferring/creating third party rights in the mortgaged properties and deposit the outstanding amount before the Registrar General of the Court (the "**Court**"). The Court has restrained respondents from encumbering or selling the mortgaged properties and furnish statement of unencumbered assets. We have filed an application under Order XXXIX Rule 2A of Civil Procedure Code for disobedience of the orders of the Court. Court has issued notice on the said application and the matter is currently pending.

10. For details in relation to securitization application filed by Ravindra Biyani and AS Confin Private Limited against IHFL, please see "*—Involving our Company - Material Civil Proceedings*" on page 188 of this Tranche II Prospectus.
11. For details in relation to securitization application filed by Rajen Dhruv and Hiren Dhruv against IHFL, please see "*—Involving our Company - Material Civil Proceedings*" on page 188 of this Tranche II Prospectus.

*By our Promoter, IHFL*

1. IHFL had extended certain financial facilities to Shree Ram Urban Infrastructure Limited ("**SRUIL**") under loans aggregating to ₹915 crores sanctioned by IHFL which were duly secured inter alia by mortgage over SRUIL's residential project named 'Palais Royale' being developed on land situated at Worli Estate, Lower Parel, Mumbai ("**Mortgaged Property**"). Consequent to defaults of SRUIL under such loans IHFL initiated action under the SARFAESI Act. However, in view of the fact that liquidation proceedings against SRUIL initiated by one of its creditors M/s. Action Barter Pvt Ltd were pending before the Hon'ble Bombay High Court, IHFL sought prior express permission of the Hon'ble High Court, obtained possession of the Mortgaged Property and sold the same under a public e-auction in June 2019. Such recovery action taken under the SARFAESI Act was challenged by the promoter and ex-director of SRUIL in DRT which was dismissed. The order of DRT was challenged in an appeal filed by the promoter and ex-director of SRUIL in DRAT which also got dismissed.

Recently in November 2022, another creditor of SRUIL M/s. A. Navinchandra Steels Pvt. Ltd. has filed an application before DRT, Mumbai under section 17 of the SARFAESI Act challenging the measures taken by IHFL regarding the sale of the Mortgaged Property. The application is pending.

Separately, SREI Equipment Finance Limited had filed application before National Company Law Tribunal, Mumbai ("**NCLT, Mumbai**") under Section 7 of IBC Code against SRUIL. The said application was allowed by NCLT, Mumbai in November 2019 and an Interim Resolution Professional ("**IRP**") was appointed. While forming the committee of creditors ("**COC**") of SRUIL, the IRP not only reduced the amounts claimed by IHFL but the home buyers of the already sold Mortgaged Property were also included as members of the COC. Further, the claims of IHFL arising out of corporate guarantees issued by SRUIL with respect to the loans granted to few third-party home buyers were also not accepted by the IRP. Applications filed by IHFL challenging such action of IRP have been allowed by NCLT *vide* order dated October 20, 2021.

IHFL had earlier sold allotment rights with respect to forty-one (41) flats under SARFAESI Act to Honest Shelters Pvt. Ltd. Such allotment rights were mortgaged by various third-party home buyer entities against loans availed by them. The IRP had challenged such sale by way of an application before NCLT, which application has been dismissed.

The IRP has consequently filed three separate appeals against NCLT orders regarding reduction of IHFL's claim amount, inclusion of homebuyers in COC and challenge to sale of allotment rights of 41 units. The appeals are currently pending.

IHFL has filed an application under Section 95 of IBC against Vikas Kasliwal, who is a Personal Guarantor of borrowers SRUIL. Notice has already been issued and the matter is currently pending for further proceedings.

Vikas Kasliwal has filed a writ petition challenging the notification under SARFAESI Rules, whereby notification doing away with the consent of the borrowers for sale of property by way of private treaty has been challenged.

IHFL has filed a suit for injunction and damages for ₹50 crores against defamatory tweets made by Vikas Kasliwal on Twitter, which have resulted in the loss of reputation. The Court has restrained Vikas Kasliwal from publishing/ disseminating or uploading in any manner or any website, messenger application, social media platform, including twitter, defamatory post against IHFL or its management and the Court had also directed him to pull down the tweets. The matter is currently pending.

Additionally, IHFL has filed a complaint under Sections 499, 500, 501 and 502 of the IPC against Vikas Kasliwal for publishing libellous content by way of tweets on Twitter for allegedly causing defamation to IHFL. The Ld. MM, Patiala House Courts, has issued notice on the complaint and the same is currently pending.

2. IHFL filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (**Section 9 Application**) in the High Court of Delhi at New Delhi (**Delhi High Court**) against Orbit Enterprises and others (**Borrowers**) seeking, *inter alia*, directions restraining the Borrowers from creating third party rights over the assets placed as security against the loan facility extended (**Secured Assets**). Through its order dated September 6, 2019, the Delhi High Court granted interim relief by, *inter alia*, restraining the Borrowers from creating third party rights over the Secured Assets. Subsequently, IHFL invoked the arbitration clause and appointed Justice Manmohan Singh (retired) as the sole arbitrator (**Sole Arbitrator**). Through its order dated October 23, 2019, the Delhi High Court disposed of the Section 9 Application and the interim relief granted in the order dated September 6, 2019, was extended until the application under Section 17 of the Arbitration and Conciliation Act, 1996 is taken up for hearing. IHFL under Section 17 of the Arbitration and Conciliation Act, 1996 for, *inter alia*, (i) restraining Orbit Enterprises from creating any third-party rights / interests over the properties furnished as security for securing the facility availed by it; and (ii) direction to deposit ₹162.79 crores or alternatively provide a bank guarantee of a nationalized bank for an equivalent sum. IHFL has also filed its statement of claim against Orbit Enterprises Navnit Infra Project Private Limited, Rajen Dhruv and Hiren Dhruv (collectively **Respondents**) before the Sole Arbitrator seeking an award for a sum aggregating to ₹91.14 crores. Through an order dated August 8, 2020, the sole arbitrator directed that the Respondents have proceeded *ex-parte* and their right to file statement of defence is struck off. Respondents filed an application for making payment in terms of the repayment schedule proposed by the Arbitrator who has passed an interim award dated January 12, 2021, in favor of IHFL directing the respondents to make payment in terms of the repayment plan proposed by the Respondents. Once the entire agreed amount is paid or default is made in terms of the award, the final award shall be passed after hearing both parties.
3. IHFL had subscribed to Additional Tier I bonds (**AT-1 Bonds**) which were issued by Yes Bank Ltd (**Yes Bank**). On noticing material misrepresentations, incorrect disclosures, significant deviations in reporting critical financial figures, management willfully misguiding stakeholders, facts and figures having been artificially and intentionally manipulated by Yes Bank, IHFL issued notice to Yes Bank calling upon it to redeem the AR-1 Bonds along with accrued interest. However, before any action could be taken by Yes Bank on such notice, Reserve Bank of India (**RBI**) notified the 'Yes Bank Limited Reconstruction Scheme, 2020' (**Scheme**). Although the Scheme notified by RBI did not provide for writing off AT-1 Bonds, the RBI appointed administrator through notification dated March 14, 2020, issued by Yes Bank wrote-off the entire AT-1 Bonds (**Impugned Action**). IHFL has filed a writ petition in its capacity as a debenture holder in the High Court of Judicature at Bombay (**Bombay High Court**) against Union of India through Ministry of Finance, Banking Division, Department of Financial Services (**MoF**), RBI, Yes Bank and others (collectively **Respondents**) challenging the Impugned Action. The petition was filed on the grounds, *inter alia*, that the Impugned Action is contrary to law, and the Scheme and that IHFL had by its earlier letter dated March 3, 2020, called upon Yes

Bank to (i) redeem the AT-1 Bonds and repay the outstanding amount due to IHFL; and (ii) not initiate any action in relation to write-off of the AT-1 Bonds, prior to imposition of moratorium and publication of the Scheme in the Official Gazette of India on March 5, 2020 and March 13, 2020, respectively, by the MoF. IHFL also submitted that unless a stay is granted on the operation of the Impugned Action, this petition shall become infructuous resulting in grave and irreparable loss to IHFL to the tune of ₹662 crores. Through its order dated March 16, 2020, and March 18, 2020, the Bombay High Court directed that all steps taken by the Respondents shall be subject to further orders of the Bombay High Court. RBI, through its affidavit dated July 21, 2020, sought for dismissal of the writ petition on the grounds that subscription to the AT-1 Bonds only creates a contractual obligation between Yes Bank and the subscribers of AT-1 Bonds and that the Impugned Action is in accordance with the law and the offering documents pertaining to the AT-1 Bonds.

Further, Axis Trustee Services Limited, in its capacity as the debenture trustee acting on behalf of the debenture holders, has also filed a writ petition against MoF, RBI, Yes Bank, Prashant Kumar (in his capacity as administrator of Yes Bank) and National Securities Depositories Limited (collectively “Respondents 2”) seeking to, *inter alia*, (i) set aside the notification dated March 14, 2020 writing off the AT-1 Bonds; and (ii) restrain the Respondents 2 from acting in furtherance of the Impugned Action.

On January 20, 2023, the Bombay High Court pronounced the judgment and set aside the Impugned Action and held that the RBI appointed administrator was not competent to write off the AT-1 Bonds after Yes Bank was reconstituted on March 13, 2020. RBI has challenged the order of the High Court of Bombay before the Supreme Court of India. The matter is currently pending.

4. IHFL sold the mortgaged properties in the loan accounts under SARFAESI Act and to recover the remaining amount has initiated arbitration proceedings. IHFL commenced five separate arbitration proceedings in the loan accounts of RHC Holdings Private Limited (“RHPL”). Out of which, three arbitration proceedings are pending before Justice R.B. Mishra (Retd) and two arbitration proceedings are pending before Justice RC Chopra (Retd.). IHFL has filed five separate applications under Section 17 of the Arbitration and Conciliation Act, 1996, and Ld. Arbitrator(s) have passed orders restraining respondents from disposing off their movable and immovable assets. RHPL has been proceeded *ex-parte* in all the five arbitration proceedings. Malvinder Mohan Singh and R.S. Infrastructure Limited (“RSIL”) who are respondents in the arbitrations pending before Justice Chopra have been proceeded *ex- parte* as well. IHFL has filed claims in all the five arbitrations. In the three arbitrations pending before Justice R.B. Mishra, IHFL has filed a claim for amount of ₹2.05 crores and in two arbitration proceedings before Justice Chopra claim of ₹345.17 crores have been filed. Additionally, IHFL has filed two applications in the Delhi High Court (i) first, seeking to be impleaded in the execution proceedings initiated by Daiichi Sankyo Company Limited (“Daiichi”) for execution of the award dated December 17, 2018 (“Award”) against Malvinder Mohan Singh and others; and (ii) second, to bring on records that one of the assets forming a part of the Award is mortgaged in favour of IHFL against loan facility extended to RCH Holdings Private Limited and that it is proceeding under the SARFAESI Act for recovery of its dues. By a common order dated January 24, 2019, the Delhi High Court directed for notice to be issued to Daiichi and directed Daiichi to file its reply. The matter is currently pending.

Additionally, IHFL has filed an application before the Hon’ble Delhi High Court seeking to terminate the mandate of Justice Chopra and Justice R. B. Mishra and seeking the appointment of new arbitrator in the matter. Notice on the applications has been issued. The matter is currently pending.

5. IHFL has granted loans for an amount of ₹283 crores under two separate loan agreements to Raghuleela Infraventures Private Limited (“RIPL”). On account of the default by RIPL, IHFL has recalled the loans *vide* two separate loan recall notices dated March 9, 2020 and has invoked the personal guarantees as well. IHFL has filed a petition under Section 7 of IBC before NCLT, Mumbai against RIPL. The NCLT has *vide* order dated October 06, 2021 has allowed the application.

Further, IHFL has filed two separate applications under Section 95 IBC before the NCLT Mumbai against Mr. Sanjay Chhabria and Mrs. Ritu Chhabria respectively. While in the matter against Mr. Sanjay Chhabria, order has been reserved, a resolution professional (“RP”) has been appointed in the matter against Mrs. Ritu Chhabria. A report will be filed by the RP and the matter is currently pending.

IHFL has also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Section 9 Application**”) in the Delhi High Court (“**Court**”) against Raghuleela Infraventures Private Limited, Radius and Deserve Builders LLP, Sanjay Chhabria and Ritu Chhabria (“**Respondents**”) seeking direction to restrain the respondents from alienating and/or selling and/or transferring and/or creating third party rights in the mortgaged properties and deposit the outstanding amount before the Registrar General of the Court. The Court has ordered status quo and directed that no third-party interest would be created in respect thereof without leave of the Court. IHFL has issued notice of invocation of arbitration on January 26, 2021. The matter is currently pending.

6. IHFL has filed a suit for defamation in the High Court of Delhi at New Delhi (“**Delhi High Court**”) against Twitter International Company, Facebook Inc., Prashant Bhushan and Instagram Inc. on the grounds of nefarious, frivolous and malicious remarks regarding dereliction of processes in extending loans by Yes Bank to IHFL being made on social media platforms by Prashant Bhushan have caused harm to the reputation of IHFL. IHFL has prayed for, inter alia, payment of damages to the tune of ₹100 crores, restraining Prashant Bhushan from publishing or disseminating information pertaining to IHFL and its management and permanent injunction directing Twitter, Facebook Inc. and Instagram to remove the messages concerting us. Through its order dated March 18, 2020, the Delhi High court issued summons to the Defendants and granted interim injunction restraining Prashant Bhushan from tweeting or re-tweeting certain facts pertaining to Yes Bank until next hearing and directed Twitter International Company, Facebook Inc. and Instagram Inc. to takedown / expunge the tweets in relation to the said matter. Further, by an order dated June 8, 2020, the Delhi High Court directed that the name of Twitter International Company be substituted with Twitter Inc. (“**Twitter**”) and further directed IHFL to provide details of the URLs of tweets and re-tweets sought to be pulled down pursuant to which Twitter shall pull down the tweets and re-tweets within 72 hours of receipt of details from IHFL. By an email dated June 19, 2020, IHFL submitted the details of the URLs. Prashant Bhushan and Twitter have filed their respective written statements. Prashant Bhushan has filed an application for the *ex-parte* stay order dated March 18, 2020, to be vacated or set aside to the extent it injuncts him from tweeting and re-tweeting facts stated in his tweets dated March 6, March 12 and March 13, 2020. Twitter has submitted that it has no role as it is an intermediary in terms of the Information Technology Act, 2000 (“**IT Act**”) and accordingly, has sought for its name to be deleted from array of parties. By an order dated June 24, 2020, the Delhi High Court directed IHFL to file a reply indicating the URL and posts sought to be removed from Facebook and Instagram within a week which was submitted by IHFL. The Delhi High Court through its suo motu order dated July 13, 2020, has extended the operation of interim orders which were in subsistence as on March 16, 2020 until August 31, 2020. Instagram LLC has filed two applications (i) one, seeking to, inter alia, delete its name from the array of parties on the grounds that it is neither a necessary party nor proper party for adjudication as it does not operate or control the Instagram services and has denied all averments made in the suit for defamation; (ii) second, to inter alia vacate / set aside the *ex-parte* interim order dated March 18, 2020 and any other subsequent extension orders of the Delhi High Court. Further, Facebook, Inc. has submitted its written statement and sought for dismissal of the suit including the plaint and interim application against Facebook Inc. with exemplary cost on the grounds that Facebook Inc. is an intermediary under the provisions of IT Act and therefore immune from liability and that it does not have an obligation to proactively monitor Facebook and Instagram services under the IT Act. The matter is currently pending.
7. IHFL filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Section 9 Proceedings**”) in the High Court of Delhi at New Delhi (“**Delhi High Court**”) against Subhash Chandra in his capacity as the guarantor, Gnex Projects Private Limited (“**Gnex**”) and others (collectively, “**Respondents**”) seeking to, *inter alia*, (i) restrain the Respondents from selling, disposing of or in any way altering the nature of the security provided by them to secure the loans extended to Gnex and certain other Respondents during the pendency of the arbitration proceedings; (ii) Restrain Subhash Chandra from selling, disposing of his personal assets both movable and immovable during the pendency of the arbitration proceedings; and (iii) secure a sum of ₹461.83 crores in favour of IHFL. By an order dated May 1, 2019, the Delhi High Court restrained the Respondents from disposing of the securities provided by them against the four facilities extended by IHFL aggregating to ₹726 crores (“**Loans**”) and directed that the details of the personal assets be submitted in form of an affidavit in a sealed cover within two weeks. Another application was made in the Delhi High Court seeking to, *inter alia*, (i) restrain Subhash Chandra from disposing of his assets during the pendency of the arbitration proceedings, (ii) direct the Respondents to deposit ₹150 crores in accordance with the undertaking dated

November 29, 2018; and (iii) restrain Subhash Chandra and Cyquator Media Services Private Limited (the “**Cyquator**”) from sale of equity stake in Zee Entertainment Enterprises Limited (the “**ZEEL**”). In its order dated June 3, 2019, the Delhi High Court provided, *inter alia*, that the Respondents had undertaken to not dispose of the property situated in Jhajjar and Hyderabad which form part of security created to secure the Loans, without the permission of the court. On August 08, 2019, the Delhi High Court disposed of the Section 9 Proceedings and clarified that the orders dated May 01, 2019 and June 3, 2019 shall continue to operate until the arbitral tribunal is constituted, after which the parties shall be at liberty to approach the tribunal for modification / variation of the two orders. Pursuant to issuance of notice for invocation of arbitration, Justice Badar Durrez Ahmed (retired) was appointed as a sole arbitrator (“**Sole Arbitrator**”) and IHFL initiated arbitration proceedings, against Subhash Chandra in his capacity as the guarantor, seeking, *inter alia*, an award for a sum of ₹474.67 crores with interest. Subhash Chandra filed his statement of defence seeking to dismiss the claims made by IHFL. Further, IHFL filed an application under Section 17 before the Sole Arbitrator seeking to, *inter alia*, restrain Subhash Chandra, from alienating their assets and/or the securities provided to secure the Loans. The Sole Arbitrator through an order dated August 28, 2019, has, *inter alia*, restrained Subhash Chandra from disposing of the unencumbered shares held by him, directly and indirectly, in Zee Entertainment Enterprises Limited and restrained him from creating third party rights on the assets / properties specified by way of an affidavit pursuant to the order dated May 01, 2019. On July 10, 2021, applications under Sections 17 and 19(4) of Arbitration and Conciliation Act, 1996 were argued. IHFL also argued the applications by which we have sought disclosure of Subhash Chandra’s shareholding in ZEEL and furnishing of a copy of Subhash Chandra’s affidavit of assets (currently in sealed cover) to us. The tribunal has reserved orders on the applications. The matter is listed on October 08, 2021. The operation of the interim order was further extended by an order dated October 06, 2019, until December 03, 2019. Further, in the order dated June 10, 2020, the parties submitted that settlement talks are ongoing. The matter is currently pending.

IHFL has separately initiated arbitral proceedings before the Sole Arbitrator against the Gnex and others seeking, *inter alia*, an award for a sum of ₹474.67 crores with interest. Further, IHFL filed an applications under Section 17 of the Arbitration and Conciliation Act, 1996, before the Sole Arbitrator seeking to, *inter alia*, (i) directions to deposit ₹474.67 crores or alternatively provide a bank guarantee of a nationalized bank for an equivalent sum; and (ii) restrain Gnex and other respondents from alienating their assets and/or the securities provided to sure the Loans; and (iii) restraining Cyquator Media Services Private Limited from executing any documents in respect of sale / encumbrance / alienation of its direct and indirect stake in Zee Entertainment Enterprises Limited. Certain respondents have challenged the jurisdiction of the Sole Arbitrator to conduct the arbitral proceeding, through an application filed before the Sole Arbitrator under Section 16 of the Arbitration and Conciliation Act, 1996. ZEEL has filed an application with the arbitral tribunal seeking its deletion from the array of parties from the arbitration proceedings. The tribunal dismissed the application and ZEEL filed an appeal regarding the dismissal of the application for deletion from the array of parties with the Delhi High Court. The matter is currently pending.

Petitions under Section 95 of the IBC have been filed on February 7, 2022 against Subhash Chandra before the NCLT Delhi. The Section 95 petition against Subhash Chandra in the loan account of Gnex is listed on July 14, 2022, for arguments, while the Section 95 petition filed against him in the loan account of Vivek Infracon Private Limited, is currently awaited report to be submitted by the NCLT by the resolution professional (RP) appointed in the matter.

8. IHFL has filed an application dated December 2, 2020, under Section 8 of the Prevention of Money Laundering Act, 2002 (“**Adjudicating Authority**”/ “**PMLA**”) before the Adjudicating Authority to implead IHFL as a party in the original complaint filed by the Deputy Director, Directorate of Enforcement (“**Original Complaint**”) seeking to confirm the provisional attachment order dated July 9, 2020 (“**PAO**”) certain immovable properties. IHFL has clarified that the PAO is challenged only to the extent that it extends to the immovable properties situated at (i) Khurshedabad, Mumbai, valued at approximately ₹128.40 crores belonging to Imagine Estate Private Limited (“**IEPL**”); (ii) Unit No. 5, Sesen, Mumbai, valued at approximately ₹100 crores belonging to Imagine Residence Private Limited (“**IRPL**”); (iii) Unit No. 6, Sesen, Mumbai, valued at approximately ₹100 crores Imagine Home Private Limited (“**IHPL**”); and (iv) Unit No. 4, Sesen, Mumbai, valued at approximately ₹100 crores belonging to Imagine Habitat Private Limited (“**IHPL**” and collectively, “**Properties**”) on the grounds that the Properties are mortgaged as security in favour of IHFL in connection with the loans extended to IEPL, IRPL and IHPL. IHFL has also filed a reply to the Original Complaint. The Deputy Director, Directorate

of Enforcement in its reply deferred to the Adjudicating Authority to decide on the impleadment application filed by IHFL.

The PAO was confirmed by the Adjudicating Authority through its order dated April 8, 2021 (“**Impugned Order**”), thereby confirming the attachment of the Properties which admittedly stand mortgaged with IHFL. Aggrieved by the same, IHFL filed an appeal in the High Court of Delhi, New Delhi (“**Delhi High Court**”) on account of the appropriate appellate authority under the PMLA not being operational. The matter is currently pending.

IHFL approached the Hon’ble High Court of Delhi, which by way of its order dated June 2, 2021, directed the respondents to maintain status quo with respect to the attached properties till the appellant’s appeal is taken for consideration by Adjudicating Authority. IHFL has filed an application before the appellate tribunal seeking permission to initiate the process of the sale of the mortgaged property at Khurshedabad, Mumbai. The matter is currently pending.

9. IHFL had initiated 10 arbitral proceedings before Justice Deepak Verma (retired) as the sole arbitrator in each of the 10 arbitral proceedings and filed its statements of claim against Imagine Estate Private Limited, Bliss Abode Private Limited, Bliss Agri and Eco Tourism Private Limited, Imagine Residence Private Limited, Bliss House Private Limited, Imagine Homes Private Limited, Imagine Habitat Private Limited, Bliss Habitat Private Limited, Imagine Realty Private Limited, Bliss Villa (Delhi) Private Limited and their respective co-borrowers and guarantors (“**Respondents 1**”).

Additionally, our Company initiated arbitral proceedings against Imagine Estate Private Limited and others (“**Respondents 2**”) before Justice Deepak Verma (retired) as the sole arbitrator and filed its statement of claim against Respondents 2.

With the consent of all the parties involved, since the aforementioned 11 arbitral proceedings were identical in nature, by an order dated July 9, 2020, and July 11, 2020, these proceedings were consolidated with ‘Indiabulls Housing Finance Limited and Bliss Agri and Eco Tourism Private Limited’ being the ‘lead matter’.

Respondents 1, Respondents 2, and Rana Kapoor filed their statements of defense against IHFL and our Company, primarily claiming relaxation under the circulars issued by RBI on grant of moratorium and on that basis have challenged the loan recall notices. Further, Respondents 1 and Respondents 2 filed counter claims for, *inter alia* (i) an amount aggregating to ₹10 crores, respectively, in each of the 11 arbitration proceedings; (ii) award ₹245 crores, which was refunded by Indiabulls Infraestate Limited (“**IIL**”) to IHFL, in favour of Bliss Habitat Private Limited; and (iii) award ₹252.64 crores, which was refunded by IIL to IHFL, in favour of Imagine Realty Private Limited. In response to the statements of defense, IHFL and our Company have denied all allegations and categorically clarified that the benefit of moratorium is discretionary and cannot be claimed as a matter of right. In respect to the arbitration proceedings initiated by IHFL and our Company and the claims made, the learned sole arbitrator Justice Deepak Verma (retired) passed arbitral awards on February 28, 2023. Further, a consolidated award dated February 28, 2023 in relation to the ‘lead matter’ was passed by the learned sole arbitrator concluding all the arbitral proceedings under Section 32 of the Arbitration and Conciliation Act, 1996.

10. IHFL had given two loans of amount aggregating up to ₹216.88 crores to Mantri Technozone Private Limited (“**Respondent**”). On account of default in repayment of the loans, IHFL issued two separate loan recall notices each dated December 29, 2021. IHFL also issued two separate notices each dated January 3, 2021, under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (“**SARFAESI Act**”) for the two loans (“**Notices**”) declaring the loans as NPAs and called upon the Respondent to make the outstanding payment. IHFL filed a petition before the National Company Law Tribunal, Bengaluru bench (“**NCLT**”), under section 7 of Insolvency and Bankruptcy Code, 2016 against the Respondent. The NCLT *vide* order dated June 10, 2022, issued notice to the Respondent to file the affidavit. The matter is currently pending.



11. IHFL had disbursed five loans of amount aggregating up to ₹579.20 crores to Mantri Developers Private Limited (“**Respondent**”). On account of default in repayment of the loans, IHFL issued five separate loan recall notices each dated December 29, 2021. IHFL also issued five separate notices each dated January 3, 2021 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (“**SARFAESI Act**”) for the five loans (“**Notice**”) declaring the loans as NPAs and called upon the Respondent to make the outstanding payment. IHFL filed a petition before the National Company Law Tribunal, Bengaluru bench (“**NCLT**”), under section 7 of Insolvency and Bankruptcy Code, 2016 against the Respondent. NCLT *vide* order dated June 7, 2022, issued notice to the Respondent to file the affidavit. The NCLT *vide* order dated July 22, 2022, directed the Respondent to file a reply, in case the parties are unable to reach a settlement. The petition of the Company has been reserved for orders on account of admission.
12. IHFL had given five loans of amount aggregating up to ₹472.34 crores to Shore Dwellings Private Limited (“**Respondent**”). On account of default in repayment of the loans, IHFL issued five separate loan recall notices each dated December 29, 2021. IHFL also issued five separate notices each dated January 3, 2021 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (“**SARFAESI Act**”) for the five loans (“**Notices**”) declaring the loans as NPAs and called upon the Respondent to make the outstanding payment. IHFL filed a petition before the National Company Law Tribunal, Bengaluru bench (“**NCLT, Bengaluru**”), under section 7 of Insolvency and Bankruptcy Code, 2016 against the Respondent. NCLT *vide* order dated June 7, 2022, issued notice to the Respondent to file the affidavit. The matter is currently pending.
13. IHFL had disbursed two loans of amount aggregating up to ₹590 crores to Mantri Infrastructure Private Limited (“**Respondent**”). On account of default in repayment of the loans, IHFL issued two separate loan recall notices each dated December 29, 2021. IHFL also issued two separate notices each dated January 3, 2021 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (“**SARFAESI Act**”) for the two loans (“**Notice**”) declaring the loans as NPAs and called upon the Respondent to make the outstanding payment. IHFL filed a petition before the National Company Law Tribunal, Bengaluru bench (“**NCLT, Bengaluru**”), under section 7 of Insolvency and Bankruptcy Code, 2016 against the Respondent. NCLT *vide* order dated June 10, 2022, issued notice to the Respondent to file the affidavit. The matter is currently pending.
14. IHFL (the “**Financial Creditor**”) has filed an application before the NCLT, Chandigarh on December 23, 2022 (the “**Application**”), under Section 7 of the Insolvency and Bankruptcy Code 2016 against Vatika Limited, (the “**Corporate Debtor**”), who has availed a secured loan from the Financial Creditor for the purpose of construction and/or development of housing/residential projects. The loan was executed pursuant to a loan agreement executed between the parties and on account of default of payment of instalments, a recall notice followed by the Application was issued/filed by the Corporate Debtor. The matter is currently pending.
15. IHFL (the “**Financial Creditor**”) has filed an application against SH Tech Park Developers Private Limited (the “**Corporate Debtor**”) in NCLT, Chandigarh (“**NCLT, Chandigarh**”) on December 23, 2022, under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiation of insolvency proceedings (the “**Application**”). The Application has been filed pursuant to defaults by the Corporate Debtor in relation to a secured loan issued by the Financial Creditor to it under a loan agreement executed between the parties. The matter is currently pending.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against IHFL.

D. *Consumer cases*

IHFL has approximately 408 consumer complaints / appeals in which we are respondents. These primarily pertain to alleged deficiency in service and there are some proceedings in which we are *pro forma* parties. The issues involved in such complaints include, *inter alia*, charging allegedly foreclosure charges / pre-payment penalty, excessive interest rate, unilateral increase in tenure, declaration of account as NPA, stay of possession

of property, forceful repossession of vehicles; sale of vehicles; non-issuance of no objection certificates and higher rate of interest.

*E. Criminal cases including cases under Section 138 of the Negotiable Instruments Act*

IHFL has filed complaints against various parties in the ordinary course of business, including some of its customers, under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. The matters are pending at various stages of adjudication before various courts.

*F. Litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of the issue of this Tranche II Prospectus and any directions issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action*

In the ordinary course of business, the Promoter of our Company regularly receives notices from the NHB which are in the nature queries, requests and complaints raised by the customers in connection with, *inter alia*, availing subsidy under the Pradhan Mantri Awas Yojana, rate of interest charged by the Promoter of our Company on the loan facilities extended etc. The Promoter of our Company responds to such notices on a regular basis.

**III. Involving our Directors**

**Mr. Ajit Kumar Mittal**

*A. Criminal proceedings*

For details in relation to complaints filed by Raghani Property Holdings Private Limited against Mr. Ajit Kumar Mittal, please see “—*Involving our Promoter - Criminal proceedings*” on page 193 of this Tranche II Prospectus.

*B. Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Mr. Ajit Kumar Mittal.

*C. Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Mr. Ajit Kumar Mittal.

*D. Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Mr. Ajit Kumar Mittal.

**Mr. Rajiv Gandhi**

*A. Criminal proceedings*

As on the date of this Tranche II Prospectus, there are no material criminal proceedings initiated against our director, Mr. Rajiv Gandhi.

*B. Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Mr. Rajiv Gandhi.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Mr. Rajiv Gandhi.

D. *Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Mr. Rajiv Gandhi.

**Mr. Anil Malhan**

A. *Criminal proceedings*

As on the date of this Tranche II Prospectus, there are no material criminal proceedings initiated against our director, Mr. Anil Malhan.

B. *Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Mr. Anil Malhan.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Mr. Anil Malhan.

D. *Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Mr. Anil Malhan.

**Ms. Preetinder Virk**

A. *Criminal proceedings*

As on the date of this Tranche II Prospectus, there are no material criminal proceedings initiated against our director, Ms. Preetinder Virk.

B. *Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Ms. Preetinder Virk.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Ms. Preetinder Virk.

D. *Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Ms. Preetinder Virk.

**Mr. Dinabandhu Mohapatra**

A. *Criminal proceedings*

As on the date of this Tranche II Prospectus, there are no material criminal proceedings initiated against our director, Mr. Dinabandhu Mohapatra.

B. *Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Mr. Dinabandhu Mohapatra.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Mr. Dinabandhu Mohapatra.

D. *Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Mr. Dinabandhu Mohapatra.

**Mr. Satish Chand Mathur**

A. *Criminal proceedings*

As on the date of this Tranche II Prospectus, there are no material criminal proceedings initiated against our director, Mr. Satish Chand Mathur.

B. *Material Civil proceedings*

As on the date of this Tranche II Prospectus, there are no material civil proceedings initiated against our director, Mr. Satish Chand Mathur.

C. *Material Tax proceedings*

As on the date of this Tranche II Prospectus, there are no material tax proceedings initiated against our director, Mr. Satish Chand Mathur.

D. *Statutory and Regulatory proceedings*

As on the date of this Tranche II Prospectus, there are no statutory and regulatory proceedings initiated against our director, Mr. Satish Chand Mathur.

**IV. Involving our Subsidiaries**

Nil

**V. Other confirmations**

1. There are no inquiries, inspections or investigations initiated or conducted under the securities laws or 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;

2. Save as disclosed in this Tranche II Prospectus, there are no pending litigation involving our Company, Promoter, Directors, Group Companies or subsidiaries or any other person, whose outcome could have material adverse effect on the position of our Company, or which may affect the Issue or an investor's decision to invest in the Issue;
3. Except as disclosed below, there are no outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or the Stock Exchanges or ministry of corporate affairs, registrar of companies or any other such similar authorities, involving our Company, its Directors and Promoter.

The details of outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or NHB or the Stock Exchanges or ministry of corporate affairs, registrar of companies or any other such similar authorities, involving IHFL, our Promoter is set below:

- a. IHFL, our promoter, along with its directors and key managerial persons had received show cause notices from the Registrar of Companies, NCT of Delhi and Haryana, Ministry of Corporate Affairs, New Delhi (“**RoC**”), for non-compliance of certain applicable provision/ disclosure requirements, under different provisions of the Companies Act, 2013 (“**Act**”), as observed by MCA officials during inspection of the company's records under section 206(5) of the Act for the period from FY 2014-15 to FY 2016-17, which were compoundable/ adjudicable in nature. The company and its officers (executive directors and KMPs) have filed compounding applications/ petitions under section 441 of the Act and application/ request for adjudication of penalties under section 454 of the Act. The compounding applications were adjudicated, and the company and its officers are in the process of paying the fees/ penalties imposed.
  - b. The Securities and Exchange Board of India (“**SEBI**”) has from time to time have sought information and documents from IHFL in relation to certain of its borrowers under the applicable provisions of the SEBI Act, 1992, as amended. IHFL has provided such information and documents to SEBI in a timely manner.
4. There are no pending proceedings initiated against our Company for economic offences; and
  5. As on the date of this Tranche II Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, and fixed deposits etc., by our Company.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

At the meeting of the Board of Directors of our Company, held on November 14, 2022, the Directors approved the issue of NCDs to the public. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the extraordinary general meeting of our Company held on August 1, 2018.

The Bond Issue Committee in its meeting dated March 27, 2023 has approved this Tranche II Prospectus

### **Prohibition by SEBI / Eligibility of our Company for the Issue**

Our Company, persons in control of our Company and/or our Directors and/or our Promoter and/or our 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. None of our Directors and/or our Promoter, is a director or promoter of another company which is has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months.

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 Directors and/or our Promoter have been declared as fugitive economic offenders.

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.

### **Wilful Defaulter**

Our Company, our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, ECGC, any government / regulatory authority and/or by any bank or financial institution. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT 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 OFFER DOCUMENT. THE LEAD MANAGERS, EDELWEISS FINANCIAL SERVICES LIMITED, ELARA CAPITAL (INDIA) PRIVATE LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN**

**CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. 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 CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, 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, THE LEAD MANAGERS, EDELWEISS FINANCIAL SERVICES LIMITED, ELARA CAPITAL (INDIA) PRIVATE LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 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 SEBI. 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 DEVELOPMENTS IN THE TRANCHE II ISSUE OR RELATING TO THE TRANCHE II ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE II ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OF THE TRANCHE II 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, AS AMENDED.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER, EACH AS AMENDED, ARE COMPLIED WITH.**

**WE CONFIRM THAT WE HAD NOT RECEIVED ANY COMMENTS ON THE DRAFT SHELF PROSPECTUS DATED DECEMBER 19, 2022 FILED ON THE WEBSITE OF BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED.**

**Disclaimer Clause of NSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS, *VIDE* ITS LETTER REF.: NSE/LIST/D/2022/0192 DATED DECEMBER 28, 2022, GIVEN PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE**

**EXCHANGE HAS SCRUTINISED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, 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 BSE**

**BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER BEARING REFERENCE NO. DCS/BM/PI-BOND/019/22-23 DATED DECEMBER 28, 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 SCRUTINISED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR FOR ANY OTHER REASON WHATSOEVER.**

#### **Disclaimer Statement of RBI**

**A COPY OF THIS TRANCHE II PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS TRANCHE II PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE**



**CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.**

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#### **Disclaimer Statement of ICRA**

**ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH REFERENCE TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE WWW.ICRA.IN OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.**

#### **Disclaimer clause of CRISIL Limited**

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#### **Disclaimer statement from the Issuer**

**THE ISSUER ACCEPTS 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 OUR COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

#### **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 AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

#### **Disclaimer in Respect of Jurisdiction**

**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 18 OF THIS TRANCHE II PROSPECTUS.**

**OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS CONTAIN ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THE SHELF PROSPECTUS AND 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 THE SHELF PROSPECTUS AND 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.**

**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.**

## **Disclosures in accordance with the DT Circular**

### **Debenture Trustee Agreement**

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

- a) The Debenture Trustee has agreed for an acceptance fee amounting to ₹6,00,000 and annual service charges of ₹10,00,000 for the services as agreed in terms of the engagement/appointment/fee letter dated October 18, 2022.
- b) 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 Documents and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable 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;
- c) Our 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 required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Company or any other person, are registered/ disclosed; and

- d) 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 and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. 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;
- e) Our Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis; and
- f) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

### **Terms of carrying out due diligence**

As per the SEBI Circular “SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled “Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)”, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer 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 Documents and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable 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 required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Company or any other person, are registered/ disclosed.
- c) Further, in the event that existing charge holders or the concerned trustee on behalf of the 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 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 at the sole discretion of the Debenture Trustee, to carry out the requisite diligence in connection with the issuance and allotment of the NCDs in accordance with the Applicable Laws.
- e) 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 and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. 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**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

#### **Other confirmations**

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.

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 SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

**BEACON TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGES AND SEBI, DUE DILIGENCE CERTIFICATES, AS PER THE FORMAT SPECIFIED IN SCHEDULE IV OF THE SEBI NCS REGULATIONS, DATED DECEMBER 19, 2022, WHICH READ AS FOLLOWS:**

- 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. *NOT APPLICABLE AT THIS STAGE SINCE SECURITY IS TO BE CREATED IN TRANCHES.***
- 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. 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.**

**BEACON TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGES AND SEBI, DUE DILIGENCE CERTIFICATE, AS PER THE FORMAT SPECIFIED IN ANNEXURE A OF THE DT CIRCULAR, DATED DECEMBER 19, 2022, WHICH READ AS FOLLOWS:**

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

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, REPORTS AND CERTIFICATIONS:**

**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. *NOT APPLICABLE AT THIS STAGE SINCE SECURITY IS TO BE CREATED IN TRANCHES.***
- 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 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 FAVOR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

**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 Exchanges and SEBI as per format specified in Annexure A of the DT Circular and Schedule IV of the SEBI NCS Regulations.

Our Company and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Company, as per SEBI regulations applicable for the proposed NCD Issue.

**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:

<b>Name of Lead Managers</b>	<b>Website</b>
Edelweiss Financial Services Limited	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
Elara Capital (India) Private Limited	<a href="http://www.elaracapital.com">www.elaracapital.com</a>
Trust Investment Advisors Private Limited	<a href="http://www.trustgroup.in">www.trustgroup.in</a>

## **Listing**

The NCDs proposed to be offered through this Tranche II Issue are proposed to be listed on BSE and NSE. An application has been made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and 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 Exchanges mentioned above are taken within 6 Working Days from the date of closure of the relevant Tranche.

For the avoidance of doubt, it is hereby clarified that in the event of under 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 5 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) our Company Secretary and Compliance Officer, (c) Chief Executive Officer (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) CRISIL in relation to the CRISIL Report (i) the Debenture Trustee, (j) Chief Financial Officer, (k) Public Issue Account Bank and Sponsor Bank, (l) Refund Bank, (m) Consortium Members, and (n) lenders have been duly obtained from them and the same will be filed along with a copy of this 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 RoC. Our Company has received consents from the relevant lenders, debenture trustees and security trustees for ceding *pari passu* charge in relation to the NCDs.

Our Company has received written consents both dated March 27, 2023, from HEM Sandeep & Co. and Rao & Emmar, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with the 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 our Statutory Auditors, and in respect of their examination report, dated December 15, 2022 on our Reformatted Financial Information and limited review report dated February 14, 2023 on our Limited Review Financial Results included in this Tranche II Prospectus and such consent has not been withdrawn as on the date of this Tranche II Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

The consent letter dated March 27, 2023, from the Tax Auditor, namely, Ajay Sardana Associated, under Section 26 (1) of the Companies Act, 2013 for inclusion of statement of tax benefits dated March 27, 2023, issued by them, in this Tranche II Prospectus has been obtained and it has not withdrawn such consent and the same will be filed with the RoC.

Our Company has appointed Beacon Trusteeship Limited as the Debenture Trustee under Regulation 8 of the SEBI NCS Regulations. The Debenture Trustee has given its consent dated December 14, 2022 to our Company for its appointment as Debenture Trustee to the Issue, pursuant to the SEBI NCS Regulations and for its name to be included

in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed as Annexure C.

### **Expert Opinion**

Except the following, our Company has not obtained any expert opinions in connection with this Tranche II Prospectus:

1. Our Company has received written consents both dated March 27, 2023, from HEM Sandeep & Co. and Rao & Emmar, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with the 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 our Statutory Auditors, and in respect of their examination report, dated December 15, 2022 on our Reformatted Financial Information and limited review report dated February 14, 2023 on our Limited Review Financial Results included in this Tranche II Prospectus and such consent has not been withdrawn as on the date of this Tranche II Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act
2. Our Company has received consent letter dated March 27, 2023, from Ajay Sardana Associates, to include their name as required under Section 26(5) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Tranche II Prospectus in respect of their statement of tax benefits dated March 27, 2023, included in this Tranche II Prospectus 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 has not withdrawn such consent before the filing of this Tranche II Prospectus with the RoC, the Stock Exchanges and SEBI.

### **Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

### **Minimum Subscription**

In terms of the 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 the Base Issue Size, prior to the Tranche II Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight working days from the date of closure of the Tranche II Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by the our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the Operational Circular.

### **Filing of the Draft Shelf Prospectus and Shelf Prospectus**



A copy of the Draft Shelf Prospectus was filed with the Stock Exchanges in terms of SEBI NCS Regulations for dissemination on their website on December 19, 2022. A copy of the Shelf Prospectus along with the endorsed/certified copies of all requisite documents were filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013, on December 30, 2022. The Draft Shelf Prospectus and Shelf Prospectus have also been displayed on the website of the Company and the Lead Managers.

### **Filing of this Tranche II Prospectus under the Shelf Prospectus with the RoC**

Our Company is eligible to file this Tranche II Prospectus under the Shelf Prospectus as per requirements of Regulation 41(1)(c) of SEBI NCS Regulations. A copy of this Tranche II Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

### **Debenture Redemption Reserve**

In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, any non-banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, the 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. The Company shall, as per the Companies (Share Capital and 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 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.

### **Recovery Expense Fund**

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange 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.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Series of NCDs issued under this Tranche II Issue.

### **Underwriting**

This Tranche II Issue is not underwritten.

#### Details of Auditors to the Issue

Name of the Auditor	Address	Auditor since
RAO & EMMAR	204, 205, 2nd Floor, Ramanashree Arcade, M G Road, Bengluru,- 560001, Karnataka	November 24, 2021
HEM Sandeep & Co.	D 118, Saket, New Delhi – 110017, India	November 24, 2021

#### Change in Auditors of our Company during the last three years

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation
M/s Ajay Sardana Associates	D – 118, Saket, New Delhi - 110017	September 8, 2017	November 13, 2021	November 14, 2021
RAO & EMMAR	204, 205, 2nd Floor, Ramanashree Arcade, M G Road, Bengluru,- 560001, Karnataka	November 24, 2021	NA	NA
HEM Sandeep & Co.	D 118, Saket, New Delhi – 110017, India	November 24, 2021	NA	NA

#### Issue Related Expenses

The expenses of this Tranche II 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, 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 break-up of the total expenses shall be as specified under “*Objects to the Issue*” on page 66 of this Tranche II Prospectus.

#### Revaluation of Assets

Our Company has not revalued its loan assets in the last three Fiscal Years.

#### Reservation

No portion of this Tranche II Issue has been reserved.

#### Utilisation of Tranche II Proceeds

Our Board of Directors certifies that:

1. All monies received pursuant to the 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 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

3. Details of all utilised and unutilised monies out of the monies collected out of this Tranche II Issue and previous issues made by way of public offers, if any, shall be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such issue remain unutilised, indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested;
4. The Tranche II Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia*, by way of a lease, of any immovable property;
5. We shall utilise the Tranche II Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Tranche II Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of *pari passu* charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Tranche II Prospectus in the section titled “*Issue Structure*” on page 237 of this Tranche II Prospectus;
6. The Tranche II Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further, the Tranche II Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
7. 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.

#### **Previous Issue(s)**

Details of utilisation of proceeds of previous issues by our Company in the last three years are as follows:

1. Except as stated herein below and in the sections titled “*Capital Structure*”, and “*Financial Indebtedness*” on pages 63 and 173 of this Tranche II Prospectus, respectively, our Company has not made any public issue of non-convertible debentures in the last three years which are outstanding as on the date of this Tranche II Prospectus. The proceeds from the previous issuance of non-convertible debentures by the Company have been and/or are being utilised 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. Other than as specifically disclosed in this Tranche II Prospectus, our Company has not issued any securities for consideration other than cash.

Our Company made a public issuance of secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹100 crores, aggregating up to ₹200 crores, the details of which are set forth further below:

<b>Date of opening</b>	January 5, 2023	
<b>Date of closing</b>	January 27, 2023	
<b>Total issue size</b>	₹200 crores	
<b>Total value of NCDs allotted</b>	₹110.56 crores	
<b>Date of allotment</b>	February 2, 2023	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company	At least 75%
	General Corporate Purposes	Maximum of up to 25%

<b>Net utilisation of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.
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2. Our Company has not made any public or rights issue of Equity Shares in the last three years.
3. Our Company has not made any rights issue of Preference Shares in the last three years.
4. Our Company has raised funds for augmenting its capital adequacy requirements, long-term resources for meeting funding requirements for its business purposes and for general corporate purposes by way of private placement of debentures in the last three years. The funds have been fully utilized in accordance with the objects of the above-mentioned issuance of debentures on private placement basis and issuance of Equity Shares and Preference Shares on rights issue basis.

**Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue**

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

**Details regarding the Company, its subsidiaries 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.**

Other than as stated in “*Previous Issue(s)*” on page 227 the Company has not made any capital issue during the last three years.

**Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, which made any capital issue during the last three years**

Nil.

**Details regarding the previous issues of the Promoter**

**Indiabulls Housing Finance Limited:**

IHFL made a public issuance of up to 90,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹800 crores, aggregating up to ₹900 crores, the details of which are set forth further below:

<b>Date of opening</b>	March 3, 2023	
<b>Date of closing</b>	March 17, 2023	
<b>Total issue size</b>	₹900 crores	
<b>Total value of NCDs allotted</b>	₹91.65 crores	
<b>Date of Allotment</b>	March 23, 2023	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	Onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilization of issue proceeds</b>	The proceeds from the issue will be utilised in accordance with the objects of the issue as stated above.	

IHFL made a public issuance of up to 1,00,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹900 crores, aggregating up to ₹1,000 crores, the details of which are set forth further below:

<b>Date of opening</b>	December 1, 2022	
<b>Date of closing</b>	December 22, 2022	
<b>Total issue size</b>	₹1,000 crores	
<b>Total value of NCDs allotted</b>	₹93.80 crores	
<b>Date of Allotment</b>	December 28, 2022	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	Onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilization of issue proceeds</b>	The proceeds from the issue will be utilised in accordance with the objects of the issue as stated above.	

IHFL made a public issuance of up to 80,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹700 crores, aggregating up to ₹800 crores, the details of which are set forth further below:

<b>Date of opening</b>	October 7, 2022	
<b>Date of closing</b>	October 28, 2022	
<b>Total issue size</b>	₹800 crores	
<b>Total value of NCDs allotted</b>	₹99.49 crores	
<b>Date of allotment</b>	November 3, 2022	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	Onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilization of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.	

IHFL made a public issuance of up to 1,00,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹900 crores, aggregating up to ₹1,000 crores, the details of which are set forth further below:

<b>Date of Opening</b>	September 5, 2022	
<b>Scheduled closing date</b>	September 22, 2022	
<b>Total issue size</b>	₹1,000 crores	
<b>Total value of NCDs allotted</b>	₹103.11 crores	
<b>Date of allotment</b>	September 28, 2022	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	Onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilization of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.	

IHFL made a public issuance of up to 1,00,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹100 crores with an option to retain oversubscription up to ₹900 crores, aggregating up to ₹1,000 crores, the details of which are set forth further below:

<b>Date of Opening</b>	March 30, 2022	
<b>Scheduled closing date</b>	April 22, 2022	
<b>Total issue size</b>	₹1,000 crores	
<b>Total value of NCDs allotted</b>	₹133.74 crores	
<b>Date of allotment</b>	April 28, 2022	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	Onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilization of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.	

IHFL made a public issuance of up to 1,00,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹200 crores with an option to retain oversubscription up to ₹800 crores, aggregating up to ₹1,000 crores, the details of which are set forth further below:

<b>Date of opening</b>	December 09, 2021	
<b>Date of closing</b>	December 31, 2021*	
<b>Total issue size</b>	₹1,000 crores	
<b>Total value of NCDs allotted</b>	₹552.96 crores	
<b>Date of allotment</b>	January 06, 2021	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilisation of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.	

\*Pursuant to resolution of the Securities Issuance Committee of the company dated December 18, 2021, the issue closing date was further extended from December 20, 2021 to December 31, 2021.

IHFL made a public issuance of up to 1,00,00,000 secured redeemable non-convertible debentures of the face value of ₹1,000 each, amounting to ₹200 crores with an option to retain oversubscription up to ₹800 crores, aggregating up to ₹1,000 crores, the details of which are set forth further below:

<b>Date of opening</b>	September 06, 2021	
<b>Date of closing</b>	September 20, 2021	
<b>Total issue size</b>	₹1,000 crores	
<b>Total value of NCDs allotted</b>	₹792.27 crores	
<b>Date of allotment</b>	September 24, 2021	
<b>Objects of the issue (as per the prospectus)</b>	<b>Object</b>	<b>Object % of amount proposed to be</b>
	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the company	At least 75%
	General Corporate Purposes	Maximum of up to 25%
<b>Net utilisation of issue proceeds</b>	The proceeds from the issue have been utilised in accordance with the objects of the issue as stated above.	

Other than as mentioned above, IHFL has raised funds for augmenting its capital adequacy requirements, long-term resources for meeting funding requirements for its business purposes and for general corporate purposes by way of private placement of debentures, foreign currency convertible bonds and qualified institutions placement of equity shares in the last three years. The funds have been fully utilized in accordance with the objects of the above mentioned issuance of debentures and equity shares on private placement basis.

## Details regarding lending out of Issue proceeds and loans advanced by the Company

### A. Lending Policy

Please see “Our Business” at page 91 of this Tranche II Prospectus.

### B. Loans/advances to associates, entities/persons relating to Board, senior management or Promoter or group entities out of the proceeds of previous issues:

Company has not provided any loans or advances to associates, entities or persons relating to the Board, senior management or Promoters out of the proceeds of the previous issues of debt securities.

### C. Types of loans

Types of loans given by the Company as on March 31, 2022 are as follows:

S. No	Particulars	Amount (₹ in crores)	Percentage
1	Secured	7,843.29	73.45%
2	Unsecured	2,835.22	26.55%
	<b>Total</b>	<b>10,678.51</b>	<b>100.00%</b>

Types of loans according to sectoral exposure as on March 31, 2022 is as follows:

Sr. No.	Segment wise breakup of Loan Book	Book Split (₹ in crores)
1	CRE - Residential Housing	1,777.80
2	Others	8,900.71
	<b>Total</b>	<b>10,678.51</b>

Denomination of loans outstanding by ticket size as on March 31, 2022 are as follows:

S. No.	Ticket size	Percentage of Loan Book (in %)
1.	Up to ₹ 1 crore	11.78
2.	₹1-5 crore	5.43
3.	₹5-25 crore	7.37
4.	₹25-75 crore	23.92
5.	> ₹75 crore	51.49
	<b>Total</b>	<b>100.00</b>

Denomination of loans outstanding by LTV\* as on March 31, 2022 are as follows:

S. No	LTV	Percentage of Loan Book (in %)
1	Up to 40%	26.95
2	Between 40-50%	13.21
3	Between 50-60%	21.32
4	Between 60-70%	27.86
5	Between 70-80%	10.58

S. No	LTV	Percentage of Loan Book (in %)
6	Between 80-90%	0.08
	> 90%	0.00
	<b>Total</b>	<b>100.00</b>

\* LTV at the time of origination for retail loans.

Geographical classification of top 5 borrowers (retail) as on March 31, 2022 is as follows:

Sr. No.	Regions	Percentage of Loan Book (in %)
1	Maharashtra	32.97
2	Haryana	26.55
3	Delhi	20.78
4	Uttar Pradesh	7.65
5	Karnataka	5.00

Maturity profile of total loan portfolio of the Company as on March 31, 2022 is as follows:

Period	Amount (₹ in crores)
1 to 7 days	101.32
8 to 14 days	1.05
15 days to 30/31 days	51.41
Over 1 month to 2 months	297.10
Over 2 months to 3 months	225.64
Over 3 months to 6 months	759.02
Over 6 months to 1 year	1,471.43
Over 1 year to 3 years	5,050.51
Over 3 years to 5 years	2,430.02
Over 5 years	291.03
<b>Total</b>	<b>10,678.51</b>

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2022:

	Amount (₹ in crores unless otherwise stated)
Total Advances to twenty largest borrowers	4,052.79
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	37.95%

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022

	Amount (₹ in crores otherwise stated)
Total Exposures to twenty largest borrowers/Customers	4,052.79
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	37.95%

Details of loans overdue and classified as non – performing assets in accordance with the RBI guidelines as at March 31, 2022

Movement of gross NPAs	Amount (₹ in crores)
(a) Opening gross NPA	620.20
(b) Additions during the year	329.26
(c) Reductions during the year	688.73



(d) Closing balance of gross NPA3	260.73
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<b>Movement of provisions for NPAs</b>	<b>Amount (₹ in crores)</b>
(a) Opening balance	215.40
(b) Provisions made during the year	253.46
(c) Write-off / Write-back of excess provisions	403.67
(d) Closing balance	65.19

\* Indicates gross NPA recognition policy (Day's Past Due)

#### Movement of NPAs

(₹ in crores unless otherwise specified)

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
(I) Net NPAs to Net Advances (%)	1.83%	3.25%	2.29%
(II) Movement of NPAs (Gross)			
a) Opening balance	620.20	347.37	197.00
b) Additions during the year*	329.26	835.80	988.16
c) Reductions during the year*	688.73	562.97	837.79
d) Closing balance	260.73	620.20	347.37
(III) Movement of Net NPAs			
a) Opening balance	404.80	270.71	148.65
b) Additions during the year	75.80	134.09	122.06
c) Reductions during the year	285.06	-	-
d) Closing balance	195.54	404.80	270.71
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	215.40	76.66	48.35
b) Provisions made during the year	253.46	585.92	28.31
c) Write-off/write-back of excess provisions	403.67	447.18	-
d) Closing balance	65.19	215.40	76.66

\*Net off NPA written off during the year for the Year March 31, 2020.

#### Segment –wise gross NPAs as on March 31, 2022 :

<b>Sr. No</b>	<b>Sector</b>	<b>Percentage of NPAs to Total Advances in that sector as on March 31, 2022 (in %)</b>
1	Agriculture & allied activities	0.00
2	MSME	1.16
3	Corporate borrowers	2.20
4	Services	0.00
5	Unsecured personal loans	0.00
6	Other personal loans	0.00
7	Auto loans and Other Loans	5.45

#### Concentration of Exposure and NPA as of March 31, 2022:

(₹ in crores)

<b>Particulars</b>	<b>FY 22</b>	<b>FY 21</b>	<b>FY 20</b>
Gross NPA / Gross Stage 3	260.73	620.20	347.37

Net NPA / Net Stage 3	195.54	404.80	270.71
Total Exposure to top 4 NPA accounts	179.11	384.06	148.14

Note: In the above figure of secured and unsecured loans, we are considering amount of sell down liability and lease liability as unsecured.

ECL allowance Stage 3 derived from the Reformatted Financial Information for Fiscal 2022 was ₹65.19 crores.

#### D. Promoter Shareholding

Please refer to the chapter “Capital Structure” on page 63 of this Tranche II Prospectus for details with respect to changes in Promoter shareholding in our Company during the last financial year beyond the threshold as specified by RBI.

#### E. Residual maturity profile of assets and liabilities as on March 31, 2022

(₹ in crores)

	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	263.62	330.59	240.12	878.05	1,479.72	5,995.37	2,431.74	298.72	11,917.93
Investments	16.62	-	0.10	0.25	3.98	943.46	-	58.69	1,023.10
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings	81.55	4.62	143.08	815.69	559.49	3,645.41	1,736.10	577.27	7,563.21
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

\*As per the latest ALM statement filed with the Stock Exchanges.

#### Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2022 our Company has listed rated/unrated, secured/unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details, please see “Financial Indebtedness” on page 173 of this Tranche II Prospectus.

#### Dividend

Our Company has no stated dividend policy. 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.

Other than as disclosed below, our Company has not declared any Dividend in the last three years and in the quarter and nine months ended December 31, 2022:

Particulars	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Equity Share Capital (₹ in Cr)	247.80	247.80	247.80	247.80
Face Value Per Equity Share (₹) (a)	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per equity share) (b)	1.00	-	-	-
Total dividend on equity shares (₹ in Cr)	24.78	-	-	-
Dividend Declared Rate (In %) (c=b/a)	10%	-	-	-
Dividend tax (gross) on dividend (₹ in Cr)	-	-	-	-

### Mechanism for redressal of investor grievances

The Registrar Agreement dated December 14, 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 this Tranche II Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA 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 Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the application 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.

The contact details of Registrar to the Issue are as follows:

#### **KFin Technologies Limited**

Selenium, Tower B, Plot No- 31 and 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi - 500 032,  
Telangana, India.

**Telephone No.:** +91 40 6716 2222

**Facsimile No.:** +91 40 2343 1551

**Toll free number:** 18003094001

**Email:** iccl.ncdipo@kfintech.com

**Investor Grievance Email:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Contact Person:** Mr. M. Murali Krishna

**SEBI Registration Number:** INR000000221

**CIN:** L72400TG2017PLC117649

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the

said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

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

**Mr. Ajit Kumar Singh**

*Company Secretary and Compliance Officer*

Plot No. 422B, Udyog Vihar,

Phase-IV, Gurugram,

Haryana – 122016, India

**Telephone No.:** + 91 124 668 1199

**Facsimile No.:** + 91 124 668 1240

**Email:** ajisingh@indiabulls.com

Investors may contact the Registrar to the Issue or the 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 Debenture Certificates, transfers, or interest on application amount etc.

**Reservations/ Qualifications/ Adverse Remarks or Emphasis of Matter by Auditors**

Other than as may be disclosed in the chapter titled “*Risk Factors*”, on page 18 of this Tranche II Prospectus, there are no reservations or qualifications or adverse remarks or emphasis of matter the Statutory Auditors in the financial statements of our Company in the last three financial years immediately preceding this Tranche II Prospectus, and in the Limited Review Financial Results of our Company for the quarter and nine months ended December 31, 2022.

**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 contain the information as prescribed under SEBI NCS Regulations. 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.

**Trading**

Debt securities issued by our Company, which are listed on BSE and NSE’s wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

**Caution**

Attention of the applicants is specifically drawn to the provision 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”*

## SECTION VII: ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” on page 246 of this Tranche II Prospectus.

The NCDs being offered as part of this Tranche II Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and 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.

The key common terms and conditions of the NCDs are as follows:

<b>Issuer</b>	Indiabulls Commercial Credit Limited
<b>Type of instrument/ Name of the security/ Seniority</b>	Secured, redeemable, non-convertible Debentures.
<b>Nature of the instrument</b>	Secured, redeemable, non-convertible Debenture.
<b>Mode of the issue</b>	Public issue
<b>Eligible investors</b>	Please see “ <i>Issue Procedure – Who can apply?</i> ” on page 268 of this Tranche II Prospectus
<b>Listing</b>	The NCDs are proposed to be listed on NSE and BSE. BSE shall be the Designated Stock Exchange for this Issue. The NCDs shall be listed within six Working Days from the date of Issue Closure. For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 214 of this Tranche II Prospectus
<b>Credit ratings</b>	“ <b>CRISIL AA/Stable</b> ” (pronounced as CRISIL double A rating with stable outlook), by CRISIL Ratings Limited  “ <b>[ICRA]AA (Stable)</b> ” (pronounced as as ICRA double A rating with a stable outlook) by ICRA Limited
<b>Base Issue Size</b>	₹100 crores
<b>Option to retain Oversubscription Amount</b>	₹100 crores
<b>Tranche II Issue Size</b>	₹200 crores
<b>Objects of the Issue</b>	Please see “ <i>Objects of the Issue</i> ” on page 66 of this Tranche II Prospectus
<b>Details of utilisation of the proceeds</b>	Please see “ <i>Objects of the Issue</i> ” on page 66 of this Tranche II Prospectus
<b>Lead Managers</b>	Edelweiss Financial Services Limited Elara Capital (India) Private Limited Trust Investment Advisors Private Limited
<b>Debenture Trustee</b>	Beacon Trusteeship Limited
<b>Registrar to the Issue</b>	KFin Technologies Limited
<b>Market Lot/ Trading Lot</b>	The market lot will be 1 NCD (“ <b>Market Lot</b> ”). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
<b>Tranche II Issue</b>	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each (“ <b>NCDs</b> ”) for an amount up to ₹100 crores (“ <b>Base Issue Size</b> ”) with a green shoe option of ₹100 crores aggregating up to ₹200 crores

<b>Interest rate for each category of investors</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Step up/ Step down interest rates</b>	NA
<b>Frequency of interest payment</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Interest payment date</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Interest type</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Interest reset process</b>	NA
<b>Day count basis</b>	Actual/ Actual
<b>Interest on application money</b>	Please see “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialised 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
<b>Tenor</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Redemption Date</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Redemption Amount</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Redemption premium/ discount</b>	Please see section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Face value (in ₹ / NCD)</b>	₹1,000 per NCD
<b>Issue Price (in ₹/NCD)</b>	₹1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	NA
<b>Put option date</b>	NA
<b>Put option price</b>	NA
<b>Call option date</b>	NA
<b>Call option price</b>	NA
<b>Put notification time</b>	NA
<b>Call notification time</b>	NA
<b>Minimum Application size and in multiples of NCD thereafter</b>	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter
<b>Tranche II Issue Opening Date</b>	Monday, April 3, 2023
<b>Tranche II Issue Closing Date**</b>	Wednesday, April 19, 2023
<b>Tranche II Issue Schedule</b>	<p>The Tranche II Issue shall be open from Monday, April 3, 2023, to Wednesday, April 19, 2023 with an option to close earlier and/or extend up to a period as may be determined by the Bond Issue Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations.</p> <p>**This Tranche II Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. 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 Bond Issue Committee thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche II Issue; our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement on or before such earlier</p>

	or extended date of Tranche II Issue closure in all newspapers in which the pre-issue advertisement and advertisement for opening or closure of this Tranche II Issue have been given. Applications Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days, during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the 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 BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Tranche II Issue Closing Date.
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application
<b>Modes of payment</b>	Please see “ <i>Issue Procedure – Terms of Payment</i> ” on page 286 of this Tranche II Prospectus
<b>Deemed date of Allotment</b>	The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee 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 for the Tranche II Issue shall be available to NCD Holders from the Deemed Date of Allotment.
<b>Issuance mode of the instrument</b>	In dematerialised form only*
<b>Trading mode of the instrument</b>	In dematerialised form only*
<b>Mode of settlement</b>	Please see the section titled “ <i>Terms of the Issue</i> ” on page 246 of this Tranche II Prospectus
<b>Depositories</b>	NSDL and CDSL
<b>Working day convention/ Effect of holidays on payment</b>	Working Day means all days on which commercial banks in Mumbai are open for business. 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 (the “ <b>Effective Date</b> ”), however the dates of the future interest payments would continue to 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 Maturity 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.
<b>Record date</b>	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) 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 or Bond Issue Committee 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 Exchange, as the case may be.  In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
<b>Seniority</b>	Secured debentures: Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).

<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	As agreed in the Debenture Trust Deed, executed/to be executed in accordance with applicable law
<b>Asset cover and 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 to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</b>	The NCDs proposed to be issued will be secured by a first ranking <i>pari passu</i> charge by way of hypothecation in favor of the Debenture Trustee, on the financial and non-financial assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon, on a first ranking <i>pari passu</i> basis with all other secured lenders to the Issuer holding <i>pari-passu</i> charge over the security, as specifically set out in and fully described in the Debenture Trust Deed. The NCDs will have a minimum security cover of 1.25 times on the principal amount and interest thereon at all times during the tenor of the NCDs. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on <i>pari passu</i> or exclusive basis thereon for its present and future financial requirements, provided that a minimum-security cover of 1.25 times on the principal amount and accrued interest thereon, is maintained, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection. However, if consent and/or intimation is required under applicable law, then the Company shall obtain such consents and/ or intimation in accordance with such law. We have received necessary consents from the relevant lender, debenture trustees and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche II Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the “ <i>Terms of the Issue – Security</i> ” on page 246 of this Tranche II Prospectus. The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.
<b>Issue documents</b>	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form and the Debenture Trust Deed and various 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 Issue. For further details, see “ <i>Material Contracts and Documents for Inspection</i> ” on page 300 of this Tranche II Prospectus.
<b>Conditions precedent to disbursement</b>	Other than the conditions specified in the SEBI NCS Regulations and the Debenture Trust Deed, there are no conditions precedent to disbursement.
<b>Conditions subsequent to disbursement</b>	Other than the conditions specified in the SEBI NCS Regulations and in the Debenture Trust Deed, there are no conditions subsequent to disbursement.



<b>Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)</b>	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 248 of this Tranche II Prospectus
<b>Creation of recovery expense fund</b>	Our Company has already created a recovery expense fund in the manner as maybe specified by SEBI from time to time and inform 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.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and the Debenture Trust Deed 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), it shall constitute an event of default. 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.
<b>Provisions related to Cross Default Clause</b>	As specified in the Debenture Trust Deed.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please see “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 248 of this Tranche II Prospectus.
<b>Risk factors pertaining to the issue</b>	Please see “ <i>Risk Factors</i> ” on page 18 of this Tranche II Prospectus
<b>Governing law and jurisdiction</b>	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India.

*\* In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialised form.*

*\*\* The Tranche II Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Tranche II Issue Period, except that the 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 Bond Issue Committee thereof subject to receipt of necessary approvals and compliance with Regulation 33A of the SEBI NCS Regulations. 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 all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or extended date of Issue closure. On the Tranche II Issue Closing Date, the 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. or such extended time as may be permitted by the BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day post the Tranche II Issue Closing Date*

*While the NCDs are secured to the tune of 125% of the principal and interest amount or as per the terms of offer document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained and the recovery of 125% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

*Please see “Issue Procedure” on page 267 of this Tranche II Prospectus for details of category wise eligibility and allotment in the Tranche II Issue.*

**SPECIFIC TERMS OF NCDs**

Series	I	II	III	IV*	V	VI	VII	VIII
Frequency of Interest Payment	Annual	Monthly	Cumulative	Annual	Monthly	Cumulative	Annual	Monthly
Minimum Application	₹ 10,000 (10 NCDs) across all Series							
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000							
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)							
Type of Instrument	Secured NCDs							
Tenor	24 Months	24 Months	24 Months	36 Months	36 Months	36 Months	60 Months	60 Months
Coupon (% per annum) for NCD Holders in Category I & II	9.60%	9.20%	NA	9.75%	9.35%	NA	10.00%	9.57%
Coupon (% per annum) for NCD Holders in Category III & IV	10.00%	9.57%	NA	10.25%	9.80%	NA	10.50%	10.03%
Effective Yield (per annum) for NCD Holders in Category I & II	9.59%	9.58%	9.60%	9.74%	9.75%	9.75%	9.99%	9.99%
Effective Yield (per annum) for NCD Holders in Category III & IV	9.98%	9.99%	10.00%	10.23%	10.24%	10.25%	10.49%	10.50%
Mode of Interest Payment	Through various modes available							
Redemption Amount (₹ / NCD) on Maturity for NCD Holders in Category I & II	₹ 1,000	₹ 1,000	₹ 1,201.55	Staggered Redemption in Three (3) annual payments of ₹ 333 for year 1, ₹ 333 for year 2 and ₹ 334 for year 3 starting from 1st Anniversary** until Maturity	Staggered Redemption in Three (3) annual payments of ₹ 333 for year 1, ₹ 333 for year 2 and ₹ 334 for year 3 starting from 1st Anniversary** until Maturity	₹ 1,322.30	Staggered Redemption in Five (5) annual payments of ₹200 each, starting from 1st Anniversary** until Maturity	Staggered Redemption in Five (5) annual payments of ₹200 each, starting from 1st Anniversary** until Maturity

Series	I	II	III	IV*	V	VI	VII	VIII
Redemption Amount (₹ / NCD) on Maturity for NCD Holders in Category III & IV	₹ 1,000	₹ 1,000	₹ 1,210.35	Staggered Redemption in Three (3) annual payments of ₹ 333 for year 1, ₹ 333 for year 2 and ₹ 334 for year 3 starting from 1st Anniversary** until Maturity	Staggered Redemption in Three (3) annual payments of ₹ 333 for year 1, ₹ 333 for year 2 and ₹ 334 for year 3 starting from 1st Anniversary** until Maturity	₹ 1,340.45	Five (5) annual payments of ₹200 each, starting from 1st Anniversary** until Maturity	Five (5) annual payments of ₹200 each, starting from 1st Anniversary** until Maturity
Maturity (from the Deemed Date of Allotment)	24 Months	24 Months	24 Months	36 Months	36 Months	36 Months	60 Months	60 Months
Redemption Date / Redemption Schedule	24 Months	24 Months	24 Months	Staggered Redemption by Face Value as per “Principal Redemption Schedule and Redemption Amounts”	Staggered Redemption by Face Value as per “Principal Redemption Schedule and Redemption Amounts”	36 Months	Staggered Redemption by Face Value as per “Principal Redemption Schedule and Redemption Amounts”	Staggered Redemption by Face Value as per “Principal Redemption Schedule and Redemption Amounts”
Put and Call Option	Not Applicable							

\*Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

\*\*of the Deemed Date of Allotment

### Principal Redemption Schedule and Redemption Amounts

Set out below is the principal redemption schedule and the redemption amount for the Series IV NCDs, Series V NCDs, Series VII NCDs, and Series VIII NCDs, in relation to which the principal outstanding will be redeemed in a staggered manner:

Series	Series IV and V		Series VII and VIII	
	3 years		5 years	
	Redemption Schedule	Principal Outstanding	Redemption Schedule	Principal Outstanding
Face Value	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00

Series	Series IV and V		Series VII and VIII	
Tenure	3 years		5 years	
	Redemption Schedule	Principal Outstanding	Redemption Schedule	Principal Outstanding
1st Anniversary*	₹ 333.00	₹ 667.00	₹ 200.00	₹ 800.00
2nd Anniversary*	₹ 333.00	₹ 334.00	₹ 200.00	₹ 600.00
3rd Anniversary*	₹ 334.00	NIL	₹ 200.00	₹ 400.00
4th Anniversary*	NA	NA	₹ 200.00	₹ 200.00
5th Anniversary*	NA	NA	₹ 200.00	NIL

*\*of the Deemed Date of Allotment*

Category III and IV of Investors in this Tranche II Issue who are also holders of NCD(s)/bond(s) previously issued by our Company, and/or our holding company as the case may be, and/or are equity shareholder(s) of Indiabulls Housing Finance Limited as the case may be (“Primary Holder(s)”) on the Deemed Date of Allotment and applying in Series I, Series II, Series IV, Series V, Series VII and/or Series VIII shall be eligible for additional incentive of 0.25% p.a. provided the NCDs issued under this Tranche II Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series II, Series IV, Series V, Series VII and/or Series VIII.

Category III and IV of Investors in this Tranche II Issue who are also Primary Holder(s) on the Deemed Date of Allotment applying in Series III and/or VI, the maturity amount at redemption along with the additional yield would be ₹1,215.85 per NCD and/or ₹1,349.60 per NCD respectively provided the NCDs issued under this Tranche II Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series III and/or Series VI.

The additional incentive will be maximum of 0.25% p.a. for Category III and IV Investors in this Tranche II Issue, who are also Primary Holder(s) on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary Holder(s) of this Tranche II Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Tranche II Issue i.e., to the Primary Holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary Holder(s) sells/ gifts/ transfer any NCDs allotted in this Tranche II Issue, additional incentive will not be paid on such sold/ gifted/ transferred NCD except in case where NCDs are transferred to the joint holder/nominee in case of death of the primary holder.

## **Terms of payment**

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the Shelf Prospectus and this Tranche II Prospectus.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Tranche II Issue.**

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 (in case of Applicants applying for Allotment of the NCDs in dematerialised form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please see “*Issue Procedure*” on page 267 of this Tranche II Prospectus.

## TERMS OF THE ISSUE

### Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on November 14, 2022. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the Shareholders' *vide* their resolution approved at the annual general meeting dated August 1, 2018.

### Principal Terms and Conditions of this Tranche II 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 the Shelf Prospectus and this Tranche II Prospectus, the Application Forms, the Abridged Prospectus, 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/the Stock Exchanges, RBI 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 and senior obligations of our Company and shall be first ranking *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future, of our Company equal to the value of a minimum 1.25 times of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranking *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. Our Company confirms that all permissions and/or consents for creation of a *pari passu* charge on the book debts/ loans and advances/ receivables, both present and future as stated above, have been obtained from all relevant creditors, lenders and debenture trustees of our Company, who have an existing charge over the above mentioned assets. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier I capital.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020, our Company undertakes, inter alia, that the assets on which charge is created are already charged, the permissions or consent to create *pari passu* charge on the assets of the Company have been obtained from the earlier creditors.

### Security

The NCDs proposed to be issued will be secured by a first ranking *pari passu* charge by way of hypothecation in favor of the Debenture Trustee, on the financial and non-financial assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon, on a first ranking *pari passu* basis with all other secured lenders to the Issuer holding *pari-passu* charge over the security, as specifically set out in and fully described in the Debenture Trust Deed. The NCDs will have a security cover of minimum 1.25 times on the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on *pari passu* or exclusive basis thereon for its present and future financial requirements, provided that a minimum-security cover of 1.25 times on the principal amount and accrued interest thereon, is maintained, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection. However, if consent and/or intimation is required under applicable law, then the Company shall obtain such consents and/ or intimation in accordance with such law. 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.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest (“**CERSAI**”) or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Pursuant to the SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020, our Company has entered into the Debenture Trustee Agreement dated December 14, 2022 with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed before making the application for listing of the NCDs for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs, till the execution of the Debenture Trust Deed and in accordance with applicable laws. The security shall be created prior to making the listing application for the NCDs with the Stock Exchanges. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the “*Terms of the Issue – Security*” on page 246 of this Tranche II Prospectus. The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.

The Company, with the approval of its shareholders in terms of the resolution passed under Section 180(1)(a) of the Companies Act, 2013, has at its extraordinary general meeting held on August 9, 2014, provided consent to the Board of Directors to create charge on the assets of the Company and creation of such security for the Issue of the NCDs are within the authority of the Board.

### **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Regulation 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, the 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 the Tranche II Issue. The Company shall, as per the Companies (Share Capital and 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 of the NCD shall be ₹1,000.

### **Trustees for the NCD Holders**

We have appointed Beacon Trusteeship 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. We and the Debenture Trustee will execute a Debenture Trust Deed, before making the application for listing of NCDs, *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).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default:**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs (and is not cured within the permissible cure period(s) set out under the Debenture Trust Deed). 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 is committed in payment of the principal amount of the NCDs on the due date(s);
- (ii) default is committed in payment of any interest on the NCDs on the due date(s);
- (iii) 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;
- (iv) Default is committed if any information given by the Company in the 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;
- (v) Default is committed if the Company is unable to pay its material debts and has admitted in writing its inability to pay its debts as they mature;
- (vi) 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;
- (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) The Company ceases to carry on its business or gives notice of its intention to do so;
  - (ix) 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;
  - (x) 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;
  - (xi) 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;
  - (xii) 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);
  - (xiii) If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
  - (xiv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;
  - (xv) Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) opinion can constitute a material adverse effect;
  - (xvi) Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardizes or endangers any hypothecated properties or any part thereof, provided that such fall in security cover or dilution in security is not rectified within 30 days of the date of such event; or any event occurs which causes the Debenture Trust Deed or any related agreement to become ineffective;
  - (xvii) Default is committed if the Company a receiver or liquidator has been appointed or allowed to be appointed for any or the entire part of the undertaking of the Company;
  - (xviii) Any expropriation, attachment, sequestration, distress, execution or any other creditors' process affects hypothecated properties of the Company; and
  - (xix) Except as stated in the Debenture Trust Deed and this Tranche II Prospectus, any security created at any time during the tenure of the NCDs, without prior written consent of the Debenture Trustee (if required) 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.

Any other event described as an Event of Default in the Disclosure Documents/ 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 circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI.

### **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 receive notices or annual reports of, or 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. 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 on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the SEBI 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 the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialised Form. 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 NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialised form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialised Form. 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 dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders in accordance with Regulation 39 of the SEBI NCS Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus, 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**”) and 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, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialised form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Since the allotment of NCDs will be made only in dematerialised 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.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

### **Application in the Issue**

NCDs being issued through this Tranche II Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the 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, trading of the NCDs shall be compulsorily in dematerialised form only.

### **Form of Allotment and Denomination of NCDs**

The trading of the NCDs on the Stock Exchange shall be in dematerialised form only in multiples of one 1 (one) NCD (“**Market Lot**”). Allotment in the Tranche II Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs (“**Market Lot**”).

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

### **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.

### **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. 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 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. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure – Specific Terms of the NCDs*" on page 242 of this Tranche II Prospectus for the implications on the interest applicable to NCDs held by different category of 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 Issue shall be compulsorily in dematerialised form only.

### **Title**

The NCD Holder for the time being appearing in the record of beneficial owners maintained by the Depository 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.

### **Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognised 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.

### **Procedure for Re-materialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned

documents and details are not submitted along with the request for such rematerialisation.

### Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the 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 Issue shall be compulsorily in dematerialised form only.

### Period of Subscription

TRANCHE II ISSUE PROGRAMME		
<b>TRANCHE II ISSUE OPENS ON</b>		April 3, 2023
<b>TRANCHE II ISSUE CLOSES ON</b>		April 19, 2023*
<b>PAY IN DATE</b>		Application Date. The entire Application Amount is payable on Application
<b>DEEMED DATE OF ALLOTMENT</b>		The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee 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 in this Tranche II Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

*\*The Tranche II Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the 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 Bond Issue Committee thereof subject to receipt of necessary approvals and compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national and a daily regional newspaper with wide circulation 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, the 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. 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 5.00 p.m. (Indian Standard Time) on one Working Day post the Tranche II Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 237 of this Tranche II Prospectus.*

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 the 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 Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche II Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Operational Circular. However, in the event of oversubscription and thereafter, on such date, the allotments would be made to the applicants on proportionate basis.

### Interest/Premium and Payment of Interest/ Premium

#### Interest on NCDs

##### *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 and II Investors	9.60%
Category III and IV Investors	10.00%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.25%

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, 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 II NCD.

Category of NCD Holders	Coupon (% p.a.)
Category I and II Investors	9.20%
Category III and IV Investors	9.57%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	9.82%

Series II 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 III NCD***

In case of Series III 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 and II Investors	1,000	1,201.55
Category III and IV Investors	1,000	1,210.35
For Category III and IV Investors eligible for additional incentive/premium amount (₹/ NCD)	1,000	1,215.85

#### ***Series IV NCD***

In case of Series IV 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 IV NCD.

Category of NCD Holders	Coupon (% p.a.)
Category I and II Investors	9.75%
Category III and IV Investors	10.25%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.50%

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “- *Principal Redemption Schedule and Redemption Amounts*” on page 258 of this Tranche II Prospectus.

#### ***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 and II Investors	9.35%
Category III and IV Investors	9.80%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.05%

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “- *Principal Redemption Schedule and Redemption Amounts*” on page 258 of this Tranche II Prospectus.

#### **Series VI NCD**

In case of Series VI 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 and II Investors	1,000	1,322.30
Category III and IV Investors	1,000	1,340.45
For Category III and IV Investors eligible for additional incentive/premium amount (₹/ NCD)	1,000	1,349.60

#### **Series VII NCD**

In case of Series VII 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 VII NCD.

Category of NCD Holders	Coupon (% p.a.)
Category I and II Investors	10.00%
Category III and IV Investors	10.50%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.75%

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “- *Principal Redemption Schedule and Redemption Amounts*” on page 258 of this Tranche II Prospectus.

#### **Series VIII NCD**

In case of Series VIII 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 VIII NCD.

Category of NCD Holders	Coupon (% p.a.)
Category I and II Investors	9.57%
Category III and IV Investors	10.03%
For Category III and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.28%

Series VIII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “- *Principal Redemption Schedule and Redemption Amounts*” on page 258 of this Tranche II Prospectus.

#### **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 the NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable tenor, coupon/yield and redemption amount as at the time of original Allotment irrespective of the category of NCD Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

## **Taxation**

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 dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹5,000 in any financial year. If interest exceeds the prescribed limit of ₹5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Any tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 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.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this 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 actual/actual basis i.e., 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 (the “**Effective Date**”), however the calculation for future interest payments will continue to be as per the schedule originally stipulated. The dates of the future interest payments would continue to 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 Maturity 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.

**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 the SEBI Operational Circular is disclosed in Annexure D.

**Deemed Date of Allotment**

The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee 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 for this Tranche II Issue shall be available to NCD Holders from the Deemed Date of Allotment.

**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.

**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.**

**Maturity and Redemption**

The relevant interest will be paid in the manner set out in “*Terms of the Issue- Interest/ Premium and Payment of Interest/ Premium*” on page 254 of this Tranche II Prospectus. The last interest payment will be made at the time of redemption of the NCDs.

<b>Series</b>	<b>Maturity Period/ Redemption (as applicable)</b>
I	24 Months
II	24 Months
III	24 Months
IV*	36 Months
V*	36 Months
VI	36 Months
VII*	60 Months
VIII*	60 Months

**\*Principal Redemption Schedule and Redemption Amounts**

Set out below is the principal redemption schedule and the redemption amount for the Series IV NCDs, Series V NCDs, Series VII NCDs, and Series VIII NCDs, in relation to which the principal outstanding will be redeemed in a staggered manner. For further details, please see, “*Issue Structure –Specific Terms of NCDs*” on page 242 of this Tranche II Prospectus.

Series	Series IV and V		Series VII and VIII	
	3 years		5 years	
	Redemption Schedule	Principal Outstanding	Redemption Schedule	Principal Outstanding
Face Value	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00
1st Anniversary*	₹ 333.00	₹ 667.00	₹ 200.00	₹ 800.00
2nd Anniversary*	₹ 333.00	₹ 334.00	₹ 200.00	₹ 600.00
3rd Anniversary*	₹ 334.00	NIL	₹ 200.00	₹ 400.00
4th Anniversary*	NA	NA	₹ 200.00	₹ 200.00
5th Anniversary*	NA	NA	₹ 200.00	NIL

*\*of the Deemed Date of Allotment*

### **Put / Call Option**

NA

### **Form and Denomination**

In case of NCDs held under different series, as specified in this Tranche II Prospectus, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series. It is however distinctly to be understood that the NCDs pursuant to this Tranche II issue shall be traded only in dematerialised form. Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

### **Terms of Payment**

The entire issue price per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and this Tranche II Prospectus.

### **Manner of Payment of Interest / Refund / Redemption**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

#### ***For NCDs held in physical form on account of rematerialisation***

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be along with the rematerialisation request.

#### ***For NCDs applied / held in electronic form:***

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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 ₹2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

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 refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

## **Loan against NCDs**

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

## **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

## **Form and Denomination 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 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.

## **Record Date**

15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under this Tranche II Prospectus or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding Working Day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date.

## **Procedure for Redemption by NCD Holders**

### ***NCDs held in physical form pursuant to rematerialisation of NCDs:***

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. Also see the para "Payment on Redemption" given below.

***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 rematerialisation***

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). Despatch 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. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards his/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.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

***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 Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

*\*In the event, the interest / pay out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹1,838.*

### **Recovery Expense Fund**

The Company has created a recovery expense fund and deposited an amount of ₹25 lakhs towards recovery expense fund (“**Recovery Expense Fund**”/ “**REF**”) with the Designated Stock Exchange in the manner as specified by SEBI from time to time and informed the Debenture Trustee about the same.

The Recovery Expense fund may be utilised by Debenture Trustee, in the event of default by the Company, for taking appropriate legal action to enforce the security.

### **Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

### **Right to reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, 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 re-issue 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 re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

### **Sharing of Information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, 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 at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

### **Future Borrowings**

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals, intimations or permissions that may be required under any statutory/regulatory/contractual

requirement, and subject to the stipulated minimum security cover being maintained, and no event of default has occurred and is continuing and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate. If the future borrowing leads to the change in structure of existing debt(s), the issuer shall, as per the applicable laws, be permitted to borrow after obtaining the consent of or intimation to the Debenture Holders or the Debenture Trustee acting on behalf and for the benefit of the Debenture Holders. Furthermore, the Issuer shall ensure if the assets are already charged to secure a debt, the permissions or consents to create a second or *pari-passu* charge on such assets of the issuer have been obtained from the earlier creditor in accordance with applicable laws.

### **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”

### **Pre-closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to compliance with Regulation 33A of the SEBI NCS Regulations and receipt of minimum subscription or as may be specified in the Shelf Prospectus and 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 herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

### **Minimum Subscription**

In terms of the 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 (i.e., ₹100 crores). If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Tranche II Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Tranche II Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% 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 in the SEBI Operational Circular.

### **Utilisation of Application Amount**

The sum received in respect of the Tranche II Issue will be kept in separate bank accounts until the documents for creation of security are executed and on receipt of listing and trading approval we will have access to such funds as



per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Tranche II Issue Proceeds**

1. All monies received pursuant to the 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 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all utilised and unutilised monies out of the monies collected out of Tranche II Issue and previous issues made by way of public offers, if any, shall be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such issue remain unutilised, indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested;
4. The Tranche II Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia*, by way of a lease, of any immovable property;
5. We shall utilise the Tranche II Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to Tranche II Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of *pari passu* charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Tranche II Prospectus in the section titled "*Issue Structure*" on page 237 of this Tranche II Prospectus;
6. The Tranche II Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Tranche II Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
7. 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.

### **Guarantee/Letter of Comfort**

The Tranche II Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Arrangers to the Issue**

There are no arrangers to the Tranche II Issue.

### **Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to applicable laws.

## **Lien on Pledge of NCDs**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

## **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. Our Board shall monitor the utilisation of the proceeds of the Tranche II Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Tranche II Issue.

## **Procedure for Rematerialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

## **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

## **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options 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 including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

## **Filing of this Tranche II Prospectus with the RoC**

A copy of this Tranche II Prospectus will be filed with the RoC, in accordance with Section 26 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 contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations. Material updates, if any, between the date of filing of this Tranche II Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

## ISSUE PROCEDURE

*This section applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Tranche II Issue through the ASBA process. 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.*

*In addition, specific attention is invited to SEBI Operational, whereby investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to ₹5,00,000.*

*ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs 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 the Shelf Prospectus and this Tranche II Prospectus.*

*The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular. The Direct Online Application facility will be available for this Issue.*

*Retail Individual Investors should note that they may use the UPI Mechanism to block funds for application value up to ₹5,00,000 submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*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 date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.*

**PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE TRANCHE II ISSUE OPENING DATE AND THE TRANCHE II ISSUE CLOSING DATE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGES.**

*For purposes of the Issue, the term “Working Day” shall mean, all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.*

The information below is given for the benefit of the investors. Our Company and the Members of Consortium 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.

## PROCEDURE FOR APPLICATION

### Availability of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus, and Application Forms

**Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.**

**Please note that there is a single Application Form for Applicants who are Persons Resident in India.**

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and this Tranche II Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers;
3. Offices of the Consortium Members;
4. Registrar to the Issue
5. Designated RTA Locations for RTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Shelf Prospectus and this Tranche II Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

### Who can apply?

The following categories of persons are eligible to apply in the Issue:

Category I Institutional Investors	Category II Non-Institutional Investors	Category III High Individual, Investors	Net-worth ("HNIs"),	Category IV Retail Investors	Individual
<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;</li> </ul>	<ul style="list-style-type: none"> <li>• Companies within the meaning of section 2(20) of the Companies Act, 2013;</li> <li>• Statutory Bodies/ Corporations and Societies registered under the applicable laws in India and</li> </ul>	Resident individuals or Undivided through the Karta applying for an amount aggregating to above ₹1 million across all Series of NCDs in Issue	Indian or Hindu Families applying through the Karta applying for an amount aggregating to above ₹1 million across all Series of NCDs in Issue	Resident individuals or Undivided through the Karta applying for an amount aggregating up to and including ₹1 million across all Series of NCDs in Issue and shall include Retail Individual	Indian or Hindu Families applying through the Karta applying for an amount aggregating up to and including ₹1 million across all Series of NCDs in Issue and shall include Retail Individual

<b>Category I Institutional Investors</b>	<b>Category II Non-Institutional Investors</b>	<b>Category III High Individual, Investors Net-worth ("HNIs"),</b>	<b>Category IV Retail Individual Investors</b>
<ul style="list-style-type: none"> <li>• Provident funds, pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>• Mutual Funds registered with SEBI</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per the last audited financial statements;</li> <li>• National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated</li> </ul>	<p>authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> <li>• Co-operative banks and regional rural banks</li> <li>• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons.</li> </ul>		<p>Investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.</p>

Category I Institutional Investors	Category II Non-Institutional Investors	Category III High Individual, Investors	Net-worth ("HNIs"),	Category IV Retail Investors	Individual
November 23, 2005 of the Government of India published in the Gazette of India.					

**Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Tranche II Issue and any applications from such persons are liable to be rejected.**

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Tranche II Issue.**

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Tranche II Issue.

#### **Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in the Tranche II Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name\*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of 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 the Tranche II Issue.

Please refer to “– *Rejection of Applications*” on page 290 of this Tranche II Prospectus for information on rejection of Applications.

## Method of Applications

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.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the SEBI Operational Circular, directed recognised Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Operational Circular.

All Applicants shall mandatorily apply in the Tranche II Issue through the ASBA process only. Applicants intending to subscribe in the 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 Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead 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. **Through 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 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 lakhs 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 Exchanges (App/Web interface)

- 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 Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
- b. The Stock Exchanges have extended their web-based platforms i.e. 'BSEDirect' 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:

<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> .

## APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarised below.

### Applications by Mutual Funds

Pursuant to the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 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 Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Application by Commercial Banks, Co-operative Banks and Regional Rural Banks**

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Tranche II Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Pursuant to SEBI Operational Circular, 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 Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Companies can apply in the 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) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. 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.

#### **Application by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (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, therefore.**

#### **Application by Indian Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Tranche II Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Tranche II Issue must ensure that (a) they are authorised 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 authorised 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 authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by National Investment Fund**

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications 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 authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Indian scientific and/or industrial research organisations, which are authorised 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 authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

#### **Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)**

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorising investment and containing operating instructions; (iv) Specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead 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/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

### **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM**

#### ***Submission of Applications***

This section is for the information of the Applicants proposing to subscribe to the Tranche II Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to

receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker 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 Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.sebi.gov.in)) and updated from time to time.

Applications can be submitted through either of the following modes:

1. 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 ASBA 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 ASBA 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 registering such ASBA Applications.
2. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Members of Consortium 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 ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). 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 the Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges 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 Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.
2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Tranche II Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. However, the relevant branches of the SCSBs at Specified Cities can accept Applications from the Members of Consortium 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, if the Applications have been uploaded. For further information on the Issue programme, please refer to “*General Information – Tranche II Issue Schedule*” on page 59 of this Tranche II Prospectus.
3. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

**Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialised form only.**

#### **Submission of Direct Online Applications**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.*

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche II Issue.

**As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.**

#### **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 and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first

- Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names.
  - Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the 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.
  - Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same Series or across different Series. Applicants may apply for one or more Series of NCDs Applied for in a single Application Form.
  - It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of applied for.
  - If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
  - Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
  - Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), 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 Members of the Syndicate or Trading Members of the stock exchange(s), 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>).
  - 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 Members of Consortium, Trading Members of the Stock Exchanges 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 Transaction Registration Slip (TRS). This TRS 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, Trading Member of the Stock Exchanges 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.
  - 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.

The Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange 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 the Series IV of NCDs, 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**

**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.**

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised 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 dematerialised form and entered into the electronic system of the Stock Exchanges 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 dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID, Client ID and UPI ID provided by the Applicant in the Application Form for Allotment in dematerialised 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 refund orders/sending refunds 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 Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges 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 refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (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 refund orders/ 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 (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

**Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges 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 the Shelf Prospectus and 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 refund order and mailing of refund orders/ 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 authorised 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 the 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 the 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 four parameters, namely, DP ID, Client ID, PAN and UPI ID, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialised 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.

### **C. Unified Payments Interface (UPI)**

Pursuant to the SEBI Operational Circular, the UPI Mechanism is applicable for public debt issues as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

### **D. 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.



## E. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

## F. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Series of NCDs, subject to a minimum application size 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 ₹10 lakhs shall be deemed 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 the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

### 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 Company.
- h. 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.

- 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 authorise the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the Tranche II 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 Issue closure, 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 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 BSE Direct issued by BSE on December 28, 2020 and May 19, 2022, the investor shall also be responsible for the following:
  - i. Investor shall check the 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.
- y. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 the investor shall also be responsible for the following:
  - i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
  - ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
  - iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
  - iv. UPI mandate can be accepted 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.
  - v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
  - vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.
- z. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the app/ web interface of Stock Exchange(s).

Kindly note, the Stock Exchange(s) 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.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar.

### **Do's and Don'ts**

Applicants are advised to take note of the following while filling and submitting the Application Form:

## Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus and 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 the Tranche II Issue.
4. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialised 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 the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder.
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
8. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be.
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock 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 the Tranche II Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchanges 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 the Issue programme, please see "*General Information – Tranche II Issue Schedule*" on page 59 of this Tranche II Prospectus.
16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
17. 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.
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form and

- tick the Series of NCDs in the Application Form that you wish to apply for.
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹5,00,000.
  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 have correctly signed the authorisation /undertaking 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 Bid 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 the Offer 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.
  23. Ensure that you have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, bank name, bank branch as applicable) in the Application Form.
  24. In case of Retail Individual Investor submitting their Bids and participating in the Offer 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.
  25. 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](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)

**In terms of SEBI Operational Circular, 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 the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.**

**Don'ts:**

1. Do not apply for lower than the minimum application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, sub-brokers, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit an Application Form using UPI ID, if the Application is for an amount more than ₹5,00,000.
10. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.
11. 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.
12. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
13. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

14. 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.
15. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
16. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
17. Do not apply if you are a person ineligible to apply for NCDs under the 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).
18. Do not make an application of the NCD on multiple copies taken of a single form.
19. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Tranche II Issue.
20. Do not submit more than five Application Forms per ASBA Account.
21. 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.

**Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities 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 Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).**

**Please refer to “*Rejection of Applications*” on page 290 of this Tranche II Prospectus for information on rejection of Applications.**

#### **TERMS OF PAYMENT**

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the 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.

**ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium 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 the Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 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 the Tranche II Issue or until rejection of the ASBA Application, as the case may be.

An Applicant may 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 Exchanges 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.

#### **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 Exchanges.

#### **Additional Instructions for Retail Individual Investors using the UPI mechanism:**

- a. 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.
- b. 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 exchanges App/Web interface.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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.
- h. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorise blocking

of funds equivalent to application amount and subsequent debit of funds in case of allotment.

- 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 bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Tranche II Issue.
- k. 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.
- l. 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.
- m. 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.
- 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(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
- q. 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.
- r. Post closure of the 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.

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

<b>Mode of Submission of Application Forms</b>	<b>To whom the Application Form has to be submitted</b>
ASBA Applications	<ol style="list-style-type: none"> <li>(i) If using <u>physical Application Form</u>, (a) to the Members of Consortium or Trading Members of the Stock Exchanges only at the Specified Cities (“<b>Syndicate ASBA</b>”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</li> <li>(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</li> </ol>

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.*



**No separate receipts will be issued for the Application Amount payable on submission of Application Form.** However, the Members of Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

### **Electronic Registration of Applications**

- (a) The Members of Consortium, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of Consortium, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Tranche II Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of the Stock Exchanges and the SCSBs during the Tranche II Issue Period. The Members of Consortium and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche II Issue Closing Date. On the Tranche II Issue Closing Date, the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the 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. For further information on the Tranche II Issue programme, please refer to “*General Information – Tranche II Issue Schedule*” on page 59 of this Tranche II Prospectus.
- (c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each Series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Bank account number
  - Application amount

- (d) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each Series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Location of Specified City
  - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) Applications can be rejected on the technical grounds listed on page 290 of this Tranche II Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges 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, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of 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 Exchanges.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs 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 for reconciliation with the data available with the NSDL and CDSL.

## REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Bond Issue Committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants.
- ii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant.
- iii. 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.
- iv. 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.
- v. Applications where a registered address in India is not provided for the Applicant.
- vi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s).
- vii. DP ID and Client ID not mentioned in the Application Form;
- viii. GIR number furnished instead of PAN.
- ix. Applications by OCBs.
- x. Applications for an amount below the minimum application size.
- xi. Submission of more than five ASBA Forms per ASBA Account.
- xii. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals.
- xiii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
- xiv. Applications accompanied by Stock invest/cheque/ money order/ postal order/ cash.
- xv. If an authorisation to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- xvi. 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).
- xvii. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xviii. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- xix. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
- xx. 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.
- xxi. Application Forms submitted to the Members of Consortium or Trading Members of the Stock Exchanges or Designated Branches of the SCSBs does not bear the stamp of the relevant Member of Consortium or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be.
- xxii. Applications not having details of the ASBA Account to be blocked.
- xxiii. 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.
- xxiv. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- xxv. SCSB making an application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues.
- xxvi. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law.
- xxvii. Authorisation to the SCSB for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has been not provided.
- xxviii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI

- or any other regulatory authority.
- xxix. Applications by any person outside India.
  - xxx. Applications by other persons who are not eligible to apply for NCDs under the Tranche II Issue under applicable Indian or foreign statutory/regulatory requirements.
  - xxxi. Applications not uploaded on the online platform of the Stock Exchange.
  - xxxii. Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchanges, as applicable.
  - xxxiii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Shelf Prospectus and this Tranche II Prospectus and as per the instructions in the Application Form.
  - xxxiv. 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.
  - xxxv. 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.
  - xxxvi. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number.
  - xxxvii. Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained.
  - xxxviii. Applications tendered to the Trading Members of the Stock Exchanges at centres other than the centres mentioned in the Application Form.
  - xxxix. Investor Category not ticked.
  - xl. 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.
  - xli. The UPI Mandate Request is not approved by the Retail Individual Investor.
  - xlii. Forms not uploaded on the electronic software of the Stock Exchange.

**Kindly note that Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges 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 Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalisation of the basis of allotment, please refer to “– *Information for Applicants*” on page 295 of this Tranche II Prospectus.

## **BASIS OF ALLOTMENT**

### **Basis of Allotment for NCDs**

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the manner stated below.

#### **Allocation Ratio**

Grouping of the application received will be then done in the following manner:

For the purposes of basis of allotment:

1. Applications received from Category I Investors: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
2. Applications received from Category II Investors: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
3. Applications received from Category III Investors: Applications received from Applicants belonging to

Category III shall be grouped together, (“**High Net-worth Individual Category Portion**”).

4. Applications received from Category IV Investors: 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**”.

<b>Institutional Portion</b>	<b>Non-Institutional Portion</b>	<b>High Net-worth Individual Category Portion</b>	<b>Retail Individual Investors Portion</b>
30%	10%	30%	30%

(a) *Allotments in the first instance:*

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 30% 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 30% 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 30% 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 292 of this Tranche II Prospectus.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche II Issue. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “**Tranche II Limit**”.

- (b) 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 Exchanges, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription and thereafter, the allotments would be made to the applicants on proportionate basis.

(c) Under Subscription

- (i) Retail Individual Investor Portion;
- (ii) High Net worth Individual Portion;
- (iii) Non-Institutional Portion; and

(iv) Institutional Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

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 Tranche II 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.

- (d) For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchanges 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 and thereafter exceeds NCDs to be allotted for each Portion respectively.
- (e) Minimum allotment of ten NCDs and in multiples of one NCD thereafter would be made in case of each valid Application.
- (f) Allotments in case of oversubscription: In case of an oversubscription in any of the Categories, 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 NCDs to the Applicants on a first come first basis up to the date falling 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 into the Electronic Book with Stock Exchanges, in each Portion).
- (g) 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 Issue size, 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 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 Issue size, 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 into the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given today 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 Tranche II Issue period. For the sake of clarity, the allotment in case of oversubscription, shall be done as per the SEBI Operational Circular.
- (h) Proportionate Allotments: For each Portion, on the date of oversubscription:
- (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
  - (ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, 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; and

- (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalized by draw of lots in a fair and equitable manner.
- (i) 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 Managers and Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 8 series and in case such Applicant cannot be allotted all the 8 series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e., allotment of NCDs with tenor of 24 months followed by allotment of NCDs with tenor of 36 months and so on.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue size 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.

#### **Information for Applicants**

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

#### **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.

#### **ISSUANCE OF ALLOTMENT ADVICE**

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Tranche II Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken 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 Account(s) of the Applicants within 6 (six) 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.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Tranche II Issue.

#### **OTHER INFORMATION**

##### **Withdrawal of Applications during the Tranche II Issue Period**

### *Withdrawal of Applications*

Applicants can withdraw their Applications during the Tranche II Issue Period by submitting a request for the same to Consortium Member, Trading Member of the Stock Exchanges or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Consortium Member, or Trading Members of the Stock Exchanges at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges 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 finalisation of the Basis of Allotment.

### **Early Closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to compliance with Regulation 33A of the SEBI NCS Regulations and receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche II Issue Closing Date, or such time as may be specified by SEBI. In case of failure of the Tranche II 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 (fifteen) percent per annum from the scheduled listing date till the date of actual payment.

### **Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, 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. 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 Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Consortium Member, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs 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 for reconciliation with the data available with the NSDL and CDSL.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

- i. Tripartite agreement dated July 15, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 1, 2010 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- vii. 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.
- viii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialised form only.

Please also refer to “– *Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details*” on page 279 of this Tranche II Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialise the NCDs Allotted under the Tranche II Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Communications**

All future communications in connection with Applications made in this Tranche II Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Managers, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any

pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, or credit of NCDs in the respective beneficiary accounts, as the case may be.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by the Issuer**

#### *Statement by the Board:*

- (a) All monies received pursuant to the 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 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; 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 utilised and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilised indicating the purpose for which such monies have been utilised, and the securities or other forms of financial assets in which such unutilised monies have been invested;
- (e) Undertaking by our Company for execution of Debenture Trust Deed;
- (f) We shall utilise the Tranche II Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche II Prospectus, on receipt of the minimum subscription of 75% of the Base Issue Size and receipt of listing and trading approval from the Stock Exchange.
- (g) The Tranche II Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.
- (h) The allotment letter shall be issued or application money shall be refunded within 15 days from the closure of the Tranche II Issue or such lesser time as may be specified by Securities and Exchange Board of India, 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 the 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 6 Working Days of the Tranche II Issue Closing Date;
- d) Funds required for dispatch of refund orders/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 the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Tranche II Issue as contained in this Tranche II Prospectus and the Shelf Prospectus.
- g) Our Company shall make necessary disclosures/reporting under any other legal and regulatory requirement as

- may be required by our Company from time to time.
- h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.
  - i) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within six 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;
  - j) We have created a recovery expense fund in the manner as maybe specified by SEBI from time to time and shall inform the Debenture Trustee about the same

We undertake that the assets on which charge is created, 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.

## SECTION VIII: 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 at the Corporate Office of our Company situated at One International Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 and Plot No.422B, Udyog Vihar, Phase – IV, Gurugram 122016, Haryana, India between 10 am to 5 pm on any Working Day (Monday to Friday) from the date of filing of this Tranche II Prospectus with Stock Exchanges until the Tranche II Issue Closing Date.

### MATERIAL CONTRACTS

1. Issue Agreement dated December 15, 2022 executed between our Company and the Lead Managers.
2. Registrar Agreement dated December 14, 2022 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated December 14, 2022 executed between our Company and the Debenture Trustee.
4. The agreed form of the Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
5. Tripartite agreement dated July 15, 2016 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated July 1, 2010 among our Company, the Registrar and NSDL.
7. Consortium Agreement dated March 23, 2023 between our Company, the Lead Managers and the Consortium Members.
8. Public Issue Account and Sponsor Bank Agreement dated March 23, 2023 between our Company, the Lead Managers, the Registrar to the Issue and Banker to the Issue.

### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. The certificate of incorporation of our Company dated July 7, 2006, issued by Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Certificate of registration dated April 16, 2015 bearing registration no. N-14.03136 issued by RBI to carry on the business of a non-banking financial institution without accepting public deposits under section 45-IA of the Reserve Bank of India Act, 1934.
4. Copy of shareholders resolution passed at the EGM of our Company held on August 1, 2018 under section 180 (1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated November 14, 2022, approving the issue of NCDs
6. Copy of the resolution passed by Bond Issue Committee at its meeting held on December 19, 2022, approving the Draft Shelf Prospectus.
7. Copy of the resolution passed by Bond Issue Committee at its meeting held on December 30, 2022, approving the Shelf Prospectus.
8. Copy of the resolution passed by Bond Issue Committee at its meeting held on March 27, 2023, approving this Tranche II Prospectus.
9. Credit rating letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847 dated September 23, 2022 and further revalidated *vide* letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/1 dated November 7, 2022, letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/2 dated December 7, 2022 and letter bearing reference number RL/INDBIC/302054/RBOND/0922/43363/97906847/3 dated February 6, 2023 and rationale dated September 22, 2022, by CRISIL Ratings assigning a rating “CRISIL AA/Stable” (pronounced as CRISIL double A rating with stable outlook) for the Tranche II Issue.
10. Credit rating letter bearing reference no. ICRA/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 2022 and further revalidated *vide* letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/18112022/01 dated November 18, 2022, letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/19122022/01 dated December 19, 2022 and letter bearing reference number ICRA/Indiabulls Commercial Credit Limited/10022023/01 dated February 10, 2023 and rationale dated April 5, 2022, by ICRA Limited assigning a rating “[ICRA]AA (Stable)” (pronounced as ICRA double A rating with a stable outlook) for the Tranche II Issue.

11. Consents in writing of the Directors, Company Secretary and Compliance Officer, Chief Executive Officer, Lead Managers, the Registrar to the Issue, Legal Advisor to the Issue, Credit Rating Agencies, CRISIL in relation to the CRISIL Report, the Debenture Trustee, Chief Financial Officer, Public Issue Account Bank and Sponsor Bank, Refund Bank, Consortium Members, and lenders, to include their names in this Tranche II Prospectus, in their respective capacities and consents from the relevant lenders, debenture trustees and security trustees for ceding *pari passu* charge in relation to the NCDs.
12. Consent letter dated December 7, 2022 from CRISIL in respect of permission to use and disclose the contents (along with the extracts of the content) of the industry report titled 'NBFC Report' released in Mumbai in November 2022 for the section on '*Industry Overview*' in the Shelf Prospectus.
13. Written consent both dated March 27, 2023, respectively, of the Statutory Auditors of our Company, HEM Sandeep & Co, Chartered Accountants and Rao & Emmar, Chartered Accountants to include their name as required under section 26(1) of the Companies Act, 2013 read with the 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 our Statutory Auditors, and in respect of their examination report dated December 15, 2022, on our Reformatted Financial Information and the limited review report dated February 14, 2023, on our Limited Review Financial Results as included in this Tranche II Prospectus, and such consent has not been withdrawn as on the date of this Tranche II Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
14. Consent of Ajay Sardana Associates, Tax Auditors of the Company, for inclusion their name and statement of tax benefits dated March 27, 2023 in the form and context in which they appear in this Tranche II Prospectus.
15. Statutory Auditor's examination report dated December 15, 2022, in relation to the Reformatted Financial Information included therein.
16. The Statutory Auditor's limited review report dated February 14, 2023 in relation to the Limited Review Financial Results included therein.
17. Statement of tax benefits dated March 27, 2023, issued by Tax Auditors of the Company.
18. Annual Report of our Company for the last three Fiscals.
19. In-principle approval from BSE by its letter no. DCS/BM/PI-BOND/019/22-23 dated December 28, 2022.
20. In-principle approval from NSE by its letter no. NSE/LIST/D/2022/0192 dated December 28, 2022.
21. Due diligence certificates dated December 19, 2022, from the Debenture Trustee to the Issue.
22. Due diligence certificate dated March 27, 2023 filed by the Lead Managers with SEBI.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that:

- a. all applicable legal requirements in connection with the Tranche II Issue and the Company, including relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable as on this date, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended, and rules, regulations, guidelines and circulars issued by the Government of India, the rules, regulations, guidelines and circulars issued by the Reserve Bank of India, and the rules, regulations, guidelines and circulars issued by Securities and Exchange Board of India including, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be, have been complied with;
- b. no statement made in this Tranche II Prospectus is contrary to the relevant provisions of any rules, regulations, guidelines and circulars as applicable to this Tranche II Prospectus;
- c. compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of debt securities, is guaranteed by the Central Government;
- d. the monies received under the Tranche II Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus;
- e. all the disclosures and statements in this Tranche II Prospectus and in the attachments thereto are true, accurate, correct and complete 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, false or misleading;
- f. this Tranche II Prospectus does not contain any misstatements; and
- g. 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.

**Signed by the Board of Directors of the Company**

---

**Mr. Ajit Kumar Mittal**  
Non-Executive Chairman  
DIN: 02698115

---

**Mr. Rajiv Gandhi**  
Managing Director and CEO  
DIN: 09063985

---

**Mr. Anil Malhan**  
Non-Executive Director  
DIN: 01542646

---

**Ms. Preetinder Virk**  
Non-Executive Director  
DIN: 02398827

---

**Mr. Dinabandhu Mohapatra**  
Independent Director  
DIN: 07488705

---

**Mr. Satish Chand Mathur**  
Independent Director  
DIN: 03641285

**Date:** March 27, 2023

**Place:** Mumbai

**ANNEXURE A – CREDIT RATING FROM CRISIL**

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RL/INDBIC/302054/RBOND/0922/43363/97906847

September 23, 2022

Mr. Ashwini Kumar Hooda  
Managing Director  
Indiabulls Commercial Credit Limited  
Indiabulls Finance Centre, Tower 1,  
17th floor Senapati Bapat Marg, Elphinstone  
Mumbai City - 400013



Dear Mr. Ashwini Kumar Hooda,

Re: Review of CRISIL Rating on the Rs.4508.83 Crore Retail Bond\* of Indiabulls Commercial Credit Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating on 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.

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](http://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](mailto: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](mailto: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



\*Includes Secured NCD and/or Unsecured Subordinated Debt

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301



# Ratings

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RL/INDBIC/302054/RBOND/0922/43363/97906847/1  
November 07, 2022

**Mr. Ashwini Kumar Hooda**  
Managing Director  
**Indiabulls Commercial Credit Limited**  
Indiabulls Finance Centre, Tower 1,  
17th floor Senapati Bapat Marg, Elphinstone  
Mumbai City - 400013



Dear Mr. Ashwini Kumar Hooda,

**Re: CRISIL Rating on the Rs.4508.83 Crore Retail Bond\* of Indiabulls Commercial Credit Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.  
Please refer to our rating letter dated September 23, 2022 bearing Ref. no:  
RL/INDBIC/302054/RBOND/0922/43363/97906847

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Retail Bond	4508.83	CRISIL AA/Stable

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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



\*Includes Secured NCD and/or Unsecured Subordinated Debt

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# Ratings

# CRISIL

An S&P Global Company

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RL/INDBIC/302054/RBOND/0922/43363/97906847/2  
December 07, 2022

**Mr. Ashwini Kumar Hooda**  
Managing Director  
**Indiabulls Commercial Credit Limited**  
Indiabulls Finance Centre, Tower 1,  
17th floor Senapati Bapat Marg, Elphinstone  
Mumbai City - 400013



Dear Mr. Ashwini Kumar Hooda,

**Re: CRISIL Rating on the Rs.4508.83 Crore Retail Bond\* of Indiabulls Commercial Credit Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.  
Please refer to our rating letter dated November 07, 2022 bearing Ref. no:  
RL/INDBIC/302054/RBOND/0922/43363/97906847/1

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Retail Bond	4508.83	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.

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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



*\*Includes Secured NCD and/or Unsecured Subordinated Debt*

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CRISIL Ratings Limited  
(A subsidiary of CRISIL Limited)  
Corporate Identity Number: U67100MH2019PLC326247

# Ratings

# CRISIL

An S&P Global Company

CONFIDENTIAL

RL/INDBIC/302054/RBOND/0922/43363/97906847/3  
February 06, 2023

**Mr. Rajiv Gandhi**  
Managing Director and Chief Executive Officer  
**Indiabulls Commercial Credit Limited**  
Indiabulls Finance Centre, Tower 1,  
17th floor Senapati Bapat Marg, Elphinstone  
Mumbai City - 400013



Dear Mr. Rajiv Gandhi,

**Re: CRISIL Rating on the Rs.4508.83 Crore Retail Bond\* of Indiabulls Commercial Credit Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.  
Please refer to our rating letter dated December 07, 2022 bearing Ref. no:  
RL/INDBIC/302054/RBOND/0922/43363/97906847/2

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
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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



\*Includes Secured NCD and/or Unsecured Subordinated Debt

**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

CRISIL Ratings Limited  
(A subsidiary of CRISIL Limited)  
Corporate Identity Number: U67100MH2019PLC326247

# Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



## Rating Rationale

September 22, 2022 | Mumbai

### Indiabulls Commercial Credit Limited

Ratings Reaffirmed

#### Rating Action

Total Bank Loan Facilities Rated	Rs.2500 Crore
Long Term Rating	CRISIL AA/Stable (Reaffirmed)

Rs.4508.83 Crore Retail Bond*	CRISIL AA/Stable (Reaffirmed)
Rs.500 Crore Subordinated Debt	CRISIL AA/Stable (Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.1250 Crore Non Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.123.62 Crore Non Convertible Debentures# (Reduced from Rs.1991.17 Crore)	CRISIL AA/Stable (Reaffirmed)
Rs.3000 Crore Commercial Paper Programme	CRISIL A1+ (Reaffirmed)

\*Includes Secured NCD and/or Unsecured Subordinated Debt

#public issue of retail secured redeemable non-convertible debenture

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AA/Stable/CRISIL A1+' ratings on the long term bank facilities and debt instruments of Indiabulls Commercial Credit Limited (ICCL; wholly owned subsidiary of Indiabulls Housing Finance Limited [IBHFL; rated 'CRISIL AA/Stable/CRISIL A1+']). CRISIL Ratings has also withdrawn its rating on Rs 1867.55 crore NCDs on redemption, in-line with its withdrawal policy.

The ratings continue to reflect CRISIL Ratings' expectation that IBHFL will maintain its strong capitalisation, with healthy cover for asset-side risks, comfortable asset quality in the retail segments and sizeable presence in retail mortgage finance. The ratings also factor in the company's susceptibility to asset quality risks arising from the commercial real estate portfolio and the need to demonstrate the ability to successfully transition to its planned new funding-light business model.

#### Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of IBHFL and its subsidiaries. This is because of substantial operational and management integration, 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.

#### Key Rating Drivers & Detailed Description

##### Strengths:

##### Strong capitalisation with healthy cover for asset-side risks

Capitalisation is marked by sizeable network of Rs 16,727 crore as on June 30, 2022, supported by healthy internal accruals. Accruals of Rs 1,988 crore from sale of bulk of its investment in OakNorth Bank in fiscal 2021 also contributed to the strengthening of capital position. Network coverage for net non-performing assets (NPAs) was also comfortable at around 13.4 times as on June 30, 2022. Consolidated Tier-1 capital adequacy ratio (CAR) was healthy at 27.5% as on June 30, 2022, as was total CAR at 34%. Consolidated on-book gearing was comfortable at 2.8 times as on June 30, 2022 (3.2 times as on March 31, 2022). Given the strong liquidity that IBHFL maintains on a steady-state basis, net gearing was 2.5 times as on March 31, 2022 (2.6 times as on March 31, 2022).

The company has demonstrated strong ability to raise capital including the Rs 683 crore equity raised through qualified institutional placement [QIP] in fiscal 2021 and Rs 293 crore through stake sale in Oaknorth Bank in fiscal 2022. Strong capitalisation should continue to support the company's overall financial risk profile over the medium term.

### **Comfortable asset quality in retail segments**

IBHFL reported overall gross NPAs of 3.0% as on June 30, 2022 compared to 3.2% as on March 31, 2022 (2.7% as on March 31, 2021). The uptick in fiscal 2022 has been due to higher delinquencies in the housing loan and loan against property (LAP) segments on account of the second wave of Covid-19 coupled with de-growth in AUM. Nevertheless, asset quality has improved in Q1FY23 and remains comfortable in these segments (together forming 88% of AUM as on June 30, 2022) with gross NPAs at 1.4% and 2.5%, respectively. The extent of one-time debt restructuring (OTR) under the Covid-19 relief scheme has been also limited; book restructured under OTR 1.0 and 2.0 was Rs 155 crore as on March 31, 2022.

With a few high-ticket slippages in commercial credit book over past few years and continued traction in refinancing of this portfolio resulting in a de-growth, gross NPAs in this segment remain elevated at 12.2% as on June 30, 2022.

Nevertheless, the company's risk-mitigating measures are prudent, in the form of conservative loan-to-value ratios (averaging around 44%) in the LAP segment, and emphasis on collateral with sufficient cover in the commercial real estate segment. However, any sharp increase in NPAs, mainly in the commercial credit portfolio, and its impact on profitability will remain key rating sensitivity factors for IBHFL.

### **Sizeable presence in the retail mortgage finance segment**

IBHFL's total AUM stood at Rs 73,047 crore as on June 30, 2022. The share of housing loans within the overall AUM continues to increase and was at 71% as on June 30, 2022 as compared to 50% as on March 31, 2015. The company's LAP portfolio accounted for 17% of the overall AUM as on June 30, 2022, with remaining 12% being towards commercial credit. The proportion of housing loans and LAP is expected to increase further from the current levels over the medium term.

Given the challenging operating environment, overall AUM declined 8% year-on-year as on June 30, 2022, on account of lower disbursements as well as higher prepayments/sell-down in commercial credit book. This is also because of the current business transition with more focus on a granular portfolio. However, AUM has shown an improvement on Q-o-Q basis by 1.2% in Q1FY23. The overall disbursements during fiscal 2022 were Rs 11,091 crore, impacted due to pandemic induced localized lockdowns but pick up seen in second half of the year; disbursements during first quarter of fiscal 2023 were Rs 3,515 crore. IBHFL's overall AUM growth is expected to be subdued over the next couple of quarters as it recalibrates its business model, but is expected to revive subsequently. While the share of own book in the total AUM is expected to come down, its overall presence in the retail mortgage finance market is expected to remain sizeable.

### **Weaknesses:**

#### **Susceptibility to asset quality risks arising from the commercial real estate portfolio**

Asset-quality risks arising from a sizeable large-ticket commercial credit portfolio of Rs 9,065 crore as on June 30, 2022 persist, and could impact the company's portfolio performance. Given the chunkiness of loans (average ticket size of Rs 150 crore), even a few large accounts experiencing stress could impact asset quality.

Under the Covid-19 restructuring scheme announced by the RBI dated August 6, 2020 and May 5, 2021, the company restructured a very small portion of its AUM amounting to 0.26% as on March 31, 2022. Asset quality in commercial credit as well as LAP remain vulnerable given the macro environment and will be monitored closely.

The share of commercial credit in overall AUM has decreased over the last couple of years and was 12% as on June 30, 2021. The management has launched an alternative investment fund (AIF) platform for this segment wherein Rs 200 crore has been disbursed to a leading developer. Further, the process of filing for regulatory approvals is underway for launching two more AIFs (expected to be launched in the current fiscal).

However, any weakening in asset quality, specifically in the commercial real estate book and its impact on profitability, remains a monitorable.

#### **Successful transition to new business model to be established; though IBHFL has demonstrated strong execution capabilities in the past**

The management has recalibrated its business model, under which IBHFL is gradually moving towards a less risky and asset-light framework, wherein disbursements will primarily be in the housing loans and LAP segments (with a potential 60:40 split), with a low proportion of incremental disbursements in developer finance portfolio. Further, on a steady state basis, of the overall disbursements, a significant proportion will be either co-originated or sold-down to banks.

IBHFL has started working towards this new model and has entered into a co-origination agreement with six banks and one HFC. The disbursements amounting to Rs 4,067 crore were done in fiscal 2022 and Q1FY23 under these agreements. However, the management's ability to increase the disbursement pace, establish tie-ups with multiple banks and successfully scale-up this model, while maintaining healthy profitability and asset quality is to be witnessed, though the company has demonstrated good execution capabilities in scaling up businesses in the past.



While earnings are expected to decline from levels seen in recent years, it will be supported by income from co-origination, off-balance sheet portfolio, and from spread on sold-down loans. Further, this will be commensurate with the more granular, lower-risk portfolio, which will be the focus as part of the new business model. In recent times, earnings were impacted on account of decline in AUM, however improved in fiscal 2022 due to lower credit cost. Overall, IBHFL's return on assets (RoA) improved to 1.3% during fiscal 2022 and 1.5% in quarter ended June 30, 2022, from 1.2% for fiscal 2021.

#### **Liquidity: Strong**

CRISIL Ratings' analysis of IBHFL's asset liability maturity (ALM) profile as on March 31, 2022, shows a cumulative positive gap (cumulative inflows over cumulative outflows) in the up to 1-year bucket. The company has reduced its reliance on commercial paper funding and elongated its liability duration. It had nil commercial paper borrowings as on June 30, 2022, against 16% as of September 2018.

Liquidity remains strong as IBHFL maintains sufficient amount of liquidity at any point in time, to cover 90-100% of debt repayments for the next 12 months. As on June 30, 2022, against total debt of around Rs 10,082 crore maturing till June 30, 2023, IBHFL had total liquidity of around Rs 9,180 crore in the form of investments in mutual funds, certificates of deposits, bank balances, fixed deposits and undrawn available sanctions.

The fund raising is stabilising, with the company raising around Rs 26,776 crore in fiscal 2022 and Rs 8,000 crore in Q1FY23. While a part of the bank funding has been roll-over of working capital or cash credit lines, the pace of long-term funding from banks has improved in recent quarters. In addition, the company has another Rs 7,465 crore of sanctions in the pipeline. Continued access to funding will be a key monitorable.

#### **Outlook: Stable**

CRISIL Ratings believes IBHFL will maintain strong capitalisation, comfortable asset quality in the retail segments and sizeable presence in retail mortgage finance.

#### **Rating Sensitivity Factors**

##### **Upward Factors**

- Successful scaling up of the new asset-light business model, with RoA of over 2% on a sustained basis
- Significant improvement in IBHFL's asset quality with gross NPA levels improving substantially
- Significant increase in fund mobilisation levels on a steady-state basis

##### **Downward Factors**

- Deterioration in asset quality with gross NPAs increasing to more than 3.5% over an extended period, thereby also impacting profitability
- Potential weakening of earnings profile with changes in the business model with RoA of less than 1%
- Reduction in liquidity levels to cover debt repayments
- Inability to raise fresh capital to sustain comfortable buffers
- Funding access challenges with limited fund-raising

#### **About the Company: IBHFL**

IBHFL is one of the larger HFCs in India. In its current legal form, its origins date back to April 1, 2012, when Indiabulls Financial Services Ltd was reverse-merged with it. The process was completed on March 8, 2013, following the Delhi High Court's approval on December 12, 2012. After the merger, IBHFL continues to operate as an HFC registered with the National Housing Bank. The company, along with its subsidiary Indiabulls Commercial Credit Ltd (ICCL), focuses on asset classes such as mortgages and commercial real estate. As on June 30, 2022, the promoter group held 9.6% stake in the company.

For fiscal 2022, IBHFL had a profit after tax (PAT) of Rs 1,178 crore on a total income of Rs 8,994 crore, compared with Rs 1,202 crore and Rs 10,030 crore, respectively, in the previous fiscal. During the quarter ended June 30, 2022, IBHFL reported a PAT of Rs 287 crore on a total income of Rs 2,078 crore, compared with Rs 282 crore and Rs 2,326 crore, respectively, during the corresponding period of the previous fiscal.

#### **About ICCL:**

ICCL is a Non-Banking Finance Company (NBFC), registered with Reserve Bank of India (RBI). It was incorporated in 2006 and is a wholly owned subsidiary of IBHFL, with total assets under management (AUM) of Rs 13,771 crore as on June 30, 2022. The company, continues to focus on asset classes such as LAP and commercial real estate. As of June 30, 2022, LAP constituted 55% of the AUM and remaining 45% was commercial real estate.

For fiscal 2022, ICCL had a profit after tax (PAT) of Rs 508 crore on a total income of Rs 1,842 crore, compared with Rs 139 crore and Rs 1,633 crore, respectively, in the previous fiscal. During the quarter ended June 30, 2022, ICCL reported a PAT of Rs 135 crore on a total income of Rs 407 crore, compared with Rs 94 crore and Rs 408 crore, respectively, during the corresponding period of the previous fiscal.

#### **Key Financial Indicators (IBHFL Consolidated):**

<b>As on/for the year ended March 31</b>	<b>Unit</b>	<b>2022</b>	<b>2021</b>
--	-------------	-------------	-------------

<b>Total assets</b>	<b>Rs crore</b>	<b>81973</b>	<b>93239</b>
<b>Total income</b>	<b>Rs crore</b>	<b>8994</b>	<b>10030</b>
<b>Profit after tax</b>	<b>Rs crore</b>	<b>1178</b>	<b>1202</b>
<b>Gross NPA</b>	<b>%</b>	<b>3.2</b>	<b>2.7</b>
<b>Return on average assets (annualized)</b>	<b>%</b>	<b>1.3</b>	<b>1.2</b>

<b>As on/for the quarter ended June 30</b>	<b>Unit</b>	<b>2022</b>	<b>2021</b>
<b>Total assets</b>	<b>Rs crore</b>	<b>75795</b>	<b>87172</b>
<b>Total income</b>	<b>Rs crore</b>	<b>2078</b>	<b>2326</b>
<b>Profit after tax</b>	<b>Rs crore</b>	<b>287</b>	<b>282</b>
<b>Gross NPA</b>	<b>%</b>	<b>3.0</b>	<b>2.9</b>
<b>Return on average assets (annualized)</b>	<b>%</b>	<b>1.5</b>	<b>1.3</b>

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

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**Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Level	Outstanding rating with Outlook
INE244L07028	Non-Convertible Debentures	08-Jul-16	9.05%	07-Jul-23	40.00	Simple	CRISIL AA/Stable
NA	Non-Convertible Debentures*	NA	NA	NA	1210.00	NA	CRISIL AA/Stable
NA	Non-Convertible Debentures*	NA	NA	NA	500.00	NA	CRISIL AA/Stable
INE244L08034	Subordinated Debt	05-Jan-18	8.45%	05-Jan-28	50.00	Complex	CRISIL AA/Stable
INE244L08042	Subordinated Debt	28-Mar-18	8.85%	28-Mar-28	100.00	Complex	CRISIL AA/Stable
INE244L08042	Subordinated Debt	02-May-19	8.85%	28-Mar-28	5.00	Complex	CRISIL AA/Stable
INE244L08059	Subordinated Debt	02-May-18	8.80%	02-May-28	100.00	Complex	CRISIL AA/Stable
NA	Subordinated Debt*	NA	NA	NA	245.00	Complex	CRISIL AA/Stable
INE244L07127	Non-Convertible Debentures#	25-Sep-18	8.66%	25-Sep-23	20.73	Simple	CRISIL AA/Stable
INE244L07135	Non-Convertible Debentures#	25-Sep-18	8.90%	25-Sep-23	0.90	Simple	CRISIL AA/Stable
INE244L07143	Non-Convertible Debentures#	25-Sep-18	9%	25-Sep-23	75.22	Simple	CRISIL AA/Stable
INE244L07150	Non-Convertible Debentures#	25-Sep-18	8.75%	25-Sep-28	0.06	Simple	CRISIL AA/Stable
INE244L07168	Non-Convertible Debentures#	25-Sep-18	8.84%	25-Sep-28	12.40	Simple	CRISIL AA/Stable
INE244L07176	Non-Convertible Debentures#	25-Sep-18	9.10%	25-Sep-28	0.35	Simple	CRISIL AA/Stable
INE244L07184	Non-Convertible	25-Sep-18	9.20%	25-Sep-28	13.96	Simple	CRISIL AA/Stable

	Debentures#						
INE244L07259	Non-Convertible Debentures#	13-Jul-22	9.70%	13-Jul-32	500	Simple	CRISIL AA/Stable
NA	Retail bonds <sup>\$</sup>	NA	NA	NA	4508.83	NA	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	2500	NA	CRISIL AA/Stable
NA	Commercial Paper	NA	NA	7-365 days	3000	Simple	CRISIL A1+

\*Not yet issued

#public issue of retail secured redeemable non-convertible debenture

\$Includes Secured NCD and/or Unsecured Subordinated Debt

#### Annexure: Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Level
INE244L07077	Non-Convertible Debentures#	25-Sep-18	ZCB	24-Sep-21	0.07	Simple
INE244L07093	Non-Convertible Debentures#	25-Sep-18	8.80%	24-Sep-21	901.09	Simple
INE244L07101	Non-Convertible Debentures#	25-Sep-18	8.90%	24-Sep-21	947.32	Simple
INE244L07085	Non-Convertible Debentures#	25-Sep-18	ZCB	25-Sep-21	19.07	Simple

#public issue of retail secured redeemable non-convertible debenture

#### Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Indiabulls Insurance Advisors Ltd	Full	Subsidiary
Indiabulls Capital Services Ltd	Full	Subsidiary
Indiabulls Commercial Credit Ltd	Full	Subsidiary
IBulls Sales Ltd	Full	Subsidiary
Indiabulls Advisory Services Ltd	Full	Subsidiary
Indiabulls Collection Agency Ltd	Full	Subsidiary
Indiabulls Asset Holding Company Ltd	Full	Subsidiary
Indiabulls Asset Management Company Ltd	Full	Subsidiary
Indiabulls Trustee Company Ltd	Full	Subsidiary
Indiabulls Holdings Ltd	Full	Subsidiary
Nilgiri Investment Services Ltd	Full	Subsidiary
Indiabulls Investment Management Ltd	Full	Subsidiary
Indiabulls Asset Management Mauritius	Full	Subsidiary

#### Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2500.0	CRISIL AA/Stable		--	24-09-21	CRISIL AA/Stable	24-03-20	CRISIL AA/Negative	16-10-19	CRISIL AA+/Negative	CRISIL AAA/Stable
			--		--	31-03-21	CRISIL AA/Stable	07-02-20	CRISIL AA/Stable	11-09-19	CRISIL AA+/Watch Developing	--
			--		--		--		--	10-09-19	CRISIL AA+/Watch Developing	--
			--		--		--		--	15-07-19	CRISIL AAA/Watch Negative	--
			--		--		--		--	09-04-19	CRISIL AAA/Watch Developing	--
			--		--		--		--	16-01-19	CRISIL AAA/Stable	--
Commercial	ST	3000.0	CRISIL		--	24-09-21	CRISIL	24-03-20	CRISIL A1+	16-10-19	CRISIL A1+	CRISIL



Paper			A1+			A1+					A1+
			--	--	31-03-21	CRISIL A1+	07-02-20	CRISIL A1+	11-09-19	CRISIL A1+	--
			--	--		--		--	10-09-19	CRISIL A1+	--
			--	--		--		--	15-07-19	CRISIL A1+	--
			--	--		--		--	09-04-19	CRISIL A1+	--
			--	--		--		--	16-01-19	CRISIL A1+	--
<b>Non Convertible Debentures</b>	LT	2373.62	CRISIL AA/Stable	--	24-09-21	CRISIL AA/Stable	24-03-20	CRISIL AA/Negative	16-10-19	CRISIL AA+/Negative	CRISIL AAA/Stable
			--	--	31-03-21	CRISIL AA/Stable	07-02-20	CRISIL AA/Stable	11-09-19	CRISIL AA+/Watch Developing	--
			--	--		--		--	10-09-19	CRISIL AA+/Watch Developing	--
			--	--		--		--	15-07-19	CRISIL AAA/Watch Negative	--
			--	--		--		--	09-04-19	CRISIL AAA/Watch Developing	--
			--	--		--		--	16-01-19	CRISIL AAA/Stable	--
<b>Retail Bond</b>	LT	4508.83	CRISIL AA/Stable	--	24-09-21	CRISIL AA/Stable		--		--	--
<b>Subordinated Debt</b>	LT	500.0	CRISIL AA/Stable	--	24-09-21	CRISIL AA/Stable	24-03-20	CRISIL AA/Negative	16-10-19	CRISIL AA+/Negative	CRISIL AAA/Stable
			--	--	31-03-21	CRISIL AA/Stable	07-02-20	CRISIL AA/Stable	11-09-19	CRISIL AA+/Watch Developing	--
			--	--		--		--	10-09-19	CRISIL AA+/Watch Developing	--
			--	--		--		--	15-07-19	CRISIL AAA/Watch Negative	--
			--	--		--		--	09-04-19	CRISIL AAA/Watch Developing	--
			--	--		--		--	16-01-19	CRISIL AAA/Stable	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	2500	CRISIL AA/Stable

#### Criteria Details

<b>Links to related criteria</b>
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Rating Criteria for Finance Companies</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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For Analytical queries:  
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**ANNEXURE B – CREDIT RATING FROM ICRA**

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ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Indiabulls Commercial Credit Limited/31032022/01

Date: March 31, 2022

**Mr. Ashwini Kumar Hooda**  
**Deputy Managing Director**  
**Indiabulls Commercial Credit Limited**  
Indiabulls House, 17<sup>th</sup> Floor, Tower 1,  
Indiabulls Finance Centre, SB Marg, Elphinstone Road,  
Mumbai 400 013

Dear Sir,

**Re: ICRA Credit Rating for Rs. 2,000 crore Retail Non-Convertible Debenture (NCD) Programme of Indiabulls Commercial Credit Limited.**

Please refer to the Rating Agreement/Statement of Work dated February 24, 2022 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid Retail NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AA** (pronounced as ICRA double A) rating to the captioned Retail NCD Programme. Instruments with this rating indicate high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using the above assigned 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 April 4, 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 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 bonds, debentures and/ or other instruments of like nature to be 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.

Electric Mansion, 3rd Floor  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai-400025

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CIN : L749999DL1991PLC042749

Website: [www.icra.in](http://www.icra.in)  
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Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.Tel. :+91.11.23357940-45

**RATING**

**RESEARCH**

**INFORMATION**



Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments, if any, within the aforesaid timeline of April 4, 2022.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

**SAMRIDDI CHOWDHARY**

Vice President

[samriddhi.chowdhary@icraindia.com](mailto:samriddhi.chowdhary@icraindia.com)

#### Annexure

#### LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating Action
Retail NCD Programme*	2,000	Nil	[ICRA]AA (Stable); assigned

*\* of the rated Retail NCD Programme, the entire amount is available for placement*





ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Indiabulls Commercial Credit Limited/18112022/01  
Date: November 18, 2022

Mr. Ashwini Kumar Hooda  
Deputy Managing Director  
Indiabulls Commercial Credit Limited  
Indiabulls House, 17<sup>th</sup> Floor, Tower 1,  
Indiabulls Finance Centre, SB Marg, Elphinstone Road,  
Mumbai 400 013

Dear Sir,

Re: ICRA Credit Rating for Rs. 2,000 crore Retail Non-Convertible Debenture (NCD) Programme of Indiabulls Commercial Credit Limited (instrument details in Annexure)

Please refer to your request dated November 14, 2022 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 March 31, 2022 stands. Instruments with this rating indicate 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/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 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

ANIL GUPTA  
Senior Vice President  
[anilg@icraindia.com](mailto:anilg@icraindia.com)

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating Outstanding
Retail NCD Programme*	2,000	Nil	[ICRA]AA (Stable)

\*Of the rated Retail NCD Programme, the entire amount is unutilised and is available for placement

Building No. 8, 2<sup>nd</sup> Floor, Tower A  
DLF Cyber City, Phase II  
Gurugram – 122002, Haryana

Tel.: +91.124 .4545300  
CIN : L749999DL1991PLC042749

Website: [www.icra.in](http://www.icra.in)  
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Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel. :+91.11.23357940-41

RATING • RESEARCH • INFORMATION



ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Indiabulls Commercial Credit Limited/19122022/01  
Date: December 19, 2022

Mr. Ashwini Kumar Hooda  
Deputy Managing Director  
Indiabulls Commercial Credit Limited  
Indiabulls House, 17<sup>th</sup> Floor, Tower 1,  
Indiabulls Finance Centre, SB Marg, Elphinstone Road,  
Mumbai 400 013

Dear Sir,

Re: ICRA Credit Rating for Rs. 2,000 crore Retail Non-Convertible Debenture (NCD) Programme of Indiabulls Commercial Credit Limited (instrument details in Annexure)

Please refer to your request dated December 18, 2022 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 March 31, 2022 stands. Instruments with this rating indicate 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/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 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

ANIL GUPTA  
Senior Vice President  
[anilg@icraindia.com](mailto:anilg@icraindia.com)

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating Outstanding
Retail NCD Programme*	2,000	Nil	[ICRA]AA (Stable)

\*Of the rated Retail NCD Programme, the entire amount is unutilised and is available for placement

Building No. 8, 2<sup>nd</sup> Floor, Tower A  
DLF Cyber City, Phase II  
Gurugram – 122002, Haryana

Tel.: +91.124 .4545300  
CIN : L749999DL1991PLC042749

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Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel. :+91.11.23357940-41

RATING • RESEARCH • INFORMATION



ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Indiabulls Commercial Credit Limited/10022023/01

Date: February 10, 2023

Mr. Rajiv Gandhi

Managing Director and CEO

Indiabulls Commercial Credit Limited

Indiabulls House, 17<sup>th</sup> Floor, Tower 1,

Indiabulls Finance Centre, SB Marg, Elphinstone Road,

Mumbai 400 013

Dear Sir,

Re: ICRA Credit Rating for Rs. 2,000 crore Retail Non-Convertible Debenture (NCD) Programme of Indiabulls Commercial Credit Limited (instrument details in Annexure)

Please refer to your request dated February 03, 2023 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 March 31, 2022 stands. Instruments with this rating indicate 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/Indiabulls Commercial Credit Limited/31032022/01 dated March 31, 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

ANIL GUPTA

Senior Vice President

[anilg@icraindia.com](mailto:anilg@icraindia.com)

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating Outstanding
Retail NCD Programme*	2,000	111	[ICRA]AA (Stable)

\*Of the rated Retail NCD Programme, Rs. 1,889 crore is unutilised and is available for placement

Building No. 8, 2<sup>nd</sup> Floor, Tower A  
DLF Cyber City, Phase II  
Gurugram – 122002, Haryana

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RATING • RESEARCH • INFORMATION

April 05, 2022

## Indiabulls Commercial Credit Limited: [ICRA]AA (Stable) assigned to retail NCD programme

### Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Retail NCD Programme	2,000.00	[ICRA]AA (Stable); assigned
<b>Total</b>	<b>2,000.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

To arrive at the rating, ICRA has taken a consolidated view of the credit profiles of Indiabulls Housing Finance Limited (IBHFL) and Indiabulls Commercial Credit Limited (ICCL), as ICCL is a wholly-owned subsidiary of IBHFL and have operational and business synergies in addition to a shared name and management oversight.

The rating assigned to ICCL's Rs. 2,000-crore retail NCD programme factors in its established franchise in the domestic mortgage finance industry with a sizeable retail portfolio and adequate infrastructure, and its healthy financial profile with adequate capitalisation and liquidity. The capital raise (~Rs. 683 crore through a qualified institutional placement, QIP) and the sale of non-core investments (~Rs. 1,988 crore from stake sale in OakNorth Holdings) over the past year helped IBHFL maintain healthy capital adequacy. In 9M FY2022, IBHFL sold an additional stake in OakNorth Holdings for ~Rs. 293 crore. Despite the aggressive write-offs and the conservative provisioning being carried on the balance sheet (4.5% of the loan book as on December 31, 2021), IBHFL's capitalisation profile is comfortable.

The provisions being carried at present are expected to sufficiently cushion any asset quality deterioration over the near term, thereby cushioning IBHFL's near-term profitability from any asset-side shock. The rating also favourably factors in the company's endeavours to strengthen its governance structure, as evidenced by the recent additions/changes to the board composition and profile. On March 15, 2022, IBHFL informed the stock exchanges about the resignation of Mr. Sameer Gehlaut from the office of non-executive director. Post his resignation, the board comprises five independent directors and four executive directors. The company also informed the exchanges that it is in receipt of requests from Mr. Sameer Gehlaut, Inuus Infrastructure Private Limited and Sameer Gehlaut IBH Trust, currently belonging to the promoter and promoter group category of the company (9.71% equity stake in the company as of March 14, 2022) for their reclassification to public category. The reclassification is subject to the receipt of the requisite regulatory and shareholder approvals.

The rating is constrained by the weak asset quality of the commercial credit (real estate developer loan) segment, an asset class that faced increased vulnerability in recent quarters due to the Covid-19 pandemic. ICRA, however, notes the sizeable reduction in the commercial credit segment over the past two years and the adequate asset quality of the retail segment (includes housing loans and loans against property (LAP); accounted for ~87% of the assets under management (AUM) as on December 31, 2021). IBHFL reported gross non-performing assets (GNPA) at 3.2% of the AUM as on December 31, 2021 compared to 2.7% as on March 31, 2021 and 1.8% as on March 31, 2020 (increase was partly due to the base effect of the declining AUM). IBHFL has complied with the asset classification/reclassification norms laid out vide the Reserve Bank of India's (RBI) circular dated November 12, 2021 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances'. ICRA also notes that the stage 2 assets stood at 32.6% of the overall loan book as of December 31, 2021 (33.4% as of March 21, 2021 and 30.9% as of March 31, 2020).

The real estate sector was facing a prolonged slowdown due to subdued sales and lack of funding access prior to the onset of the pandemic. The spread of the pandemic and the resulting nationwide lockdown further impacted the sector. While the pressure on the developers during the lockdown was mitigated due to the moratorium offered for their loan instalments under the Covid-19-related regulatory package announced by the RBI, a sustained pick-up in sales across geographies is key for the developers over the medium term. Slippages in the real estate segment resulted in a moderation in IBHFL's asset quality, though the healthy performance of the retail segment offset the impact on an aggregate basis to a large extent.

The company has adopted accelerated write-offs for certain stressed assets. Moreover, it has extended relief from the pandemic-induced stress to a segment of its borrowers (less than 1% of the AUM as on December 31, 2021) by way of rescheduling under the National Housing Bank's (NHB) guidelines. The corresponding increase in credit costs, coupled with the compression in the net interest margin (NIM) due to the decline in the loan book and the higher cost of funds, resulted in a moderation in IBHFL's earnings profile.

The rating is also constrained by low fresh disbursements and the continued challenges in fund-raising at competitive prices, although some pick-up in disbursements was witnessed in Q3 FY2022. While IBHFL has recalibrated its business model with an increasing shift towards the asset-light model, the business ramp-up under the revised strategy has been slower than expected. However, the co-lending agreements with banks and other housing finance companies (HFCs) are expected to help in the gradual scale-up of the AUM over the next two years.

While funding challenges persisted to some extent, given the risk averseness of domestic investors towards wholesale-oriented non-banks, IBHFL has tied up long-term debt of Rs. 14,706 crore from banks, Rs. 1,345 crore from retail NCD issuance, Rs. 1,223 crore from foreign currency convertible bond (FCCB) issuance, Rs. 293 crore through the sale of its stake in OakNorth Holdings and Rs. 4,614 crore from loan sell-downs in FY2022 (till February 2022). This, coupled with healthy collections from the portfolio, helped the company maintain strong liquidity and manage its asset-liability profile.

Going forward, the company's ability to ensure healthy fund mobilisation at competitive rates, on a sustained basis, would remain critical. Furthermore, its ability to achieve meaningful scale-up under the new business model, while maintaining healthy asset quality and profitability, would be a credit-sensitive factor.

## Key rating drivers and their description

### Credit strengths

**Established track record in domestic mortgage finance industry** – IBHFL has a demonstrated track record in the housing finance business and a significant market position with an overall AUM of Rs. 73,914 crore as on December 31, 2021. However, the same was below the peak AUM of Rs. 1,28,908 crore reported on September 30, 2018. After posting a strong performance at a compound annual growth rate (CAGR) of ~36% between March 31, 2014 and September 30, 2018, IBHFL reported a steady decline in its housing loan AUM over the past 13 quarters. As on December 31, 2021, the housing loan AUM stood at ~Rs. 52,340 crore compared to ~Rs. 78,600 crore as on September 30, 2018. This was because of the subdued disbursements starting Q3 FY2019 with the onset of the liquidity crisis for the sector.

Despite the decline in the housing loan AUM, IBHFL remains one of the top HFCs in the country. The share of the housing loan segment in the company's AUM stood increased at 71% as of December 31, 2021 compared to 61% as on September 30, 2018. This is due to the sharp decline in the commercial credit AUM during this period. Going forward, IBHFL's loan book is expected to remain range-bound as disbursements are unlikely to exceed collections over the near term.

**Adequate capitalisation levels** – IBHFL remains well capitalised with a consolidated net worth of Rs. 16,405 crore and a capital adequacy ratio (capital to risk-weighted assets ratio; CRAR) of 31.2% (nil risk weightage to mutual fund investments) with Tier

I capital of 25.7% as on December 31, 2021 (30.7% with Tier I of 24.0% as on March 31, 2021 and 27.1% with Tier I of 20.3% as on March 31, 2020), providing adequate cushion for growth while maintaining the regulatory capital adequacy requirement (15%). IBHFL's capitalisation profile is comfortable despite the aggressive write-offs in FY2021 and the conservative provisioning being carried on the balance sheet (4.5% of the loan book as on December 31, 2021).

The improvement in the CRAR in FY2021 was supported by the fresh equity raise of ~Rs. 683 crore and the sale of stake in OakNorth Holdings for ~Rs. 1,988 crore. In H1 FY2022, IBHFL sold a further stake in OakNorth Holdings for ~Rs. 278 crore. The company's gearing stood at 3.4 times as on December 31, 2021 compared to 4.1 times as on March 31, 2021 and 4.9 times as on March 31, 2020. Adjusting the cash and bank balances and investments, the net gearing stood lower at 2.8 times as on December 31, 2021 compared to 3.3 times as on March 31, 2021 (4.0 times as on March 31, 2020).

## Credit challenges

**Weakening asset quality indicators** – IBHFL's reported GNPA's increased to 3.18% as on December 31, 2021 and 2.66% as on March 31, 2021 from 1.84% as on March 31, 2020 due to the impact of the pandemic on the borrowers across segments. As on December 31, 2021, the commercial credit segment (~15% of the loan book) accounted for ~51% of the GNPA's. ICRA also notes the high share of stage 2 assets, which formed 32.6% of the overall loan book. Non-housing loans (LAP and commercial credit) formed ~29% of the company's AUM as on December 31, 2021. ICRA also notes that the stage 2 assets stood at 32.6% of the overall loan book as of December 31, 2021 (33.4% as of March 21, 2021 and 30.9% as of March 31, 2020).

The commercial credit book includes lease rental discounting (LRD) loans to builders and construction finance. Given the large ticket size and the high inherent risks associated with these exposures, the commercial credit book remains exposed to concentration risks. The increased challenges for the real estate sector due to the pandemic-related lockdowns heightened the portfolio vulnerability. ICRA notes that a sustained pick-up in real estate sales is critical for a sustained improvement in the asset quality. ICRA takes comfort from IBHFL's adequate systems and processes to manage this business and its demonstrated ability to recover dues from the borrowers.

**Continued challenges in resource mobilisation from diverse sources; risk averseness of investors persists** – The operating environment has been challenging over the past two and a half years, given the prolonged liquidity squeeze and the risk averseness of investors towards wholesale-oriented non-banking financial companies (NBFCs) and HFCs. This led to challenges in fund raising. Instances of litigation and allegations against the company had further heightened the risk-averse sentiments of lenders/investors in FY2020, thereby impacting its financial flexibility. While the legal processes are ongoing, there has not been any material adverse observations by any of the inspecting/auditing agencies over the past year.

IBHFL raised Rs. 2,671-crore equity (including ~Rs. 683-crore fresh equity through a QIP and ~Rs. 1,988 crore through the sale of its stake in OakNorth Holdings) in FY2021 to improve its financial flexibility. In YTD FY2022, the company tied up long-term debt of Rs. 14,706 crore from banks, Rs. 1,345 crore from retail NCD issuance, Rs. 1,223 crore from FCCB issuance, Rs. 293 crore through the sale of its stake in OakNorth Holdings and Rs. 4,614 crore from loan sell-downs. This, coupled with healthy collections from the portfolio, helped the company maintain strong liquidity and manage its asset-liability profile. The resource profile, as on December 31, 2021, consisted of term loans (41%), external commercial borrowing (ECB; 4%) and debentures and bonds (55%).

ICRA, however, notes that the risk-averse sentiment of domestic investors persists towards non-banks with developer loan exposure. ICRA will also monitor the developments around the progress on the legal cases against the company. ICRA favourably notes IBHFL's efforts to strengthen its governance structure as evidenced by the recent additions/changes to the board composition and profile. Going forward, the company's ability to ensure healthy fund mobilisation at competitive rates, on a sustained basis, would remain critical.

**Moderation in profitability; slower-than-expected ramp-up of business under revised strategy** – With the company resorting to asset securitisation/sell-down as a source of liquidity in H2 FY2019, the on-balance sheet loan book declined sharply at the end of FY2019, thereby impacting the earnings profile from FY2020. The accelerated refinancing of developer loans (commercial credit AUM, as on March 31, 2021, nearly halved since March 31, 2019) also contributed to the decline in the loan book and the overall portfolio yield. The loan book continued to decline in FY2021 with the slowdown in disbursements due to the pandemic. This, coupled with the higher cost of funds and cost of negative carry, led to a moderation in the NIM. While the company took measures to control its operating expenses, higher provision expenses (including provisions for the estimated impact of the pandemic on the business; part of it was, however, taken against the net worth and part against a one-time gain in FY2020) further impacted the profitability.

IBHFL reported a profit after tax (PAT) of Rs. 1,202 crore (return on assets (RoA) of 1.19% and return on equity (RoE) of 7.62%) in FY2021 compared to Rs. 2,200 crore (RoA of 1.90% and RoE of 13.80%) in FY2020. It reported a PAT of Rs. 871 crore with RoA of 1.3% and RoE of 7.1% in 9M FY2022. ICRA expects IBHFL's profitability to remain subdued (RoA in the range of 1.0-1.5%) over the near term, given the existing challenges in terms of growth and credit costs. ICRA notes that the company is in the process of transitioning to a new business model with a focus on retail loans originated through a mix of channels such as co-origination and origination for sell-down. The company's ability to realise these plans and achieve material scale and profitability would remain critical from a credit perspective.

### Liquidity position: Strong

IBHFL's unencumbered on-book liquidity stood at Rs. 7,954 crore (including bond reserve of Rs. 2,048 crore) as on December 31, 2021. The total available liquidity (including undrawn and available sanctioned lines of Rs. 3,195 crore, portfolio sell-down of Rs. 2,027 crore and wholesale portfolio assignment of Rs. 1,000 crore) stood at Rs. 12,127 crore, while the next 12 months' debt repayment amounts to Rs. 12,928 crore. The available liquidity largely covers the debt repayments for the next 12 months. Thus, the company's liquidity profile remains strong.

### Rating sensitivities

**Positive factors** – The rating may be upgraded in case of a significant and sustained pick-up in disbursements supported by an improvement in resource mobilisation with access to well-diversified sources, while maintaining a healthy asset quality (GNPA including 1-year write-offs of less than 3%) along with an improvement in the earnings profile.

**Negative factors** – ICRA could downgrade the rating in case the company fails to scale up its disbursements (under the planned asset-light model) over the medium term or in case of a material deterioration in its asset quality, affecting the financial profile. Any sustained weakness in resource mobilisation from diversified sources, which would restrict IBHFL's ability to lend or would lead to a deterioration in its liquidity profile, could also put pressure on the rating.

The company also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating-linked covenants. Upon failure to meet the covenants, if IBHFL is not able to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating could face pressure.



## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Housing Finance Companies</a> <a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Rating Approach - Consolidation</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	To arrive at the rating, ICRA has considered the consolidated financial profile of IBHFL. Details of the subsidiaries are provided in Annexure-2.

## About the company

Incorporated in 2006, ICCL is a wholly-owned subsidiary of IBHFL. It is an NBFC registered with the RBI and is primarily focused on the LAP and commercial credit segments. As on December 31, 2021, ICCL's AUM was Rs. 13,730 crore.

ICCL reported a net profit of Rs. 139 crore on total income of Rs. 1,633 crore in FY2021 compared to a net profit of Rs. 20 crore on total income of Rs. 13,005 crore in FY2020. In 9M FY2022, the company reported a net profit of Rs. 391 crore on total income of Rs. 1,261 crore. Its net worth was Rs. 4,949 crore while the CRAR was XX% as on December 31, 2021.

## Key financial indicators

ICCL (standalone)	FY2020	FY2021	9M FY2022*
Net Interest Income <sup>1</sup> (Rs. crore)	856	618	525
Total Income (Rs. crore)	2,191	1,633	1,261
Profit after Tax (Rs. crore)	20	139	391
Net Worth (reported; Rs crore)	4,407	4,553	4,949
AUM (Rs. crore)	13,562	13,810	13,730
Loan Book (Rs. crore)	11,823	12,443	12,474
Total Assets (Rs. crore)	16,387	15,873	16,096
Return on Assets (%)	0.1%	0.9%	3.2%
Return on Net Worth (%)	0.5%	3.1%	11.0%
Gross NPA (%)	2.6%	4.5%	2.1%
Net NPA (%)	2.0%	2.9%	1.4%
Net NPA/Net Worth (%)	6.1%	8.9%	4.0%
Gross Gearing <sup>2</sup> (times)	2.0	1.7	1.3
Tier I Capital (%)	29.5%	31.4%	34.0%
CRAR (%)	32.4%	34.5%	31.4%

**Source:** Company, ICRA Research; All ratios as per ICRA's calculations

\* Based on unaudited interim condensed financial statements

<sup>1</sup> Calculated as the sum of interest income from financing activities and fixed deposits, and other operating charges less interest expenses

<sup>2</sup> Calculated excluding temporary book overdraft, interest accrued but not due, securitisation liability and lease liability from the total debt



### Indiabulls Housing Finance Limited

Incorporated in 2005, IBHFL is a housing finance company registered with National Housing Bank. In March 2013, the parent company, Indiabulls Financial Services Limited, merged with IBHFL. The company provides mortgage loans, LRD and construction finance with a prime focus on the mortgage and home finance business. As on December 31, 2021, IBHFL's AUM was Rs. 73,914 crore.

On a consolidated basis, IBHFL reported a net profit of Rs. 1,202 crore on total income of Rs. 10,030 crore in FY2021 compared to a net profit of Rs. 2,200 crore on total income of Rs. 13,223 crore in FY2020. In 9M FY2022, the company reported a net profit of Rs. 871 crore on total income of Rs. 6,837 crore. Its net worth was Rs. 16,405 crore while the CRAR was 31.2% as on December 31, 2021.

### Key financial indicators

IBHFL (consolidated)	FY2020	FY2021	9M FY2022*
Net Interest Income <sup>3</sup> (Rs. crore)	3,037	2,783	1,973
Total Income (Rs. crore)	13,223	10,030	6,837
Profit after Tax (Rs. crore)	2,200	1,202	871
Net Worth (reported; Rs crore)	15,538	16,134	16,405
AUM (Rs. crore)	93,021	80,741	73,914
Loan Book (Rs. crore)	73,064	66,047	60,979
Total Assets (Rs. crore)	1,02,872	93,238	82,285
Return on Assets (%)	1.9%	1.2%	1.3%
Return on Net Worth (%)	13.8%	7.6%	7.1%
Gross NPA (%)	1.8%	2.7%	3.2%
Net NPA (%)	1.2%	1.6%	1.8%
Net NPA/Net Worth (%)	7.4%	8.0%	8.1%
Gross Gearing <sup>4</sup> (times)	4.9	4.1	3.4
Tier I Capital (%)	20.3%	24.0%	25.7%
CRAR (%)	27.1%	30.7%	31.2%

**Source:** Company, ICRA Research; All ratios as per ICRA's calculations

\* Based on unaudited interim condensed financial statements

<sup>3</sup> Calculated as the sum of interest income from financing activities and fixed deposits, and other operating charges less interest expenses

<sup>4</sup> Calculated excluding temporary book overdraft, interest accrued but not due, securitisation liability and lease liability from the total debt

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

	Instrument	Rating (FY2023)			Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on December 31, 2021 (Rs. crore)	Current Rating	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Apr 05, 2022	-	Apr 27, 2020	Sep 06, 2019
1	Retail NCD Programme	Long Term	2,000.00	0.00	[ICRA]AA (Stable)	-	-	-
2	Commercial Paper Programme	Short Term	-	-	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Retail NCD Programme	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](http://www.icra.in)

**Annexure-1: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Retail NCD – Proposed*	NA	NA	NA	2,000	[ICRA]AA (Stable)

Source: ICCL; \* Includes Secured NCD and/or Unsecured Subordinated Debt

**Annexure-2: List of entities considered for consolidated analysis**

Company Name	Ownership/ Relationship with Rated Entity as on June 30, 2021	Consolidation Approach
Indiabulls Commercial Credit Limited	100%	Full Consolidation
Indiabulls Collection Agency Limited	100%	Full Consolidation
Ibulls Sales Limited	100%	Full Consolidation
Indiabulls Insurance Advisors Limited	100%	Full Consolidation
Indiabulls Capital Services Limited	100%	Full Consolidation
Nilgiri Financial Consultants Limited	100%	Full Consolidation
Indiabulls Advisory Services Limited	100%	Full Consolidation
Indiabulls Asset Holding Company Limited	100%	Full Consolidation
Indiabulls Asset Management Company Limited	100%	Full Consolidation
Indiabulls Trustee Company Limited	100%	Full Consolidation
Indiabulls Holdings Limited	100%	Full Consolidation
Indiabulls Asset Management (Mauritius)	100%	Full Consolidation
ICCL Lender Repayment Trust (subsidiary of ICCL)	100%	Full Consolidation
Indiabulls Investment Management Limited	100%	Full Consolidation
IBHFL Lender Repayment Trust	100%	Full Consolidation
Pragati Employee Welfare Trust	100%	Full Consolidation

Source: IBHFL

## ANALYST CONTACTS

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## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited



### Registered Office

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### Branches



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**ANNEXURE C – CONSENT OF DEBENTURE TRUSTEE**

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25224/CL/MUM/22-23/DEB/222  
Date: December 14, 2022

**Indiabulls Commercial Credit Limited**  
One International Center, Tower 1, 18th Floor  
Senapati Bapat Road  
Mumbai – 400 013

Dear Sir/Ma'am,

**Sub: Proposed public issue by Indiabulls Commercial Credit 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 ₹1,000 crores (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.**

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 2.2.24 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the National Stock Exchange of India Limited, BSE Limited (“Stock Exchanges”) and the Securities and Exchange Board of India (“SEBI”), the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana (“RoC”), SEBI and the Stock Exchanges, and the abridged prospectus, which the Company intends to issue in respect of the Issue of NCDs and also in all related advertisements and communications sent pursuant to the Issue of NCDs.

The following details with respect to us may be disclosed:

**Name:** Beacon Trusteeship Limited  
**Address:** 4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club, Gandhi Nagar, Bandra (East), Mumbai – 400 051  
**Tel:** 022 - 26558759  
**Fax:** 022 - 26558760  
**E-mail:** [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in)  
**Investor Grievance id:** [investorgrievances@beacontrustee.co.in](mailto:investorgrievances@beacontrustee.co.in)  
**Website:** <https://beacontrustee.co.in/>  
**Contact Person:** Mr. Kaustubh Kulkarni  
**Compliance Officer:** Mr. Kaustubh Kulkarni  
**SEBI Registration Number:** IND000000569

**Logo:** 

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in **Annexure A & B**. We also certify that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

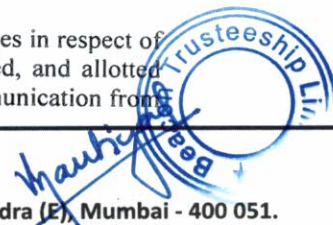
We undertake to immediately inform the Company and Lead Managers to the Issue of any changes in respect of the matters covered in this letter till the date when the NCDs of the Company, offered, issued, and allotted pursuant to the Issue, are listed and traded on the Stock Exchanges. In absence of any such communication from

## BEACON TRUSTEESHIP LIMITED

Registered & Corporate Office: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in) | Website : [www.beacontrustee.co.in](http://www.beacontrustee.co.in)

CIN : U74999MH2015PLC271288



us, the above information should be taken as updated information until the listing and trading of the NCDs on the Stock Exchanges, pursuant to the Issue.

This letter may be relied upon by the Company, the legal advisors in relation to the Issue and the Lead Managers in relation to the Issue and may *inter alia* be submitted to SEBI, RoC, Stock Exchanges and/or any other regulatory, statutory, governmental or legal authority.

The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015; SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021; SEBI Circular on Uniform Listing Agreement dated October 13, 2015; SEBI (Debenture Trustees) Regulations, 1993; SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated November 12, 2020 and Companies Act, 2013, each as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.


This consent letter is subject to the due diligence required to be done by the Debenture Trustee pursuant to SEBI Circular dated November 3, 2020 and the Company agrees that the Issue shall be opened only after the due diligence has been carried by the Debenture Trustee.

We also confirm that we are not disqualified to be appointed as Debenture Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

All capitalized terms not defined hereinabove shall have the same meaning as ascribed to in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus(es).

Sincerely,

For Beacon Trusteeship Limited

  
Authorized Signatory  
Name: Veena Nautiyal  
Designation: Vice President





**Annexure A**

**Date: December 14,2022**

**Indiabulls Commercial Credit Limited**  
 One International Center, Tower 1, 18th Floor  
 Senapati Bapat Road  
 Mumbai – 400 013

Dear Sir/Ma'am,

**Sub: Proposed public issue by Indiabulls Commercial Credit 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 ₹1,000 crores (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.**

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:

S. No.	Particulars	Details
1.	Permanent Registration Number	IND000000569
2.	Date of registration / date of last renewal of registration / date of application for renewal of registration	12 <sup>th</sup> February, 2021
3.	Date of expiry of registration	Permanent Certificate
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NA
5.	Details of any pending inquiry / investigating being conducted by SEBI	NA
6.	Details of any penalty imposed by SEBI	NA

We undertake to immediately inform the Company and Lead Managers to the Issue of any changes in respect of the matters covered in this letter till the date when the NCDs of the Company, offered, issued, and allotted pursuant to the Issue, are listed and traded on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the Stock Exchanges, pursuant to the Issue.

This letter may be relied upon by the Company, the legal advisors in relation to the Issue and the Lead Managers in relation to the Issue.

Sincerely,

For Beacon Trusteeship Limited


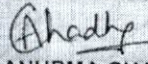
*Handwritten signature: Veena Nautiyal*  
 Authorised Signatory  
 Name: Veena Nautiyal  
 Designation: Vice President





Annexure B

Certificate of Registration

डिबेंचर न्यासी	फॉर्म नं. FORM-B	DEBENTURE TRUSTEE
<b>भारतीय प्रतिभूति और विनियम बोर्ड</b> <b>SECURITIES AND EXCHANGE BOARD OF INDIA</b> (डिबेंचर न्यासी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993 000 270 (विनियम 8) (Regulation 8) <b>रजिस्ट्रीकरण प्रमाणपत्र</b> <b>CERTIFICATE OF REGISTRATION</b>		
1) बोर्ड, भारतीय प्रतिभूति और विनियम 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 प्रदान शक्तियों का प्रयोग करने 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 <b>BEACON TRUSTEESHIP LIMITED</b> <b>4C &amp; D, SIDDHIVINAYAK CHAMBERS,</b> <b>GANDHI NAGAR, OPP. MIG CRICKET CLUB,</b> <b>BANDRA EAST, MUMBAI - 400051</b> <b>MAHARASHTRA, INDIA</b>		
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 कोड	है।	
2) Registration Code for the debenture trustee is	IND000000569	
<b>This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board</b>		
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	
स्थान Place : Mumbai	 आदेश से <b>भारतीय प्रतिभूति और विनियम बोर्ड</b> के लिए और उसकी ओर से By order For and on behalf of <b>Securities and Exchange Board of India</b>  <b>ANUPMA CHADHA</b> प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory	
तारीख Date : February 12, 2021		



*Anupma Chadha*

**ANNEXURE D: ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION**

Investors should note that the below examples are solely for illustrative purposes and are not specific to the Tranche II Issue.

**Series I**

<b>24 Months / 2 Years - Annual Coupon Payment</b>		
Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	2 years	2 years
Coupon Rate for all Categories I & II	9.60%	NA
Coupon Rate for all Categories III & IV	10.00%	10.25%
Redemption Date/Maturity Date (assumed)	Friday, 25 April, 2025	Friday, 25 April, 2025
Frequency of the interest payment with specified dates	First interest on April 25, 2024 and second interest on April 25, 2025.	First interest on April 25, 2024 and second interest on April 25, 2025.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	366	96.00	100.00	102.50
2nd Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	365	96.00	100.00	102.50
Principal / Maturity value	Friday, 25 April, 2025	Friday, 25 April, 2025		1000	1000	1000

**Series II**

**24 Months / 2 Years - Monthly Coupon Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	2 years	2 years
Coupon Rate for all Categories I & II	9.20%	NA
Coupon Rate for all Categories III & IV	9.57%	9.82%
Redemption Date/Maturity Date (assumed)	Friday, 25 April, 2025	Friday, 25 April, 2025
Frequency of the interest payment with specified dates	First interest on May 25, 2023 and subsequently on the 25th day of every month.	First interest on May 25, 2023 and subsequently on the 25th day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 May, 2023	Thursday, 25 May, 2023	30	7.56	7.87	8.07
2nd Coupon	Sunday, 25 June, 2023	Monday, 26 June, 2023	31	7.81	8.13	8.34
3rd Coupon	Tuesday, 25 July, 2023	Tuesday, 25 July, 2023	30	7.56	7.87	8.07
4th Coupon	Friday, 25 August, 2023	Friday, 25 August, 2023	31	7.81	8.13	8.34
5th Coupon	Monday, 25 September, 2023	Monday, 25 September, 2023	31	7.81	8.13	8.34
6th Coupon	Wednesday, 25 October, 2023	Wednesday, 25 October, 2023	30	7.56	7.87	8.07
7th Coupon	Saturday, 25 November, 2023	Monday, 27 November, 2023	31	7.81	8.13	8.34
8th Coupon	Monday, 25 December, 2023	Tuesday, 26 December, 2023	30	7.56	7.87	8.07

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
9th Coupon	Thursday, 25 January, 2024	Thursday, 25 January, 2024	31	7.79	8.11	8.32
10th Coupon	Sunday, 25 February, 2024	Monday, 26 February, 2024	31	7.79	8.11	8.32
11th Coupon	Monday, 25 March, 2024	Monday, 25 March, 2024	29	7.29	7.58	7.78
12th Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	31	7.79	8.11	8.32
13th Coupon	Saturday, 25 May, 2024	Monday, 27 May, 2024	30	7.54	7.84	8.05
14th Coupon	Tuesday, 25 June, 2024	Tuesday, 25 June, 2024	31	7.79	8.11	8.32
15th Coupon	Thursday, 25 July, 2024	Thursday, 25 July, 2024	30	7.54	7.84	8.05
16th Coupon	Sunday, 25 August, 2024	Monday, 26 August, 2024	31	7.79	8.11	8.32
17th Coupon	Wednesday, 25 September, 2024	Wednesday, 25 September, 2024	31	7.79	8.11	8.32
18th Coupon	Friday, 25 October, 2024	Friday, 25 October, 2024	30	7.54	7.84	8.05
19th Coupon	Monday, 25 November, 2024	Monday, 25 November, 2024	31	7.79	8.11	8.32
20th Coupon	Wednesday, 25 December, 2024	Thursday, 26 December, 2024	30	7.54	7.84	8.05
21st Coupon	Saturday, 25 January, 2025	Monday, 27 January, 2025	31	7.81	8.13	8.34
22nd Coupon	Tuesday, 25 February, 2025	Tuesday, 25 February, 2025	31	7.81	8.13	8.34
23rd Coupon	Tuesday, 25 March, 2025	Tuesday, 25 March, 2025	28	7.06	7.34	7.53
24th Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	31	7.81	8.13	8.34
Principal / Maturity value	Friday, 25 April, 2025	Friday, 25 April, 2025		1000	1000	1000



**Series III**

**24 Months / 2 Years - Cumulative Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	2 years	2 years
Coupon Rate for all Categories I & II	NA	NA
Coupon Rate for all Categories III & IV	NA	NA
Redemption Date/Maturity Date (assumed)	Friday, 25 April, 2025	Friday, 25 April, 2025
Frequency of the interest payment with specified dates	NA	NA
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000.00	-1000.00	-1000.00
Coupon/Interest Payment	Friday, 25 April, 2025	Friday, 25 April, 2025	731	201.55	210.35	215.85
Principal / Maturity value	Friday, 25 April, 2025	Friday, 25 April, 2025		1000.00	1000.00	1000.00

**Series IV**

**36 Months / 3 Years - Annual Coupon Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	3 years	3 years
Coupon Rate for all Categories I & II	9.75%	NA
Coupon Rate for all Categories III & IV	10.25%	10.50%
Redemption Date/Maturity Date (assumed)	Saturday, 25 April, 2026	Saturday, 25 April, 2026
Frequency of the interest payment with specified dates	First interest on April 25, 2024, subsequently on the 25th day of April every year.	First interest on April 25, 2024, subsequently on the 25th day of April every year.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	366	97.50	102.50	105.00
Principal Payment	Thursday, 25 April, 2024	Thursday, 25 April, 2024		333.00	333.00	333.00
2nd Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	365	65.03	68.37	70.04
Principal Payment	Friday, 25 April, 2025	Friday, 25 April, 2025		333.00	333.00	333.00
3rd Coupon	Saturday, 25 April, 2026	Friday, 24 April, 2026	365	32.57	34.24	35.07
Principal / Maturity value	Saturday, 25 April, 2026	Friday, 24 April, 2026		334.00	334.00	334.00

**Series V**

**36 Months / 3 Years - Monthly Coupon Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	3 years	3 years
Coupon Rate for all Categories I & II	9.35%	NA
Coupon Rate for all Categories III & IV	9.80%	10.05%
Redemption Date/Maturity Date (assumed)	Saturday, 25 April, 2026	Saturday, 25 April, 2026
Frequency of the interest payment with specified dates	First interest on May 25, 2023 and subsequently on the 25th day of every month.	First interest on May 25, 2023 and subsequently on the 25th day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 May, 2023	Thursday, 25 May, 2023	30	7.68	8.05	8.26
2nd Coupon	Sunday, 25 June, 2023	Monday, 26 June, 2023	31	7.94	8.32	8.54
3rd Coupon	Tuesday, 25 July, 2023	Tuesday, 25 July, 2023	30	7.68	8.05	8.26
4th Coupon	Friday, 25 August, 2023	Friday, 25 August, 2023	31	7.94	8.32	8.54
5th Coupon	Monday, 25 September, 2023	Monday, 25 September, 2023	31	7.94	8.32	8.54
6th Coupon	Wednesday, 25 October, 2023	Wednesday, 25 October, 2023	30	7.68	8.05	8.26
7th Coupon	Saturday, 25 November, 2023	Monday, 27 November, 2023	31	7.94	8.32	8.54
8th Coupon	Monday, 25 December, 2023	Tuesday, 26 December, 2023	30	7.68	8.05	8.26



<b>Cash Flows</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>No. of days in Coupon Period</b>	<b>Coupon For Categories I &amp; II of Investors (in Rs.) (Pre-Incentive)</b>	<b>Coupon For Categories III &amp; IV of Investors (in Rs.) (Pre-Incentive)</b>	<b>Coupon For Categories III &amp; IV of Investors (in Rs.) (Post-Incentive)</b>
9th Coupon	Thursday, 25 January, 2024	Thursday, 25 January, 2024	31	7.92	8.30	8.51
10th Coupon	Sunday, 25 February, 2024	Monday, 26 February, 2024	31	7.92	8.30	8.51
11th Coupon	Monday, 25 March, 2024	Monday, 25 March, 2024	29	7.41	7.77	7.96
12th Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	31	7.92	8.30	8.51
Principal Payment	Thursday, 25 April, 2024	Thursday, 25 April, 2024		333.00	333.00	333.00
13th Coupon	Saturday, 25 May, 2024	Monday, 27 May, 2024	30	5.11	5.36	5.49
14th Coupon	Tuesday, 25 June, 2024	Tuesday, 25 June, 2024	31	5.28	5.54	5.68
15th Coupon	Thursday, 25 July, 2024	Thursday, 25 July, 2024	30	5.11	5.36	5.49
16th Coupon	Sunday, 25 August, 2024	Monday, 26 August, 2024	31	5.28	5.54	5.68
17th Coupon	Wednesday, 25 September, 2024	Wednesday, 25 September, 2024	31	5.28	5.54	5.68
18th Coupon	Friday, 25 October, 2024	Friday, 25 October, 2024	30	5.11	5.36	5.49
19th Coupon	Monday, 25 November, 2024	Monday, 25 November, 2024	31	5.28	5.54	5.68
20th Coupon	Wednesday, 25 December, 2024	Thursday, 26 December, 2024	30	5.11	5.36	5.49
21st Coupon	Saturday, 25 January, 2025	Monday, 27 January, 2025	31	5.30	5.55	5.69
22nd Coupon	Tuesday, 25 February, 2025	Tuesday, 25 February, 2025	31	5.30	5.55	5.69
23rd Coupon	Tuesday, 25 March, 2025	Tuesday, 25 March, 2025	28	4.78	5.01	5.14
24th Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	31	5.30	5.55	5.69
Principal Payment	Friday, 25 April, 2025	Friday, 25 April, 2025		333.00	333.00	333.00

<b>Cash Flows</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>No. of days in Coupon Period</b>	<b>Coupon For Categories I &amp; II of Investors (in Rs.) (Pre-Incentive)</b>	<b>Coupon For Categories III &amp; IV of Investors (in Rs.) (Pre-Incentive)</b>	<b>Coupon For Categories III &amp; IV of Investors (in Rs.) (Post-Incentive)</b>
25th Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	2.57	2.69	2.76
26th Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	2.65	2.78	2.85
27th Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	2.57	2.69	2.76
28th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	2.65	2.78	2.85
29th Coupon	Thursday, 25 September, 2025	Thursday, 25 September, 2025	31	2.65	2.78	2.85
30th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	2.57	2.69	2.76
31st Coupon	Tuesday, 25 November, 2025	Tuesday, 25 November, 2025	31	2.65	2.78	2.85
32nd Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	2.57	2.69	2.76
33rd Coupon	Sunday, 25 January, 2026	Tuesday, 27 January, 2026	31	2.65	2.78	2.85
34th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	2.65	2.78	2.85
35th Coupon	Wednesday, 25 March, 2026	Wednesday, 25 March, 2026	28	2.40	2.51	2.58
36th Coupon	Saturday, 25 April, 2026	Friday, 24 April, 2026	31	2.65	2.78	2.85
Principal / Maturity value	Saturday, 25 April, 2026	Friday, 24 April, 2026		334.00	334.00	334.00

**Series VI**

**36 Months / 3 Years - Cumulative Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	3 Years	3 Years
Coupon Rate for all Categories I & II	NA	NA
Coupon Rate for all Categories III & IV	NA	NA
Redemption Date/Maturity Date (assumed)	Saturday, 25 April, 2026	Saturday, 25 April, 2026
Frequency of the interest payment with specified dates	NA	NA
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000.00	-1000.00	-1000.00
Coupon/Interest Payment	Saturday, 25 April, 2026	Friday, 24 April, 2026	1096	322.30	340.45	349.60
Principal / Maturity value	Saturday, 25 April, 2026	Friday, 24 April, 2026		1000.00	1000.00	1000.00

**Series VII**

**60 Months / 5 Years - Annual Coupon Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	5 years	5 years
Coupon Rate for all Categories I & II	10.00%	NA
Coupon Rate for all Categories III & IV	10.50%	10.75%
Redemption Date/Maturity Date (assumed)	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028
Frequency of the interest payment with specified dates	First interest on April 25, 2024, subsequently on the 25th day of April every year.	First interest on April 25, 2024, subsequently on the 25th day of April every year.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	366	100.00	105.00	107.50
Principal Payment	Thursday, 25 April, 2024	Thursday, 25 April, 2024		200.00	200.00	200.00
2nd Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	365	80.00	84.00	86.00
Principal Payment	Friday, 25 April, 2025	Friday, 25 April, 2025		200.00	200.00	200.00
3rd Coupon	Saturday, 25 April, 2026	Friday, 24 April, 2026	365	60.00	63.00	64.50
Principal Payment	Saturday, 25 April, 2026	Friday, 24 April, 2026		200.00	200.00	200.00
4th Coupon	Sunday, 25 April, 2027	Friday, 23 April, 2027	365	40.00	42.00	43.00
Principal Payment	Sunday, 25 April, 2027	Friday, 23 April, 2027		200.00	200.00	200.00
5th Coupon	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028	366	20.00	21.00	21.50
Principal / Maturity value	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028		200	200	200

**Series VIII**

**60 Months / 5 Years - Monthly Coupon Payment**

Company	Indiabulls Commercial Credit Limited	Indiabulls Commercial Credit Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023
Tenor	5 years	5 years
Coupon Rate for all Categories I & II	9.57%	NA
Coupon Rate for all Categories III & IV	10.03%	10.28%
Redemption Date/Maturity Date (assumed)	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028
Frequency of the interest payment with specified dates	First interest on May 25, 2023 and subsequently on the 25th day of every month.	First interest on May 25, 2023 and subsequently on the 25th day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
Deemed date of allotment	Tuesday, 25 April, 2023	Tuesday, 25 April, 2023		-1000	-1000	-1000
1st Coupon	Thursday, 25 May, 2023	Thursday, 25 May, 2023	30	7.87	8.24	8.45
2nd Coupon	Sunday, 25 June, 2023	Monday, 26 June, 2023	31	8.13	8.52	8.73
3rd Coupon	Tuesday, 25 July, 2023	Tuesday, 25 July, 2023	30	7.87	8.24	8.45
4th Coupon	Friday, 25 August, 2023	Friday, 25 August, 2023	31	8.13	8.52	8.73
5th Coupon	Monday, 25 September, 2023	Monday, 25 September, 2023	31	8.13	8.52	8.73
6th Coupon	Wednesday, 25 October, 2023	Wednesday, 25 October, 2023	30	7.87	8.24	8.45
7th Coupon	Saturday, 25 November, 2023	Monday, 27 November, 2023	31	8.13	8.52	8.73
8th Coupon	Monday, 25 December, 2023	Tuesday, 26 December, 2023	30	7.87	8.24	8.45
9th Coupon	Thursday, 25 January, 2024	Thursday, 25 January, 2024	31	8.11	8.50	8.71

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
10th Coupon	Sunday, 25 February, 2024	Monday, 26 February, 2024	31	8.11	8.50	8.71
11th Coupon	Monday, 25 March, 2024	Monday, 25 March, 2024	29	7.58	7.95	8.15
12th Coupon	Thursday, 25 April, 2024	Thursday, 25 April, 2024	31	8.11	8.50	8.71
Principal Payment	Thursday, 25 April, 2024	Thursday, 25 April, 2024		200.00	200.00	200.00
13th Coupon	Saturday, 25 May, 2024	Monday, 27 May, 2024	30	6.28	6.58	6.74
14th Coupon	Tuesday, 25 June, 2024	Tuesday, 25 June, 2024	31	6.48	6.80	6.97
15th Coupon	Thursday, 25 July, 2024	Thursday, 25 July, 2024	30	6.28	6.58	6.74
16th Coupon	Sunday, 25 August, 2024	Monday, 26 August, 2024	31	6.48	6.80	6.97
17th Coupon	Wednesday, 25 September, 2024	Wednesday, 25 September, 2024	31	6.48	6.80	6.97
18th Coupon	Friday, 25 October, 2024	Friday, 25 October, 2024	30	6.28	6.58	6.74
19th Coupon	Monday, 25 November, 2024	Monday, 25 November, 2024	31	6.48	6.80	6.97
20th Coupon	Wednesday, 25 December, 2024	Thursday, 26 December, 2024	30	6.28	6.58	6.74
21st Coupon	Saturday, 25 January, 2025	Monday, 27 January, 2025	31	6.50	6.81	6.98
22nd Coupon	Tuesday, 25 February, 2025	Tuesday, 25 February, 2025	31	6.50	6.81	6.98
23rd Coupon	Tuesday, 25 March, 2025	Tuesday, 25 March, 2025	28	5.87	6.16	6.31
24th Coupon	Friday, 25 April, 2025	Friday, 25 April, 2025	31	6.50	6.81	6.98
Principal Payment	Friday, 25 April, 2025	Friday, 25 April, 2025		200.00	200.00	200.00
25th Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	4.72	4.95	5.07
26th Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	4.88	5.11	5.24
27th Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	4.72	4.95	5.07
28th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	4.88	5.11	5.24

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
29th Coupon	Thursday, 25 September, 2025	Thursday, 25 September, 2025	31	4.88	5.11	5.24
30th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	4.72	4.95	5.07
31st Coupon	Tuesday, 25 November, 2025	Tuesday, 25 November, 2025	31	4.88	5.11	5.24
32nd Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	4.72	4.95	5.07
33rd Coupon	Sunday, 25 January, 2026	Tuesday, 27 January, 2026	31	4.88	5.11	5.24
34th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	4.88	5.11	5.24
35th Coupon	Wednesday, 25 March, 2026	Wednesday, 25 March, 2026	28	4.40	4.62	4.73
36th Coupon	Saturday, 25 April, 2026	Friday, 24 April, 2026	31	4.88	5.11	5.24
Principal Payment	Saturday, 25 April, 2026	Friday, 24 April, 2026		200.00	200.00	200.00
37th Coupon	Monday, 25 May, 2026	Monday, 25 May, 2026	30	3.15	3.30	3.38
38th Coupon	Thursday, 25 June, 2026	Thursday, 25 June, 2026	31	3.25	3.41	3.49
39th Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	30	3.15	3.30	3.38
40th Coupon	Tuesday, 25 August, 2026	Tuesday, 25 August, 2026	31	3.25	3.41	3.49
41st Coupon	Friday, 25 September, 2026	Friday, 25 September, 2026	31	3.25	3.41	3.49
42nd Coupon	Sunday, 25 October, 2026	Monday, 26 October, 2026	30	3.15	3.30	3.38
43rd Coupon	Wednesday, 25 November, 2026	Wednesday, 25 November, 2026	31	3.25	3.41	3.49
44th Coupon	Friday, 25 December, 2026	Monday, 28 December, 2026	30	3.15	3.30	3.38
45th Coupon	Monday, 25 January, 2027	Monday, 25 January, 2027	31	3.25	3.41	3.49
46th Coupon	Thursday, 25 February, 2027	Thursday, 25 February, 2027	31	3.25	3.41	3.49

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For Categories I & II of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Pre-Incentive)	Coupon For Categories III & IV of Investors (in Rs.) (Post-Incentive)
47th Coupon	Thursday, 25 March, 2027	Thursday, 25 March, 2027	28	2.94	3.08	3.15
48th Coupon	Sunday, 25 April, 2027	Friday, 23 April, 2027	31	3.25	3.41	3.49
Principal Payment	Sunday, 25 April, 2027	Friday, 23 April, 2027		200.00	200.00	200.00
49th Coupon	Tuesday, 25 May, 2027	Tuesday, 25 May, 2027	30	1.57	1.65	1.69
50th Coupon	Friday, 25 June, 2027	Friday, 25 June, 2027	31	1.63	1.70	1.75
51st Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	30	1.57	1.65	1.69
52nd Coupon	Wednesday, 25 August, 2027	Wednesday, 25 August, 2027	31	1.63	1.70	1.75
53rd Coupon	Saturday, 25 September, 2027	Monday, 27 September, 2027	31	1.63	1.70	1.75
54th Coupon	Monday, 25 October, 2027	Monday, 25 October, 2027	30	1.57	1.65	1.69
55th Coupon	Thursday, 25 November, 2027	Thursday, 25 November, 2027	31	1.63	1.70	1.75
56th Coupon	Saturday, 25 December, 2027	Monday, 27 December, 2027	30	1.57	1.65	1.69
57th Coupon	Tuesday, 25 January, 2028	Tuesday, 25 January, 2028	31	1.62	1.70	1.74
58th Coupon	Friday, 25 February, 2028	Friday, 25 February, 2028	31	1.62	1.70	1.74
59th Coupon	Saturday, 25 March, 2028	Monday, 27 March, 2028	29	1.52	1.59	1.63
60th Coupon	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028	31	1.62	1.70	1.74
Principal / Maturity value	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028		200	200	200