PIRAMAL CAPITAL & HOUSING FINANCE LIMITED

Piramal Capital & Housing Finance Limited (our "**Company**") was incorporated as Piramal Housing Finance Private Limited, a private limited company, on February 10, 2017 under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated February 13, 2017 issued by the Registrar of Companies, Central Registration Centre. Subsequently, upon conversion of our Company into a public limited company with effect from September 28, 2017, our name was changed to Piramal Housing Finance Limited and a fresh certificate of incorporation dated October 17, 2017 was granted by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Subsequently, pursuant to the Scheme of Amalgamation, the name of our Company was changed to Piramal Capital & Housing Finance Limited**,** and a fresh certificate of incorporation dated June 12, 2018 pursuant to change of name was granted by the RoC. Our Company has obtained a certificate of registration dated December 1, 2017, bearing registration number 12.0163.17 from the National Housing Bank ("**NHB**") to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of National Housing Bank Act, 1987. Subsequently, our Company obtained a fresh certificate of registration dated February 12, 2020 bearing registration number DOR-00163 from RBI to carry on the business of a housing finance institution without accepting public deposits. For details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 127.

Corporate Identity Number: U65999MH2017PLC291071
Registered and Corporate Office: 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013
Tel: (91 22) 6230 9200; **Fax**: (91 22) 6151 3444; **Website**: www.pchf.in
Company Secretary and Compliance Officer: Bipin Singh; **Tel**: (91 22) 3046 5903; **Fax**: (91 22) 6151 3444; **Email**: investorrelations.pchfl@piramal.com

PUBLIC ISSUE BY OUR COMPANY OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT AGGREGATING UPTO ₹ 2,00,000 LAKHS ("SHELF LIMIT") (HEREINAFTER REFERRED TO AS 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 THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THE DRAFT SHELF PROSPECTUS AND THIS SHELF PROSPECTUS (COLLECTIVELY THE "ISSUE DOCUMENTS"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013").

PROMOTER

Our Promoter is Piramal Enterprises Limited. For further details, see "*Our Promoter*" beginning on page 138.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of our Company and this Issue including the risks involved. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 17 and "*Material Developments*" beginning on page 181 of this Shelf Prospectus. This Shelf 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**"), the National Housing Bank ("**NHB**"), the RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this Shelf Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications) by CARE Ratings Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number CARE/HO/RL/2020-21/4772 and dated March 24, 2021 further revalidated by way of its letter dated June 23, 2021 bearing reference number CARE/HO/RL/2021-22/1582 and [ICRA] AA (pronounced as ICRA double A) (Outlook: Negative) by ICRA Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number MUM/20-21/3582 and dated March 23, 2021 further revalidated by way of its letter dated June 24, 2021 bearing reference number ICRA/Piramal Capital & Housing Finance Limited/24062021/01. The ratings provided by CARE and ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letters and rationale for the aforementioned rating, see "*Annexure B1*" and *"Annexure B2"*, beginning on page 277 and 278, respectively.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated March 30, 2021 was filed with the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") filed on March 31, 2021 pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of 7 (seven) Working Days from the date of filing the Draft Shelf Prospectus with the BSE and NSE until 5:00 pm on April 9, 2021. No comments were received on the Draft Shelf Prospectus until 5 p.m. on April 9, 2021.

LISTING

The NCDs offered through this Shelf Prospectus along with relevant Tranche Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/003/21-22 dated April 9, 2021 and from NSE by way of its letters bearing reference number NSE/LIST/D/2021/0039 dated April 9, 2021 and NSE/LIST/C/2021/0435 dated June 28, 2021 extending the validity of the in-principal approval. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*General Terms of the Issue*" beginning on page 182. For details relating to eligible investors, see "*The Issue*" beginning on page 54.

LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
A. K. Capital Services Limited 30-38, Free Press House, 3rd Floor, Free Press Journal Marg 215, Nariman Point, Mumbai 400 021 Tel: (91 22) 6754 6500 Fax: (91 22) 6610 0594 Email: pchflncd2020@akgroup.co.in Investor grievance email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact person: Ms. Aanchal Wagle/ Mr. Yogesh Paste Compliance officer: Mr. Tejas Dawda SEBI registration no.: INM000010411	**Edelweiss Financial Services Limited** Edelweiss House, Off CST Road Kalina Mumbai 400 098 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: Pchfl.Ncd@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	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: pchfl.bondissue2021@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Ms. Prachee Dhuri Compliance officer: Mr. Sunny Shah SEBI Registration No.: INM000010361	**Trust Investment Advisors Private Limited** 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Tel: (91 22) 4084 5000 Fax: (91 22) 4084 5066 E-mail: projectarjuna@trustgroup.in Investor Grievance E-mail: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Hani Jalan Compliance officer: Mr. Brijmohan Bohra SEBI Registration No.: INM000011120	**Link Intime India Private Limited** C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 Tel: (91 22) 4918 6200 Fax: (91 22) 4918 6195 Email: piramal.ncd@linkintime.co.in Investor grievance email: piramal.ncd@linkintime.co.in Website: www.linkintime.co.in Contact person: Ms. Shanti Gopalkrishnan Compliance officer: Mr. B.N. Ramkrishnan SEBI registration no.: INR000004058	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai 400 001 Tel: (91 22) 4080 7000 Fax: (91 22) 6631 1776 Email: response@idbitrustee.com Investor grievance email: response@idbitrustee.com Website: www.idbitrustee.com Contact person: Mr. Nikhil Lohana / Mr. Gaurav Jeswani Compliance officer: Mr. Jatin Bhat SEBI registration no.: IND000000460

ISSUE PROGRAMME*	
ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors or a duly authorised committee thereof. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue has been published on or before such earlier date or initial date of closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. 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 post the Issue Closing Date. For further details, see "General Information – Issue Programme" on page* 53.

*** IDBI Trusteeship Services Limited pursuant to Regulation 4(4) of the SEBI Debt Regulations and by way of letter dated March 19, 2021 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus, relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.*

A copy of this Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC, in terms of Section 26 and Section 31 of the Companies Act, 2013, along with the certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" beginning on page 273.

TABLE OF CONTENTS

SECTION I: GENERAL 1

DEFINITIONS/ABBREVIATIONS 1
FORWARD-LOOKING STATEMENTS 13
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND 15
CURRENCY OF PRESENTATION 15

SECTION II: RISK FACTORS 17

SECTION III: INTRODUCTION 46

GENERAL INFORMATION 46
THE ISSUE 54
CAPITAL STRUCTURE 59
OBJECTS OF THE ISSUE 63
STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS 66

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW 79

INDUSTRY OVERVIEW 79
OUR BUSINESS 108
HISTORY AND MAIN OBJECTS 127
OUR MANAGEMENT 130
OUR PROMOTER 138
DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS 150
MATERIAL DEVELOPMENTS 181

SECTION V: ISSUE RELATED INFORMATION 182

GENERAL TERMS OF THE ISSUE 182
ISSUE STRUCTURE 194
ISSUE PROCEDURE 201

SECTION VI: LEGAL AND OTHER INFORMATION 225

PENDING PROCEEDINGS AND STATUTORY DEFAULTS 225
OTHER REGULATORY AND STATUTORY DISCLOSURES 235
REGULATIONS AND POLICIES 247
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS 259
SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION 263
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 273
DECLARATION 275

ANNEXURE A FINANCIAL INFORMATION 276

ANNEXURE B1 ICRA RATING LETTER AND RATING RATIONALE 277

ANNEXURE B2 CARE RATING LETTER AND RATING RATIONALE 278

ANNEXURE C CONSENT OF THE DEBENTURE TRUSTEE 279

SECTION I: GENERAL

DEFINITIONS/ABBREVIATIONS

This Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI Debt Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the RBI Act, the NHB Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms defined as part of "Risk Factors", "Our Business" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits Available to the Debenture Holders" and "Summary of Key Provisions of Articles of Association" beginning on pages 17, 108, 79, 247, 66 and 263, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of "Industry Overview" and "Regulations and Policies", beginning on pages 79 and 247, shall have the meaning ascribed to them hereunder.

General Terms

Term	Description
Company / Issuer	Piramal Capital & Housing Finance Limited *(formerly known as Piramal Housing Finance Limited*), a public limited company incorporated under the provisions of the Companies Act, 2013, having its Registered Office at: 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms:

Term	Description
Articles / Articles of Association	Articles of association of our Company
Audit and Risk Management Committee	Audit and risk management committee of our Company, constituted in accordance with applicable laws
Board / Board of Directors	Board of directors of our Company and includes any committee constituted thereof
Corporate Office	4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra - 400013
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with applicable laws
Director(s)	Director(s) of our Company
Effective Date of Amalgamation	May 23, 2018, being the effective date of the Scheme of Amalgamation
Equity Shares	Equity shares of face value ₹ 10 each of our Company
Financial Statements	Reformatted Financial Information
Group Companies of our Company	Aasan Corporate Solutions Private Limited, Brickex Advisors Private Limited, Piramal Corporate Services Private Limited, Piramal Foundation for Educational Leadership, Piramal Udgam Data Management Solutions, Piramal Investment Advisory Services Private Limited, Piramal Trusteeship Services Private Limited, Piramal Securities Limited, Piramal Fund Management Private Limited and PHL Fininvest Private Limited, Piramal Finance Sales & Services Private Limited, Piramal Pharma Limited.

Term	Description
Independent Directors(s)	Independent directors of our Company, as disclosed under *"Our Management"*, beginning on page 130.
Key Managerial Personnel	Key managerial personnel of our Company as disclosed under *"Our Management"*, beginning on page 130 and appointed in accordance with provisions of the Companies Act, 2013.
Memorandum / Memorandum of Association	Memorandum of association of our Company
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with applicable laws
Non-Executive Director(s)	Non-executive director of our Company, as disclosed under *"Our Management"*, beginning on page 130.
PCL	Piramal Capital Limited
PFL	Piramal Finance Limited
Piramal Group	Piramal Enterprises Limited, its subsidiaries, its associates and its joint ventures
Promoter	Piramal Enterprises Limited
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
Reformatted Financial Information	Reformatted Financial Information comprising of Reformatted Financial Information under IGAAP and Reformatted Financial Information under Ind AS, collectively
Reformatted Financial Information under IGAAP	Reformatted Financial Information comprising of the reformatted statements of assets and liabilities of the Company as at March 31, 2017, the reformatted statement of profit and loss and reformatted statement of cash flows for the year ended March 31, 2017 and the related significant accounting policies as examined by our Company's Statutory Auditor, B S R & Co. LLP, Mumbai The reformatted financial statements have been extracted by the management from the audited financial statements of the Company as at and for the year ended at March 31, 2017 prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, which were approved by our Board on April 17, 2017
Reformatted Financial Information under Ind AS	Reformatted Financial Information comprising of the reformatted statements of assets and liabilities of the Company as at March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018, the related reformatted statement of profit and loss (including other comprehensive income) for years ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 and reformatted statement of changes in equity and the reformatted cash flows for the years ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 and the related significant accounting policies as examined by our Company's Statutory Auditor, B S R & Co. LLP, Mumbai The reformatted financial statements for years ended March 31, 2019 and March 31, 2018 have been extracted by the management from the audited financial statements of the Company as at and for the years ended at March 31, 2019 and March 31, 2018 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 April 26, 2019 The reformatted financial statements for year ended March 31, 2020 has been extracted by the management from the audited financial statements of the Company as at and for the year ended at 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

Term	Description
	were approved by our Board on May 11, 2020 The reformatted financial statements for year ended March 31, 2021 has been extracted by the management from the audited financial statements of the Company as at and for the year ended at March 31, 2021 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 13, 2021.
Registered Office	Registered office of our Company located at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
Registrar of Companies / RoC	The Registrar of companies, Maharashtra at Mumbai
Scheme of Amalgamation	Scheme of amalgamation entered into amongst PFL, PCL and our Company, as approved by the NCLT *vide* its order dated April 6, 2018, whereby PFL and PCL have amalgamated with our Company and all the assets and liabilities of PFL and PCL were transferred to our Company with effect from March 31, 2018. The certified true copy of the order sanctioning the scheme was filed with the RoC on May 23, 2018 by our Company.
Shareholders	Shareholders of our Company from time to time
Statutory Auditors	The auditors of our Company appointed in accordance with Companies Act, 2013, being B S R & Co. LLP., having their office at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai 400 063

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and the relevant Tranche Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees
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 in part in terms of this Issue
Applicant / Investor / ASBA Applicant	The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue
Application / ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising 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 or an Application Amount of up to ₹ 2,00,000 will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue

Term	Description
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 and in terms of the Shelf Prospectus and respective Tranche 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 INR 2,00,000
ASBA / Application Supported by Blocked Amount	The Application in terms of which the Applicant shall make an Application by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto Rs. 2,00,000 which will be considered as the application for Allotment in terms of this Shelf Prospectus
Bankers to the Issue	Collectively Public Issue Account Bank(s), Refund Bank and Sponsor Bank
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
Category I Investor	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs • Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs • Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations • Resident Venture Capital Funds registered with SEBI • Insurance companies registered with the IRDAI • State industrial development corporations • Insurance funds set up and managed by the army, navy, or air force of the Union of India • Insurance funds set up and managed by the Department of Posts, the Union of India • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India • Mutual funds registered with SEBI
Category II Investor	• Companies within the meaning of Section 2(20) of the Companies Act, 2013 • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs • Co-operative banks and regional rural banks • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs

Term	Description
	• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs • Partnership firms in the name of the partners • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) • Association of Persons • Any other incorporated and/ or unincorporated body of persons
Category III Investor	High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in this Issue
Category IV Investor	Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including Hindu Undivided Families 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
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt Application Circular and UPI Mechanism Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Committee of Directors (Administration, Authorization & Finance)	Committee appointed by our Board of Directors of our Company to decide the terms and conditions of the Issue
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium / Members of the Consortium / Members of Syndicate (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members
Coupon Rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Credit Rating Agencies	CARE Ratings Limited and ICRA Limited
Debenture Holder(s) / NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under this Issue
Debenture Trustee Agreement	Agreement dated March 30, 2021 entered into between our Company and the Debenture Trustee
Debt Application Circular	Circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI and circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020
Deemed Date of Allotment	The date on which our Board of Directors approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant tranche prospectus) shall be available to the Debenture holders from the deemed date of allotment

Term	Description
Demographic Details	The demographic details of an Applicant such as his address, bank account details, and UPI ID, category, PAN etc. for printing on refund or used for refunding through electronic mode as applicable.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com
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 this Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediaries	The members of the Consortium, Sub-Consortium/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorized to collect Application Forms from the Applicants, in relation to this Issue In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the UPI Mechanism Circular
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the 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 ₹ 2,00,000) are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Stock Exchange	The designated stock exchange for the Issue, being BSE Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus	The draft shelf prospectus dated March 30, 2021 filed with the Designated Stock Exchange and National Stock Exchange of India Limited on March 31, 2021for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to the ₹ 2,00,000 lakhs pursuant to this Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant tranche prospectus for any tranche (each such tranche of issuance, a "**Tranche Issue**") which should be read with this Shelf Prospectus.
Issue Agreement	Agreement dated March 25, 2021 entered into by our Company and the Lead Managers
Issue Closing Date	As specified in relevant Tranche Prospectus

Term	Description
Issue Document	The Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Issue Opening Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus
Lead Managers	A. K. Capital Services Limited, Edelweiss Financial Services Limited, JM Financial Limited and 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
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by retail individual investors to submit Bids using the UPI Mechanism
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
NCDs / Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 2,00,000 lakhs offered through this Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Option(s)	As specified in the relevant Tranche Prospectus
Public Issue Account	Account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es)
Public Issue Account and Sponsor Bank Agreement	Agreement as specified in the relevant tranche Prospectus, entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Managers for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the relevant Tranche Prospectus
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016
Recovery Expense Fund	A fund which would be deposited 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 in the relevant Tranche Prospectus.

Term	Description
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), 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 relevant Tranche Prospectus.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in relevant Tranche Prospectus.
Register of Debenture holder	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013 and for further details see, "*General Terms of the Issue*" beginning on page 182
Registrar Agreement	Agreement dated March 30, 2021 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 this Issue
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue	Link Intime India Private Limited
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Security	The principal amount of the NCDs plus the interest thereon and all secured obligations to be issued shall be secured by way of a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*General Terms of the Issue – Security*" on page 182 of this Shelf Prospectus
Series	As specified in the relevant Tranche Prospectus
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,00,000 lakhs to be issued pursuant to this Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated June 30, 2021 filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock Exchanges	NSE and BSE
Specified Locations	Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	A 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 UPI Mandate Requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors

Term	Description
	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 ₹ 2,00,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered with a broker under the Securities and Exchange Board of India (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 Stock Exchanges
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of possible tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Transaction Documents	Transaction documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche 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 to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" on page 273.
Tripartite Agreements	Tripartite Agreement dated October 9, 2017 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated March 22, 2021 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being, IDBI Trusteeship Services Limited appointed by our Board of Directors
UPI / UPI Mechanism	Unified payments interface mechanism in accordance with SEBI Circular no. SEBI/HO/DDHS/CIR/P/2020/233 dated November 23, 2020 as amended from time to time, to block funds for application value up to ₹ 2,00,000 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 / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment
UPI Mechanism Circular	Circular issued by SEBI on November 23, 2020 titled "Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015" bearing reference number SEBI/HO/DDHC/CIR/P/2020/233 as amended from time to time
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI / NHB and includes a company whose director or promoter is categorized as a wilful defaulter

Term	Description
Working Day	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI Circular bearing no. CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai

Industry related terms

Term	Description
CRAR	Capital to risk adjusted ratio
ECS	Electronic clearance service
EMI	Equated monthly instalment
Gross NPA	Outstanding loans including future principal and overdue charges and excluding unrealised interest accrued and due under NPA accounts
HFC	Housing finance company
IBPC	Inter-bank participation certificate
ICAI	Institute of Chartered Accountants of India
KYC	Know your customer
LAP	Loan against property
LTV	Loan to value ratio
Net NPA	Gross non-performing asset net off provision held for non-performing asset accounts
NPA	An asset, in respect of which, interest or principal has remained overdue for a period of more than 90 days and those assets which are restructured as per relevant regulation are classified as stage 3 herein defined as non performing asset (NPA)
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
RRB	Regional rural bank
SCB	Scheduled commercial banks
Total Loan Book	Total loan book comprises of investments in non-convertible debentures, optionally convertible debentures, inter-corporate deposits and term loans

Conventional and general terms

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS	Accounting standard
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
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate

Term	Description
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consumer Protection Act	Consumer Protection Act, 1986
CRISIL Report	CRISIL Research – NBFC Report 2020 released in Mumbai in December 2020
CrPc	Code of Criminal Procedure, 1973
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
COO	Chief Operating Officer
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
DHFL	Dewan Housing Finance Corporation Limited
DRR	Debenture redemption reserve
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
EGM	Extraordinary general meeting
EPS	Earnings per share
FEMA	Foreign Exchange Management Act, 1999
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016
ICRA	ICRA Limited
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles in India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NEFT	National electronic funds transfer

Term	Description
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NHB Directions	Housing Finance Companies (NHB) Directions, 2010, as updated
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Reserve Bank HFC Directions	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
TDS	Tax deducted at source
UK	United Kingdom

FORWARD-LOOKING STATEMENTS

Certain statements in this Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would",* or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Extent of impact of COVID-19 on our business;
- Default and non-payment by borrowers and other counterparties;
- Legal proceedings involving our Company, our Promoter, some of our Directors and our Group Companies;
- Impact of COVID-19 on infrastructure companies due to subdue demand and elongated receivables;
- Inability to maintain our growth;
- Increase in the levels of NPAs in our loan portfolio;
- Difficulty in geographically expanding our business into new regions and markets;
- Inability to successfully integrate an acquired business or to realize the anticipated benefits of such acquisition;
- Customers opting for balance transfer to other banks and difficulty in refinancing existing housing loans by our customers;
- Risk of inability to raise capital when necessary in order to maintain such capital adequacy ratio; and
- Future regulatory changes.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 17.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the "*Industry Overview*", "*Our Business*" and *"Legal and Other Information"* on pages 79, 108 and 225 respectively.

The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. 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 Company's underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and officers, nor any of our respective affiliates or the Lead Managers 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 SEBI Debt Regulations, our Company and the Lead Managers will ensure that investors are informed of material developments between the date of filing the Shelf Prospectus and relevant Tranche Prospectus with the RoC and the date of receipt of listing and trading permission being obtained from the Stock Exchanges through public notices/advertisements in all those newspapers in which Pre-Issue Advertisement and advertisements for opening or closure of the Issue will be published.

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

General

In this Shelf Prospectus, unless the context otherwise indicates or implies, references to *"you", "offeree", "purchaser", "subscriber", "recipient", "investors"* and *"potential investor"* are to the prospective investors in this Issue, references to our *"Company"*, the *"Company", "we", "us", "our"* or the *"Issuer"* are to Piramal Capital & Housing Finance Limited.

In this Shelf Prospectus, references to *"Rupees" ,"₹", "Rs.", "INR"* are to the legal currency of India *and references to "USD", "US$"* is to the legal currency of the United States. All references herein to the *"U.S."* or the *"United States"* are to the United States of America and its territories and possessions and all references to *"India"* are to the Republic of India and its territories and possessions, and the *"Government"*, the *"Central Government"* or the *"State Government"* are to the Government of India, central or state, as applicable.

Certain figures contained in this Shelf 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. India has decided to adopt the "Convergence of its existing standards with IFRS with some difference" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018.

In this Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off. Except otherwise specified, our Company has presented numerical information in this Shelf Prospectus in "lakhs". One lakh represents 100,000 and one billion represents 1,000,000,000.

Unless otherwise stated, references in this Shelf Prospectus to a particular year are to the calendar year ended on December 31.

Unless stated otherwise all references to time in this Shelf Prospectus are to Indian standard time.

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year. However, for the Financial year ended March 2017, the financial year shall be considered as the period commencing from the date of incorporation of the Company and ending on March 31, 2017.

In accordance with the notification issued by the Ministry of Corporate Affairs, our Company has adopted Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. Our Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. Our Company publishes its financial statements in Rupees, in lakh.

The reformatted financial information as at and for Fiscal ended 2017 have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the ICAI, applicable accounting standards prescribed by the ICAI, Companies Act, as applicable and other applicable statutory and/or regulatory requirements, the reformatted financial information as at and for Fiscal ended 2018, 2019, 2020 and 2021 have been prepared in accordance with Ind AS, applicable accounting standards and guidance notes specified by the ICAI, Companies Act, as applicable and other applicable statutory and/or regulatory requirements.

The Financial Statements are included in this Shelf Prospectus. The examination reports on the Financial Statements, as issued by our Statutory Auditors, are included in this Shelf Prospectus in "*Financial Information*", beginning on page 276.

Industry and Market 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.

Unless stated otherwise, all industry and market data cited throughout this Shelf Prospectus has been obtained from industry publications and certain public sources and accordingly, all financial data forming part of the industry and market data cited throughout this Shelf Prospectus, is based on such industry publications and certain public sources and represented in Rupees, in lakhs, in million, billions and trillions, as applicable. Further, information has also been derived from report dated December, 2020, titled CRISIL Research – NBFC Report 2020 released in Mumbai in December 2020 issued by CRISIL Limited, which has been commissioned by our Company. For risk in relation to commissioned reports, see "*Risk Factors – We have referred to the data derived from industry reports commissioned from CRISIL Limited*" on page 37.

Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry and market data used in this Shelf Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 17. Accordingly, investment decisions should not be based solely on such information.

Exchange Rates

The exchange rates (in ₹) of USD are provided below:

Currency	March 31, 2021	March 31, 2020	March 31, 2019*	March 31, 2018**	March 31, 2017
USD	73.50	75.39	69.17	65.04	64.84

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

* *Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.*

** *Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.*

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 Shelf Prospectus including "Our Business" beginning on page 108 and "Financial Information" beginning on page 276, 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. To the extent the COVID19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. 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 Shelf 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 Shelf Prospectus.

Unless otherwise indicated, the financial information included herein is based on the Financial Statements as included in this Shelf Prospectus.

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

<u>Internal risks pertaining to our business and operations</u>

1. ***The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.***

The rapid spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity, asset quality and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. The COVID-19 pandemic may affect us in a number of ways as mentioned below, and we expect the potential magnitude and duration of each to be severe:

- our customers may default on loan and other payments or other commitments. Our delinquency ratios may substantially increase and our asset quality may deteriorate.

- pursuant to RBI's directions, we have granted moratorium on payment of all instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period**") to all eligible borrowers who have requested the moratorium. The RBI has also clarified that accounts which benefit from the Moratorium Period will not be classified as NPAs if the accounts have any instalments that fall overdue during the Moratorium Period. As of March 31, 2021, we have impairment loss allowance amounting to ₹ 184,847 lakh for loans. Further, as a result of this pandemic, the credit performance and repayment behaviour of customers needs to be monitored closely and, in the event that the impact of the pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets.

- the RBI on August 6, 2020 issued a "Resolution Framework for COVID-19-related Stress" ("**Resolution Framework**") with an intent to facilitate revival of various identified sectors related activities and mitigate the impact of COVID-19 on certain classes of borrowers. The Resolution Framework provides the lending institutions a window for one-time restructuring of eligible corporate exposures. The loan restructuring facility pursuant to the Resolution Framework is available to certain borrowers which are eligible and have financial stress on account of COVID-19 as per the Resolution Framework. Since some of our borrowers may not be eligible under this Resolution Framework, the level of NPAs in our portfolio may increase which may adversely affect our business and financial performance.

- the RBI on May 5, 2021 issued a "Resolution Framework -2.0 for COVID-19-related Stress" ("**Resolution Framework 2.0**") with an intent to alleviating the potential stress to individual borrowers and small businesses. The measures are broadly in line with the Resolution Framework with suitable modifications. Resolution Framework 2.0 provides the lending institutions permission to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard upon implementation of the resolution plan subject to the specific conditions.

- the RBI on April 7, 2021 advised all lending institutions to 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 01, 2020 to August 31, 2020 in conformity with the Supreme Court judgement dated March 23, 2021 in the matter of Small Scale Industrial Manufacturers Association vs Union of India & Ors. and other connected matters ("**Supreme Court judgement**"). Further, the circular stated that in order to ensure that the Supreme Court 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 ("**IBA**") in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial results for the year ended March 31, 2021. As per the IBA clarification, the Company has estimated the said amount and recognised a reversal in its Statement of Profit and Loss Account for the year ended March 31, 2021.

- there is no assurance that the payments due on such loans will be made or these loans will not be classified as NPAs in the future.

- our CFG's lending platform has exposure primarily to sectors such as infrastructure, renewable energy, power, telecom, entertainment, industrials and auto components. The lockdown triggered by COVID-19 has disrupted the business operations of our portfolio companies on this platform in general as a result of partial/ full shutdown of manufacturing plants, lack of availability of labour and restriction on movement of goods. For details in relation to the impact of COVID-19 on CFG's infrastructure lending platform, see "*– We have exposure to certain infrastructure companies (especially power generation companies). There may be adverse impact of the pandemic (COVID-19) on the infrastructure companies affecting their business operations as well as financial condition due to subdued demand and elongated receivables which may consequently impact our business, cash flows, financial condition and results of operations*" on page 20.

- our exposure to mezzanine debt could be adversely affected due to delay in exit events planned by the borrowing entities due to COVID-19 or otherwise.

- our ECL portfolio is diversified across manufacturing and service sectors including tourism and hospitality, automotive and automotive component, real estate, logistics and the exposures are backed by a mix of hard collateral and operating cash-flows. Since many of these sectors are impacted by COVID-19, they may further be credit negative for certain of our existing borrowers.

- an overall deterioration in the economy may also lead to a reduction in the value of collateral provided for our loans, leading to higher than anticipated losses on default. In addition, economic deterioration could lead to significantly higher interest rates for our customers which could increase the number of customers who face difficulty paying the amounts due on their loans. This could lead to a potential increase in late payments and loan defaults, ultimately reducing our cashflow.

- in the event a member or members of our management team contracts COVID-19, it may potentially affect our operations.

- retail borrowers may be particularly adversely affected by COVID-19 and its impact on the Indian economy, which could lead to increased customer defaults, leading to an increase in the levels of our NPAs.

- there is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 outbreak. Further, if as a consequence of COVID-19, certain banks or HFCs are unable to meet their market commitments, this can impact investor confidence in HFCs generally and result in a loss to investors in the HFC. A liquidity shortage for the industry as a whole may also adversely impact our short to medium term cash flows.

- the lockdown imposed by the Government of India led to widespread reverse migration of migrant labour from various cities and towns of India. As the real estate industry employs a large number of migrant labour for construction, the ability to complete housing projects and handover projects in time may be adversely affected, which could adversely affect our customers. In addition, delayed decisioning by home buyers, supply chain challenges, prolonged effects of social distancing, work from home as a new norm, among other things, may adversely affected the real estate industry, which could adversely affect our customers in procuring construction finance both on residential as well as commercial space.

- our branch level and other operations (including third-party vendors) will be disrupted by social distancing, split-team, work from home and quarantine measures. Further, on account of the restrictions ordered by the Government of India, a number of our offices and employees have been working from home/ different locations utilising remote working technologies. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. In particular, we face heightened cyber-security risks with a large proportion of our employees working from home.

- the requirement to work from home has required changes to be made to certain operating procedures, which are relatively new. Any unforeseen weaknesses in these processes exposes us to operational risk.

- if any of our employees or customers are suspected to have been infected or identified as a possible source of COVID-19, we may be required to quarantine the employees as well as any others that had come into contact with them and may also be required to disinfect the affected branches or other offices and therefore suffer a temporary suspension of business operations.

- our stress testing, changes in loan disbursement, and other measures to address the effects of the COVID-19 pandemic may not capture the full impact of the actual stress.

It is possible that COVID-19 will lead to a prolonged global economic crisis or recession.

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

Any of these factors could have a material adverse effect on our results of operations and financial condition, including its revenues, costs structure, liquidity, cash flows, asset quality and growth.

Further, our Statutory Auditors have included emphasis of matters in their audit reports on our audited standalone financial statements for Fiscal 2021, noting that the extent to which COVID-19 pandemic will impact the Company’s current estimate of expected credit losses is dependent on future developments, which are highly uncertain at this point. For further details, see " – *Our Auditors' report for the Fiscal 2021, 2020, 2019 and 2018 includes explanatory paragraphs which draws attention to certain matter of emphasis and other matters*" on page 30.

2. ***As an HFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.***

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As on March 31, 2021 our loan book stood at ₹ 32,35,356 lakh with a gross NPA of 3.46 % and a net NPA of 1.90%. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of NPAs in our portfolio and adversely affect our business and financial performance. While we have adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults, the borrowers may default in their repayment obligations due to various other reasons including insolvency, lack of liquidity, operational failure, and other reasons. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

3. ***Our Company, our Promoter, some of our Directors and our group companies are involved in certain legal and other proceedings (including criminal proceedings). Any adverse decision in such proceedings may render us/ them liable to penalties/ liabilities and our business, financial conditions and results of operations may be adversely affected.***

Our Company, our Promoter, some of our Directors and group companies are currently involved in certain legal proceedings including, criminal, civil, consumer and tax related proceedings. These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. We are involved in litigation for a variety of reasons, which typically arise in the normal course of business, when we seek to recover our dues from borrowers in default. 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.

Although we intend to defend or appeal any adverse order in relation to these proceedings, we will be required to devote management and financial resources in their defense or prosecution. If the courts or tribunals rule against our Company, our Directors, our Promoter or group companies, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings, thereby resulting in loss in terms of reputation or otherwise. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future. For further details in relation to legal proceedings, see "*Pending Proceedings and Statutory Defaults*" beginning on page 225.

4. ***We have exposure to certain infrastructure companies (especially power generation companies). There may be adverse impact of the pandemic (COVID-19) on the infrastructure companies affecting their business operations as well as financial condition due to subdued demand and elongated receivables which may consequently impact our business, cash flows, financial condition and results of operations.***

6.6% of our loan book has exposure to the infrastructure sector (especially the renewable power generation companies), as on March 31, 2021.Most of these companies have long term contracts with distribution companies ("**DISCOMs**") which are mostly state-owned entities. The financial performance of these companies depends on the combination of electricity generation, demand for electricity and the payment cycle from distribution companies. While the impact of the pandemic on the electricity generation has been negligible, the impact on the demand for electricity and the payment cycle from distribution companies have been more pronounced.

Further, one of the key concerns in the Indian power sector has been the poor financial health of its DISCOMs. The

DISCOMs have had high levels of debt and have been running losses. The debt problem was partly addressed under the UDAY scheme however DISCOMs have continued to register losses owing to underpricing of electricity tariff for some consumer segments, and other forms of technical and commercial losses. Outstanding dues of DISCOMs towards power generation companies have also been increasing, indicating financial stress in some DISCOMs. While the government has announced a COVID-19 relief package of ₹ 90,000 crore to DISCOMs for the pending outstanding receivables, due to the lockdown and its further impact in the near term, the financial situation of DISCOMs is likely to be aggravated.

Accordingly, a negative financial performance by the DISCOMs and their ability to pay the generation companies could result into default by our borrowers. A significant increase in default by such borrowers could adversely impact our business, prospects, financial condition, results of operations and cash flows.

5. ***We have undertaken, and may undertake in the future, strategic acquisitions or alliances, which may be difficult to integrate, and may end up being unsuccessful.***

We have in the past pursued and may from time to time pursue in the future, strategic acquisitions and alliances in order to increase our market presence. In Fiscal 2020, we submitted a resolution plan including a scheme of arrangement under sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 on December 22, 2020 (the "**Resolution Plan**") with the administrator for the acquisition of DHFL for a total consideration from the Company aggregating to ₹ 3,425,000 lakh (through a combination of cash and non-convertible debentures) ("**Consideration**") which was subsequently approved by the committee of creditors. The rationale for the proposed acquisition is to build long term retail franchise, leverage geographical coverage, leverage existing customer base, among other things. On February 16, 2021, the RBI issued (i) no-objection in relation to change in control/ management of DHFL, (ii) approval for acquisition of DHFL, and (iii) in-principle approval for proposed merger of our Company and DHFL, following which the administrator filed an application with the NCLT, Mumbai bench on February 24, 2021 for approval of the Resolution Plan.

The Resolution Plan was approved by the NCLT, Mumbai bench on June 7, 2021 ("**NCLT Order**"). The implementation of the Resolution Plan was subject to fulfilment of certain conditions by our Company, including (i) approval from RBI for the assignment of external commercial borrowings of DHFL and masala bonds issued by DHFL to our Company; (ii) approval from relevant stock exchange for delisting of the non-convertible debentures issued by DHFL; and (iii) such other regulatory approvals as may be directed by the adjudicating authority, in relation to the amalgamation of our Company with DHFL. In addition to above conditions, our Company is also required to make certain payments inter alia towards (i) workmen and employees (ii) operational creditors (iii) dissenting financial creditors (iv) financial creditors and (v) other creditors of DHFL within specified time. Further, our Company is also required to undertake equity infusion amounting to Rs. 1 crore in DHFL at a price as provided under the NCLT Order.

In the interim, a monitoring committee is formed to supervise the implementation of the Resolution Plan. The NCLT Order, prima facie approved the reverse merger of our Company into and with DHFL. Further, the NCLT also noted that while granting the no-objection certificate by RBI, the status of DHFL was changed from deposit taking housing finance company to non-deposit taking housing finance company. In addition, the approval from the Competition Commission of India was received on April 12, 2021 and are pending. Upon completion of the implementation, our Company shall be merged into DHFL by way of an amalgamation by a scheme of arrangement as provided under the NCLT Order. Upon completion of the merger, the merged entity will be renamed as PCHFL. We cannot guarantee that we will be able to obtain such approval(s) in a timely manner or at all. Further, the acquisition may require funds incremental to the Consideration which we may not be able to garner. An appeal has been filed before the National Company Law Appellate Tribunal against the Resolution Plan. We cannot assure you on any further challenges on the implementation of the Resolution Plan / amalgamation of our Company with DHFL.

We believe that there are several risks associated with the acquisition, such as, more defaults than estimated coming to light which could lead to losses and hence impact serviceability, more frauds being identified which could deteriorate the value of acquisition, unexpected issues arising out of the diligence, challenges due to geographical expansion in certain states where we do not have any business currently, prepayment of loan by acquired customers which would reduce the expected interest earned, material increase in our NPAs (on a merged basis) owing to weaker than expected quality of the portfolio being acquired, delay in integration due to delay in implementation of the Resolution Plan and litigations getting settled and reputational risk associated with DHFL, adverse outcome of any on going litigation, among other things. These issues could lead to shrinkage of our NIMs/ profitability. In addition, since the acquired portfolio will primarily consist of retail home loans backed by housing properties, in the event of an adverse correction in the real estate market, the LTV on these loans could increase leading to defaults and losses to our Company. Further, in the event home loans which have been provided for under construction properties are not completed due to delays by developers, the LTV may further increase which may adversely impact our profitability.

We also believe that the acquisition will enable our Company to maximise synergies, reduce administrative costs, and achieve operational and managerial efficiency, our ability to achieve the benefits we anticipate from the acquisition and any future acquisitions and alliances will depend in large part upon whether we are able to integrate the acquired businesses into the rest of our Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and business procurement efforts, improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect our Company's business, results of operations, financial condition and prospects.

Further, subject to relaxation from certain regulatory authorities, the acquired businesses may have contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally will seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements or shareholders' agreement such as restrictions on the transfer of shares, tag-along rights, drag-along rights, option agreement, right-of-first refusal for existing shareholders, lock-in clauses, non-compete clauses, indemnity provisions etc. These provisions may, as the case may be, prevent our Company from disposing or acquiring shares in the subject entities, or force our Company to sell or acquire shares in the subject entities against its better judgment.

6. *We may not be able to successfully manage and maintain our growth.*

We have expanded our business operations with additional products and we intend to continue our efforts for further expansion of our operations. Our total revenue from operations during the Fiscals 2021, 2020 and 2019 was ₹ 5,08,165 lakh, ₹ 5,60,401 lakh and ₹ 5,52,942 lakh, respectively. Our growth depends on a number of factors, including growing our loan book and expanding our customer base, future regulatory changes and market and economic conditions.

Our growth strategy includes granularization of the wholesale financing loan book along with conservative provisioning to manage any contingences, expanding the retail loans through digital lending platform, focus on diversified liability mix with reduced cost of funding and increasing share of long-term borrowings and proactively engage with and support our partners/ developers to ensure project completion. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

In order to maintain our growth in future, we will, *inter alia,* need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third-party agents, lenders and other parties.

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.

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 portfolio which may, in turn, have a material adverse effect on our business, results of operations and financial condition.

In addition, due to COVID-19, we may not always be able to down sell our loans and when we do, we may have to take additional obligations in the form of consents and liabilities on an ongoing basis under the relevant agreements which could have an adverse effect on our business, results of operations and financial condition.

7. ***Any increase in the levels of default assets (90 days overdue) for any reason whatsoever, would adversely affect our business, results of operations and financial condition.***

Our gross NPA, defined as the percentage of assets in our Total Loan Book which are more than 90 days overdue, was 0.36%, 2.12% and 3.46% for the fiscal years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively. On principal loan amount, expected credit loss provision as required under Ind AS is created, resulting in a provision of 1.91%, 5.54% and 5.71% of the outstanding loans as of March 31, 2019, March 31, 2020 and March 31, 2021, respectively. There is no assurance that our NPA level will continue to stay at its current level or will not further increase. If the credit quality of our Total Loan Book deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may get adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in our Total Loan Book in the future.

While, as a matter of prudence, following our conservative provisioning policy and considering the uncertain market scenario, we have created an additional provision of ₹ 1,24,912 lakh as on March 31, 2020 to meet any contingency that may occur to our portfolio due to impact of COVID-19, should the overall credit quality of our Total Loan Book deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. Further, there can be no assurance that we will be able to recover the outstanding amounts due under any defaulted loans. We may also face difficulties in disposing of the underlying assets relating to such loans, as a result of which, we may be unable to realise any liquidity from such assets. For further details, see "– *We may be unable to foreclose on collateral in a timely fashion or at all when borrowers default on their obligations to us, or the value of collateral may decrease, any of which may result in failure to recover the expected value of collateral security, increased losses and a decline in net profits*" on page 28.

8. ***We may experience difficulties in geographically expanding our business into new regions and markets.***

As on March 31, 2021, we operated through 19 branches located in various cities across India. As per our strategy to focus on expanding the retail loans, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets. However, due to a challenging external macro environment during Fiscal 2020 and Fiscal 2021 including uncertainties driven by COVID-19, a cautious stance has been adopted towards branch expansion. Further, 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. With the proposed acquisition of DHFL we may face challenges due to geographical expansion in certain states where we do not have any business currently. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with potential customers.

As we continue to expand our geographic footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully 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 standardised 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 such 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 geographical presence or withdrawal from the present locations may adversely affect our business prospects, financial conditions and results of operations.

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

We offer our retail customers variable interest rate loans which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Retail customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders providing relatively low cost of borrowing and attractive rates could in certain circumstances be beneficial for our retail customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for retail customers in refinancing their existing housing loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. Certain of our retail customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations and financial condition. Since, as on March 31, 2021, our real estate lending contributed 77.5% in our lending book, our exposure to the real estate sector is significant. Slowdown in the sector has heightened the refinancing risk, which has and could further have an adverse effect on our business, results of operations and financial condition.

10. ***In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. There is no assurance that we will be able to raise capital when necessary in order to maintain such a ratio.***

The NHB Directions require our Company to maintain a minimum capital to risk (weighted) assets ratio ("**CRAR**") comprising of Tier I and Tier II Capital which shall not be less than 13.00% of our aggregate risk weighted assets and risk adjusted value of off-balance sheet items on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. The NHB Directions assign weightages to balance sheet assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our capital adequacy ratio, calculated in accordance with IND AS, was 32.30% as at March 31, 2021. Our ability to support and grow our business could be limited due to a declining capital adequacy ratio if we are unable to access or have difficulty raising capital. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions which could adversely affect our business. Further, any regulatory change in capital adequacy requirements imposed by the NHB may have an adverse effect on our results of operation.

11. ***We are an HFC and subject to various regulatory and legal requirements. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.***

We are an HFC registered with the NHB, which was the regulator for HFCs in India until August 2019. Post August 2019, NHB still supervises HFCs while the RBI regulates HFCs by stipulating prudential guidelines, directions and circulars in relation to HFCs.

We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to NHB regulations, HFCs are currently required to maintain a minimum CRAR. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As of March 31, 2021, our CRAR (%) was 32.30%. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favourable terms, in a timely manner or at all. For further details in relation to the minimum CRAR required to be maintained as per the NHB Directions, see "– *In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. There is no assurance that we will be able to raise capital when necessary in order to maintain such a ratio*" on page 24.

The introduction of additional government controls, judicial precedents or newly implemented laws and regulations including, in relation to classifications of and provisioning for NPAs, recoveries, capital adequacy requirements and exposure norms, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations, cash flows and financial condition and our future expansion plans in India. For instance, the Supreme Court of India has ordered the banks and financial institutions to refund the compound interest, interest on interest or penal interest collected on installments for loans during the moratorium period from March 1, 2020 to August 31, 2020. The Company has estimated the said amount and recognised a reversal in its Statement of Profit and Loss Account for the year ended March 31, 2021.In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations. Further, we cannot assure you that we will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the financing of housing and urban infra structure sector in general.

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.

We cannot assure you that we will be in compliance with the various regulatory and legal requirements in a timely manner or at all. The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities with respect to these regulations vary from our interpretation, it may be subject to penalties and our business could be adversely affected.

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

Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institutions under provisions of the NHB Act.

The NHB conducts periodic inspections of matters related to our books of accounts and other records inter alia for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which we may have failed to furnish on being called upon to do so. Such periodic inspections include observations such as asset quality and related policy issues, failure to have systems in place for asset classification and provisioning, missing system of identification/ reporting mortality accounts, lack of model for rating of borrowers and linkage of pricing to same, no prior permission from government/local government/statutory authority for project loans, no recovery policy for retail assets, certain policies and their review not being in place, in cases of loans taken by the Company from lenders, while extending credit facility, extension of moratorium by the Company, failure to hold meetings held for certain committees, non-disclosure of depreciation in investments and observations such as failure of having succession planning in place. These inspections are exhaustive and can last for a period of three to four weeks, during which regulators review the HFC's adherence to regulatory guidelines, scrutinise 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.

In the past, we had received show cause notices from the NHB alleging non-compliance of provisions relating to the disclosure of CRE and CRE(RH) portfolios in the balance sheet. Our Company responded to the notice stating that the annual financial statements already include the provisions created on both CRE and CRE(RH) portfolios. We had also received show cause notices from NHB for breach of LTV norms, renegotiating and rescheduling of loan accounts in violation of NHB Directions, rate reduction in case of retail borrower accounts, and non-assignment of risk weight based on the credit conversion factor (CCF), to which our Company responded adequately and requested the NHB to waive the proposed penalty. In this regard, we have received certain follow up letters from the NHB. For further details, see "*Pending Proceedings and Statutory Defaults*" on page 225. Further, we have, in the past intimated NHB and RBI, respectively, regarding excess exposure over single borrowing limit of certain borrowers while committing that such exposure will be reduced within specified period.

While we attempt to be in compliance with all regulatory provisions applicable to us, we cannot assure you that the NHB will not find any deficiencies in future inspections or the NHB will not make similar or other observations in the future. In the event that we are unable to comply with the observations made by the NHB, we could be subject to penalties and restrictions which may be imposed by the NHB. Imposition of any penalty or adverse finding by the NHB during any future inspection may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

For further details in relation to the outstanding show-cause notices issued by NHB to our Company, please see the section "*Pending Proceedings and Statutory Defaults*" on page 225.

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

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings in the ordinary course of our business. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, among other things, winding up, any corporate restructuring, re-organization and/ or re-capitalization of any sort including merger, demerger, amalgamation, buy-back, capital reduction, transfer of controlling interest, drastic changes in management set-up, liquidation, making any material amendments in the constitutional documents, which may adversely affect the ability of our Company to fulfil its obligations under the finance documents, entering into any compromise or arrangement or settlement with any of our Company's secured creditors. In addition, under certain of our financing agreements, upon the occurrence of a default on our interest payments or repayment of principal to the lender, we could be restricted from declaring dividends and the lender may have a right to appoint a nominee director. All our financing agreements require us to maintain an asset cover ratio/minimum security cover of our standard assets or the outstanding amounts under the relevant financing agreement. Further, we are also required to maintain certain other financial covenants under our financing agreements. Such restrictive covenants in our loan and bond documents may restrict our operations or ability to expand and may adversely affect our business. As on the date of this Shelf Prospectus, our Company has obtained consents/ permissions/ sent intimations as required for creation of further charge on assets pursuant to the Issue, from all the existing charge holders.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we have breached any terms in the past which are noticed in the future, we may, amongst other things, be required to immediately repay our borrowings either in whole or in part, together with any related costs. Further, in this situation, we will be restricted from availing further loans and/ or creating additional security interest, which could detrimentally affect our business.

Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. In addition, some of our agreements with our lenders and our borrowers may not be executed on stamp paper. If any of these events were to occur, it would likely result in a material adverse effect on our financial condition and results of operations or even our ability to continue as a going concern.

14. ***We do not own the trademark and the logo associated with "Piramal" brand name. Consequently, our ability to use the trademark, name and logo may be impaired.***

We do not own the trademark and logo associated with "Piramal" brand name which we use in the course of our business operations and to conduct our operations, the brand is registered in the name of Piramal Corporate Services Private Limited ("**PCSPL**") , a wholly owned subsidiary of PEL. Our Company has entered into a trade mark license and advisory services agreement dated September 3, 2018 with PCSPL ("**Trademark Agreement**") for use of the "Piramal" trademark and the corporate logo which consists of "Gyan Mudra" icon, the "Piramal" name and the words "Knowledge Action Care Impact". The Trademark Agreement is valid till March 31, 2023. If the Trademark Agreement is not renewed, we will not be able to use the trademark, name or logo in connection with our business and, consequently, we may be unable to capitalize on the brand recognition associated with the trademark.

While we only use intellectual property registered in our name or pursuant to the Trademark Agreement, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

15. ***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 and affect our source of funding.***

Our operations are particularly vulnerable to volatility in interest rates and mismatch in maturity. 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 scenario 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, competitive 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 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 financing in general 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. A portion of our funding requirements is met or may be met in the future through short and medium-term funding sources such as bank loans, non-convertible debentures, commercial paper, cash credit, external commercial borrowing or any other instruments 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.

We may be required to seek expensive sources of funding to finance our operations, which would result in a decline in our net profits and have a material adverse effect on our business, financial condition, results of operations and prospects. Our ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets and the strength of the lenders from which we borrow.

16. ***We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of creditworthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.***

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on Credit Information Bureau (India) Limited ("**CIBIL**") and other credit bureaus for creditworthiness of our borrowers. We also verify information with registrars and sub-registrars of assurances for encumbrances on collateral. We follow the know your customer ("**KYC**") guidelines prescribed by the NHB on the potential borrower, verifies the place of business or place of employment as applicable to the potential borrower and also verifies the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. Additionally, once a prospective borrower has submitted a completed loan application, our empaneled third-party agencies conduct various on-site checks to verify the prospective customer's work and home addresses. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB da ted October 11, 2010, as a mended mandating the policies of HFCs to have certain key elements, including, *inter alia*, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management.

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

17. ***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"* beginning on page 120. 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 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 greater than those indicated by the historical measures. For example, our NPA levels may rise due to poor monitoring methods of our portfolio. 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 risks are dependent upon our ability to 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. While the risk management team has developed a proprietary internal rating model to evaluate risk return trade-off for the loans and investments extended by us, there is no guarantee that such model will be effective.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

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

18. ***If we are unable to maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls, and we endeavour to ensure that all relevant statutory and regulatory compliances are met and fulfilled in accordance with applicable law. While, in the past, RoC had issued a show cause notice to us for no woman director being appointed for the Fiscal 2017, we have established policies, procedure and stringent controls in place to ensure adherence to statutory and regulatory compliances. Whilst there has been no past instance of a material lapse in our internal controls, in case there arises any deficiency to maintain these established policies and system of internal controls and such deficiencies are not addressed in a timely manner it may lead to lapses in our business and reputation which could adversely impact our Company's business and financial condition.

19. ***We may be unable to foreclose on collateral in a timely fashion or at all when borrowers default on their obligations to us, or the value of collateral may decrease, any of which may result in failure to recover the expected value of collateral security, increased losses and a decline in net profits.***

Among other factors, we consider a mix of cash flow and availability of collateral while taking lending decisions. Many of our loans including non-retail loans are secured by collateral, which includes liens on inventory, receivables, cash flows and other current assets, and charges on fixed assets, such as property and financial assets (such as marketable securities). We may not be able to realise the full value of the collateral, due to, among other things, defects in the perfection of collateral and fraudulent transfers by borrowers, significant decrease in value of collateral, stock market volatility, changes in economic policies of the Indian government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, our records of borrowers' and guarantors addresses being ambiguous or outdated. In the event that a specialised regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, the value of collateral may be less than we expect or may decline. If we are unable to foreclose on our collateral or realise adequate value, our losses will increase and our net profits will decline.

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

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

20. ***We may have a concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.***

As on March 31, 2021, our aggregated exposure to top 20 borrowers with respect to concentration of loans was 51.27%. Accordingly, our loan portfolio and NPA portfolio currently has or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, and breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Credit losses due to financial difficulties of these borrowers/ borrower groups in the future could adversely affect our business and our financial performance.

21. ***We are exposed to borrower and industry concentrations, and a default by any large borrower or a deterioration in the performance of any of the industry sectors to which we have significant exposure would adversely affect the quality of our portfolio, and our ability to meet capital requirements could be jeopardized.***

In the case of customer exposures, we aggregate the outstanding balances of, or limits on, funded and non-funded exposures, if any of our customer exposures were to increase, our net profits would decline and, due to the magnitude of the exposures, our ability to meet capital requirements could be jeopardized.

Industry-specific difficulties in these or other sectors may increase our level of NPAs. If we experience a downturn in an industry in which we have concentrated exposure, our net profits will likely decline, and our financial condition may be materially adversely affected. Further, any negative trends in the industry in which we have concentrated exposure may affect the ability of our borrowers to perform their obligations under their existing financing agreements with us and increase the level of Stage 3 assets in our portfolio, adversely affecting our business, financial performance and results of operations.

22. ***As an HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.***

As on March 31, 2021, our real estate lending contributed 77.5% in our lending book, accordingly our exposure to the real estate sector is significant. The primary security for the retail loans disbursed by us is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real estate properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition. Further, due to the impact of COVID-19 on the real estate sector, construction activity has been delayed and industry-wide sales are expected to remain slow which has and may further have an adverse impact on our Company.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate (Regulation and Development) Act, 2016, as amended ("**RERA Act**") is expected to have the biggest impact over the long term. After notification of certain sections of the RERA Act with effect from May 2016, the full provisions of the Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to the RERA Act, some of the states are in the process of doing so. To ensure compliance with the requirements of the RERA Act, players in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various players in the sector leading to less than anticipated growth in the housing sector, which may affect our business adversely.

23. ***Our Auditors' report for the Fiscal 2021, 2020, 2019 and 2018 includes explanatory paragraphs which draws attention to certain matter of emphasis and other matters.***

(i) Our Auditors' report dated May 24, 2021 on the audited financial statements for Fiscal 2021 contained the following paragraphs:

"Emphasis of Matter

We draw your attention to Note 39 of the Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 -Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards ('Ind AS') 103. "

(ii) Our Auditors' report dated May 11, 2020 on the audited financial statements for Fiscal 2020 contained the following paragraphs:

"Emphasis of Matters

- *We draw your attention to Note 39 of the Standalone Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 -Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards ('Ind AS') 103.*
- *As mentioned in Note 44.3 to the Standalone Financial Statements, pursuant to the Reserve Bank of India ('RBI') directions on 'COVID-19 Regulatory Package -Asset Classification and Provisioning' issued on 17 April 2020, the Company has recognized expected credit loss (including management overlays) on its investments and loans to customers on account of impact of COVID-19 pandemic based on its assessment of the information available and the guidance issued by the Reserve Bank of India on granting of three months moratorium and the resultant asset classification relaxations to accounts*

classified as standard as on 29 February 2020. Further, the underlying forecasts and assumptions applied by the Company in the determination of ECL provision are subject to uncertainties which are often outside of the Company's control. The extent to which the COVID-19 pandemic will impact the Company's current estimate of expected credit losses is dependent on future developments, which are highly uncertain at this point."

(iii) Our Auditors' report dated April 26, 2019 on the audited financial statements for Fiscal 2019 and 2018 contained the following paragraphs:

"Emphasis of Matter

- *We draw your attention to Note 39 of the Standalone Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 - Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards ('Ind AS') 103.*"

For further details, see section titled "*Financial Information*" on page 276.

24. ***Our Reformatted Financial Information will have comparative difference pursuant to the Scheme of Amalgamation. Reliance on such information should, accordingly, be limited.***

The scheme of amalgamation entered into amongst PFL, PCL and our Company was approved by the NCLT vide its order dated April 6, 2018, whereby PFL and PCL amalgamated with our Company and all the assets and liabilities of PFL and PCL were transferred to our Company with effect from March 31, 2018. Accordingly, the financial numbers for Fiscal 2018 and 2019 in the Reformatted Financial Information will have comparative difference and reliance by prospective investors on Reformatted Financial Information should be limited.

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

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Further, pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Specifically, in relation to cases where we have extended construction finance to developers or builders for specific projects, allottees in such real estate projects will be considered on par with our Company in terms of priority of repayment. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be delay in recovery of amounts from such borrowers.

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC. We undertake mezzanine financings in various transactions as well where we take financing positions in holding companies that are not backed by mortgage of assets and may only have share pledge and/or guarantees as security. In this context, we may not be able to enforce any security at an operating company or we may not stand in priority if insolvency proceedings are initiated against our debtor in the event there are other lenders of larger value there.

26. *We have contingent liabilities as at March 31, 2021 and our financial condition may be adversely affected if these contingent liabilities materialise.*

We have substantial contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities aggregated to ₹7,857 lakh as at March 31, 2021 in accordance with Ind AS 37. The contingent liabilities consist primarily of liabilities on account of dues towards income tax. In the event that any of these contingent liabilities materialise, our results of operations and financial condition may be adversely affected. Below are the details of contingent liabilities as at March 31, 2021:

Particulars	Amount (in ₹ lakh)
Dues towards income tax for AY 2014-2015	34
Dues towards income tax for AY 2017-2018	5,534
Dues towards income tax for AY 2018-2019	511
Dues towards income tax for AY 2019-2020	510
Dues towards income tax for AY 2020-2021	1,268

27. *We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations. We are also reliant on funding from the debt capital markets and commercial borrowings. Inability of our Company to access funds at an effective cost that is comparable to or lower than its competitors may adversely impact its business and its future financial performance.*

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

We also rely substantially on funding from the debt capital markets and commercial borrowings including external commercial borrowings. The market for such funds is competitive and our ability to obtain funds at competitive rates depends on various factors, including our Company's ability to maintain its credit ratings. Inability of our Company to access funds at an effective cost that is comparable to or lower than its competitors may adversely impact its business and its future financial performance.

28. ***Possible conflict of interest with entities forming part of the Piramal Group may affect implementation of our business strategy.***

Certain entities forming part of the Piramal Group, are in the same line of business as ours. Similarly, some of our Directors have interests in such companies, which are in businesses similar to ours. Hence, there may be common pursuits between us and them which may lead to conflict of interest. Any such conflicts of interest with our Company may consequently affect our results of operations.

29. ***Our growth in profitability depends on the continued growth of our loan portfolio.***

Our results of operations depend on a number of internal and external factors, including changes in demand for housing loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

30. ***We may be required to account for an impairment loss with respect to intangibles including goodwill recorded in our financial statements.***

We assess whether the value of our intangibles including goodwill have been impaired on an annual basis. Any impairment of goodwill or other intangible assets as a result of such analysis would result in a non-cash charge against earnings, which could adversely affect our Company's reported results of operations. A significant and sustained decline in future cash flows due to adverse change in the economic environment, slower growth rates, changes in cost of capital or other factors could result in the need to perform additional impairment analysis in the future periods.

Our Company has recognized goodwill on account of the merger of PFL into our Company. The tax benefits arising from the merger are subject to assessment under applicable income tax laws and we may be subject to further scrutiny from the income tax authorities. Further, as per the amendment in Finance Act, 2021, no depreciation is allowed to be claimed on goodwill from Fiscal 2021. In the event, there is a disallowance of the amortization of intangible assets pursuant to the merger, or any other tax benefits arising from the merger, we may face increased tax expenses and litigation costs and consequently, our business and financial condition may be adversely affected.

31. ***We may not continue to gain undisrupted access to our funding sources or be able to secure the requisite amount of financing at competitive rates for our growth plans and to meet other cash needs.***

Our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met primarily from a combination of borrowings such as term loans from banks and financial institutions, issuance of commercial papers and non-convertible debentures and other debt instruments on a private placement basis. Thus, our continued growth and our ability to make payments on, or repay or refinance, our debts and obligations, including the NCDs will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control. Changes in laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, our inability to secure requisite financing, refinancing or continuing with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that future debt or equity financing (from our Promoter or otherwise) will be available to us in an amount sufficient to enable us to pay our debts when due, including the NCDs, or to fund other liquidity needs. If we cannot procure sufficient cash to fund our liquidity needs, we may, among other things, need to restructure or refinance all or a portion of our debt, including the NCDs, obtain additional financing, delay planned capital expenditures or investments or sell material assets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all.

32. ***Any downgrade in our credit ratings may increase our financing costs and subject us to more onerous covenants, which may adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

We have received rating for our short-term instruments and long-term instruments as set forth:

Rating Agency	Rating	Nature of Securities
ICRA Limited	[ICRA]AA(Negative)	Non-convertible debentures
CARE Ratings Limited	CARE AA(CWD) (Double A)	Non-convertible debentures
CRISIL Limited	CRISIL A1+	Commercial papers
CARE Ratings Limited	CARE A1+	Commercial papers
ICRA Limited	[ICRA] AA(Negative)	Tier II bonds
CARE Ratings Limited	CARE AA(CWD) (Double A)	Tier II bonds
CARE Ratings Limited	CARE A1+	Inter corporate deposits
ICRA Limited	[ICRA] AA(Negative)	Long-term term loans
CARE Ratings Limited	CARE AA(CWD) (Double A)	Long-term bank facilities

Further, the NCDs proposed to be issued pursuant to this Issue have been rated CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications) by CARE Ratings Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number CARE/HO/RL/2020-21/4772 and dated March 24, 2021, further revalidated by way of its letter dated June 23, 2021 bearing reference number CARE/HO/RL/2021-22/1582 and [ICRA] AA (pronounced as ICRA double A) (Outlook: Negative) by ICRA Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number MUM/20-21/3582 and dated March 23, 2021, further revalidated by way of its letter dated June 24, 2021 bearing reference number ICRA/Piramal Capital & Housing Finance Limited/24062021/01. Such ratings provided by Credit Rating Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency. Further, any downgrade in our credit ratings may increase interest rates for our existing short-term and long-term borrowings and for our refinancing of 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 may also be subject to more onerous covenants, which could further restrict our business, financial condition and results of operations. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings.

33. ***We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

We require certain statutory and regulatory permits and approvals to operate our business. We have obtained a certificate of registration dated December 1, 2017, bearing registration number 12.0163.17 from the NHB ("**NHB Registration Certificate**") and a certificate of registration dated February 12, 2020 bearing registration number DOR-00163 from RBI which was issued in lieu of the fresh certificate of registration dated February 12, 2020 bearing registration number DOR-00163 from RBI, which require us to comply with certain terms and conditions for us to continue our housing finance operations. Further, while the NHB had provided its no-objection in respect of the Scheme of Amalgamation, in the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this licence or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations.

34. ***We do not have certain documents evidencing the biographies of certain of our directors in "Our Management".***

In accordance with the disclosure requirements stipulated under the SEBI Debt Regulations, the brief biographies of our Directors disclosed in "*Our Management*" on page 130 include details of their educational qualifications and work experience. However, the original documents evidencing such educational qualifications are not available with some of our Directors. Accordingly, we have relied on affidavits provided by such Directors to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

35. ***Our ability to establish and maintain current accounts with scheduled commercial banks and payment banks may be restricted on account of guidelines issued by the RBI which could adversely impact our growth, business and financial condition.***

On August 6, 2020, the RBI issued a circular titled "*Opening of Current Accounts by Banks – Need for Discipline*" to scheduled commercial banks and payments banks. All our branches maintain current accounts with banks for withdrawal cash for lending and deposit of surplus cash. This circular may restrict our ability to establish new current accounts and maintain current accounts with scheduled commercial banks and payments banks, and could disrupt our ongoing business and conduct of operations of the Company.

36. ***Certain premises, including our Registered Office are not owned by us and we have only leasehold or leave and license rights over them. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.***

Certain premises used by our Company have been obtained on a lease basis, including our Registered Office. We cannot assure you that we will be able to renew our lease agreements or enter into new agreements in the future, on terms favourable to us, or at all. In the event that any lease agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated office will be as commercially viable. If a lease agreement is terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected. Further, if the vacated property is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see "*Our Business – Properties*" on page 125.

37. ***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. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. 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 could adversely affect our business, results of operations and financial condition.

38. ***Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain borrowings availed by our Company, and the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment or prepayment, in full or part, of certain borrowings availed by our Company. For further details, see "*Objects of the Issue*" on page 63. However, the repayment or prepayment of the borrowings are subject to certain terms and conditions attached to the loans under the financing agreements entered into with various lenders. While we believe that utilization of Net Proceeds for repayment of borrowings would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company.

39. ***Our business is highly dependent on information technology for processing, retaining and managing confidential information relating to customers, vendors and lenders, among other things. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. In line with our strategy to shift to digital lending platform to cater to retail financing customers, our operations currently rely on and in the future will primarily rely on secure processing, storage and transmission of confidential and other information in our computer systems and networks. While we have implemented necessary technologies and controls to protect our computer systems and network which are hosted on cloud or at data centres, they may fail to operate adequately or become disabled as a result of events that may be beyond our control, including disruptions of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other attacks due to new vulnerabilities or advanced zero day attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operation and financial condition.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. While we have developed and upgraded technology due to, *inter alia*, the impact of COVID-19, there can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorised tampering, may cause interruptions or delays in our ability to provide services to our 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.

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

We enter into outsourcing arrangements with third party vendors providing services that include, among others, software services and professional services for sourcing of customers including valuation and title search. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure that there will be no disruptions in the provision of such services or that these third parties may not adhere to their contractual obligation. 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 may be adversely affected. In case of any dispute, there can be no assurance that the terms of such agreements will not be breached, which may result in litigation costs. Such 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. Legal risks, including actions being undertaken by the NHB, if our third party service providers act unethically or unlawfully, could materially and adversely affect our business, financial condition and results of operations.

In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our reputation, business and operations.

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

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

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, in certain circumstances, may not provide adequate coverage and may be subject to certain deductibles, exclusions and limits on coverage. Further, whether the relevant insurance policy is adequate, will depend upon a number of factors, including, but not limited to, coverage of insurance product selected, any policy exclusions and any breaches by the customer that might warrant the insurance product void e.g. breach of trust in relation to the declaration of good health. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

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

We have entered into certain transactions with related parties and may continue to do so in future. While we believe that all such transactions are in compliance with applicable laws and are on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties, or that we will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm's length basis. It is likely that we will enter into other related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details regarding details of related party transactions, see related party transactions in "*Financial Information*" beginning on page 276.

44. ***Any non-compliance with mandatory Anti Money Laundering (AML) and Know Your Customer (KYC) policies could expose us to additional liability and harm our business and reputation.***

We adopt applicable anti-money laundering ("**AML**") and know your client ("**KYC**") policies and procedures in our businesses. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes we are required to collect and report certain information regarding US persons having accounts with us who are customers of our alternative asset management business.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, including FATCA compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report, including the FIU-IND. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

45. ***We have referred to the data derived from industry reports commissioned from CRISIL Limited.***

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

46. ***The Credit Rating Agencies are involved in certain regulatory proceedings and are subject to certain penalties. Any adverse decision in such proceedings may render them liable to additional penalties, which may impact their, ability to operate as a credit rating agency, reputation and financial condition.***

The Credit Rating Agencies are currently involved in certain regulatory proceedings. These proceedings are pending at different levels of adjudication before various forums including tribunals. In this regard, certain penalties have been imposed against the Credit Rating Agencies, a portion of which has been deposited with the relevant authorities. Given that these proceedings are ongoing, there can be no assurance on the outcome of such regulatory proceedings. Any adverse decision in such proceedings may render them liable to additional penalties which may result in loss in terms of their ability to operate as a credit rating agency, reputation, financial condition or otherwise.

External Risks pertaining to our business and operations

47. ***A slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall economy in India, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in different parts of the country and we intend to continue to develop and expand our presence across India. In addition, our financial performance and business is also contingent on the manufacturing and service sectors including tourism and hospitality, automotive and automotive component, real estate, packaging, pharmaceuticals, logistics, renewables in which our borrowers are established.

Our performance and the growth of our business depend on the performance of the Indian economy. The Indian economy could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, epidemic, pandemics, natural calamities, interest rates, commodity and energy prices and various other factors. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. National and local government policies could adversely affect businesses and economic conditions in India. For instance, due to a change in policy, borrowing for the purchase or construction of property may not continue to offer borrowers the same financial benefits it currently offers, and the housing sector may not continue to be regarded as a priority sector by the Government. Any slowdown in the Indian economy could also adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operation and financial condition.

48. ***The housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.***

Historically, the housing finance industry was dominated by HFCs. We now face increasing competition from commercial banks. Interest rate deregulation and other liberalisation measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Banks and some of the HFCs have access to low-cost funds such as deposits which enable them to enjoy higher margins and/or offer finance at lower rates. However, non-deposit accepting HFCs such as us are not permitted to accept deposits, a factor which can render us less competitive. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. Further, we only commenced our operations in

2017 and therefore may face competition from more established banks and HFCs. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operation and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardised and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

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

Growth in housing loans slowed down in Fiscals 2019, 2020 and 2021 in the wake of sluggish growth of HFCs post IL&FS crisis and economic slowdown, respectively. The pandemic has intensified the headwinds already facing the housing finance sector. The subsequent nationwide and local lockdowns, as well as regulations to control its spread, have taken a toll on the economy. (*source: CRISIL Report*). However, it is still not clear how certain trends and events, such as the ongoing impact of COVID-19 on the economy will pace India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Any slow down or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

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

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

While the Government 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.

51. ***Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers, and the housing sector may not continue to be regarded as a priority sector by the Government.***

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

The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from eligible business computed under the head “profits and gains of business or profession”, may be carried to a “Special Reserve” and are not subject to income tax. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital (excluding the amounts capitalized from reserves) of the company. Further, in terms of the Section 41(4A) of the Income Tax Act, 1961, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such a mount is withdrawn.

If it does not, this may result in a higher tax outflow. By way of notification no. NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014, NHB stipulated that all housing finance companies are required to create a deferred tax liability on the Special Reserve created from current and past profits, irrespective of whether it is intended to withdraw from such reserve or not.

In addition, home buyers receive tax incentives on home loans for principal and interest payment of home loans, which has improved affordability levels of borrowers. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961. However, we cannot assure you that the Government will continue to make such benefits available to HFCs or home buyers.

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

As a HFC, we are exposed to the risks of the financial system which may be affected by the financial difficulties faced by certain 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 financial system in general could create an adverse market perception about financial institutions and banks and adversely affect our business, results of operation and financial condition. As the 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.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Central or the State governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

For example, as of July 1, 2017, a national goods and service tax (“**GST**”) in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which is expected to result in changes to India’s housing finance sector. 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. Any such changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations.

54. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to raise financing and our business.***

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.

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

We have availed loans under the external commercial borrowings route and may borrow in foreign currencies in the future. As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

56. ***Natural disasters, civil unrest, acts of violence including terrorism or war involving India and other countries and other disruptions could adversely affect the 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, pandemics, tsunamis and cyclones and other events such as protests, riots, civil labour unrest and acts of violence including terrorism or war involving India and other countries. 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 operation and financial condition.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in the United States, Europe, and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, 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. Financial disruptions may occur again and could harm our Company's business, future financial performance and the price of the Equity Shares. The global financial markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the

World Health Organization declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets and/or may result in a global recession. In particular, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession. With the decrease in number of COVID-19 cases, the lockdown was slowly eased during the end of 2020 and early 2021. However, with gradual increase in number of COVID-19 cases from February 2021 and steep increase from April 2021, various States in India have imposed stricter lockdown, which is presently continuing. In particular, continuing difficulties in financial and economic conditions could result in deterioration in the quality of the Bank's assets and larger provisioning, allowances for loan losses and write-offs. For further details in relation to the impact of COVID-19 on our Company, please see section, "*– The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted*" on page 17. In addition to COVID-19, the outbreak of any other 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.

Developments in the Eurozone have exacerbated the global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by on-going concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

On January 31, 2020, the United Kingdom left the European Union ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets.

In addition, any announcement by the United States to increase interest rates may lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. 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 Indian exports. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our Company's business and financial performance and the price of the Equity Shares.

In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our Company's business, future financial performance and the trading price of the Equity Shares.

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

Our financial statements for Fiscal Year 2017 included in this Shelf Prospectus were prepared in accordance with Indian GAAP while our financial statements for Fiscal Year 2021, 2020, 2019 and 2018 were prepared in accordance with Ind AS. Indian GAAP, Ind AS and IFRS are significantly different. Accordingly, the degree to which the Indian

GAAP and Ind AS financial statements included in this Shelf Prospectus will provide meaningful information entirely depends on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial statements included in this Shelf Prospectus should accordingly be limited.

Risk Factors pertaining to the NCDs and this Issue

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

The NCDs proposed to be issued pursuant to this Issue have been rated CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications) by CARE Ratings Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number CARE/HO/RL/2020-21/4772 and dated March 24, 2021, revalidated by way of its letter dated June 23, 2021 bearing reference number CARE/HO/RL/2021-22/1582 and [ICRA] AA (pronounced as ICRA double A) (Outlook: Negative) by ICRA Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number MUM/20-21/3582 and dated March 23, 2021 further revalidated by way of its letter bearing reference number ICRA/Piramal Capital & Housing Finance Limited/24062021/01 and dated June 24, 2021. 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.

60. ***Security provided for the NCDs as part of the Issue, may not be enforceable or maybe void, if (a) the security provided for the NCDs as part of the Issue is classified as "Assets" under the IT Act; and (b) there are pending proceedings under the IT Act prior to creation of such security.***

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the NCDs to the extent any assets provided as security are not classified as 'stock-in-trade' under Section 281 of the IT Act. Our Company has made an application on March 25, 2021 to the relevant assessing officer seeking such prior consent. The relevant assessing officer vide their letter dated April 15, 2021 shared certain observations and requested our Company to share certain information and documents within seven days, which among other things, included details of pending proceedings for AY 2016-17, copy of rectification letter, copy of stay order dated March 2, 2021 against outstanding demand, expected date of transfer or creation of charge, copies of latest audit report and balance sheet, details of the assets on which security is proposed to be created and whether such assets are stock-in-trade or not. Our Company vide its letter dated April 22, 2021 requested the assessing officer for adjournment.

If (i) such application is rejected, and (ii) if any proceedings have been commenced or initiated by the assessing officer before the date of such security creation, then the claims and demands of the tax authorities in relation to such proceedings shall under the IT Act act as a prior charge over the security provided for the Issue and will have priority over the charge created for the benefit of the Debenture Holders and basis the language of the attachment order may impact the ability of the Company to make scheduled payouts under the issuance, unless the proceedings are stayed, or the claims and demands are discharged by the company within timelines granted by the tax authorities. However, a transfer that is a 'bona fide transaction' is typically seen as a valid defence against such claims of tax authorities. Also, in case of any action under the IBC, debts due to the central government are payable only after the debts due to secured creditors are fully paid.

61. ***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 Issue. While our Company is required to maintain 100% 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.

62. ***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.

63. ***There may be a delay in making refund / unblocking of funds to the 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 Issue, (iii) withdrawal of this Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

64. ***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. Sale of NCDs by any holder may give rise to tax liability, see "*Statement of Possible Tax Benefits Available to the Debenture Holders*" beginning on page 66.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of repayment of existing loans, for meeting funding/ liquidity requirement of the Company, for onward lending activities, and general corporate purpose, subject to applicable statutory and/or regulatory requirements (in particular, not more than 25% of our net proceeds being utilized for general corporate purposes). For further details, see "*Objects of the Issue*" beginning on page 63. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

67. ***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 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 repayment of 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.

68. ***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.

69. ***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 100% asset cover on the outstanding amount of the NCDs, 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. 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.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as Piramal Housing Finance Private Limited at Mumbai, Maharashtra, as a private limited company on February 10, 2017 under the Companies Act, 2013, and was granted the certificate of incorporation dated February 13, 2017 by the Registrar of Companies, Central Registration Centre. Subsequently, upon conversion from a private limited company to a public limited company with effect from September 28, 2017, the name of our Company was changed to Piramal Housing Finance Limited and a fresh certificate of incorporation dated October 17, 2017 was granted by the RoC. Subsequently, pursuant to the Scheme of Amalgamation, the name of our Company was changed to Piramal Capital & Housing Finance Limited, and a fresh certificate of incorporation dated June 12, 2018 pursuant to change of name was granted by the RoC. For further details, regarding changes to our Registered and Corporate Office, see "*History and Main Objects*" on page 127. For further details regarding the business of our Company, see "*Our Business*" on page 108.

Registration

Corporate identity number U65999MH2017PLC291071.
Registration Number: 291071

Our Company has obtained a certificate of registration dated December 1, 2017, bearing registration number 12.0163.17 from NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of NHB Act. Our Company obtained a fresh certificate of registration dated February 12, 2020 bearing registration number DOR-00163 from RBI to carry on the business of a housing finance institution without accepting public deposits.

Registered and Corporate Office

Piramal Capital & Housing Finance Limited
4th Floor, Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Tel: (91 22) 6230 9200
Fax: (91 22) 6151 3444
Website: www.pchf.in

Chief Financial Officer

Sachin Deodhar
4th Floor, Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400013
Tel: (91 22) 6151 3404
Fax: (91 22) 6151 3444

Company Secretary and Compliance Officer

Bipin Singh
4th Floor, Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400013
Tel: (91 22) 3046 5903
Fax: (91 22) 6151 3444
Email: investorrelations.pchfl@piramal.com

Lead Managers

A. K. Capital Services Limited
30-38, Free Press House
3rd Floor, Free Press Journal Marg
215, Nariman Point
Mumbai 400 021
Tel: (91 22) 6754 6500
Fax: (91 22) 6610 0594
Email: pchfl2020@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Aanchal Wagle/ Yogesh Paste
Compliance Officer: Tejas Devda
SEBI registration no.: INM000010411
CIN: L74899MH1993PLC274881

Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: Pchfl.Ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi / Saili Dave
Compliance Officer: Ms. Bhavana Kapadia
SEBI registration no.: INM0000010650
CIN: L99999MH1995PLC094641

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: pchfl.bondissue2021@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
Compliance Officer: Sunny Shah
SEBI Registration No.: INM000010361
CIN: L67120MH1986PLC038784

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

Consortium Members

As specified in the relevant Tranche Prospectus

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai 400 001
Tel: (91 22) 4080 7000
Fax: (91 22) 6631 1776
E-mail: response@idbitrustee.com
Investor grievance email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact person: Nikhil Lohana / Gaurav Jeswani
Compliance officer: Jatin Bhat
SEBI registration no.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to Regulation 4(4) of SEBI Debt Regulations, by its letter dated March 19, 2021 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. A copy of letter from IDBI Trusteeship Services Limited conveying their consent to act as Trustees for the Debenture holders is annexed as **Annexure C** to this Shelf Prospectus.

All the rights and remedies of the Debenture 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 Debenture 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 Debenture 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 Debenture Holders. For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" on page 182.

Registrar to the Issue

Link Intime India Private Limited
Address: C-101, 247 Park, LBS Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: (91 22) 4918 6200
Fax: (91 22) 4918 6195
Email: piramal.ncd@linkintime.co.in
Investor grievance email: piramal.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
Compliance officer: Mr. B.N. Ramkrishnan
SEBI registration no.: INR000004058

Link Intime India Private Limited has by its letter dated March 22, 2021 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, transfers, etc.

All grievances relating to the Issue or any relevant Tranche 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, 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 either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

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

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

Statutory Auditors

B S R & Co. LLP.
14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway, Goregaon (East)
Mumbai 400 063
Tel: (91 22) 6257 1000
Email: vv@bsraffiliates.com
Firm Registration No.: 101248W/W-100022

Credit Rating Agency

CARE Ratings Limited
4th Floor, Godrej Colesium
Somaiya Hospital Road
Off Eastern Express Highway
Sion (E), Mumbai 400 022
Tel: (91 22) 6754 3456
Fax: (91 22) 6754 3457
Email: aditya.acharekar@careratings.com
Website: www.careratings.com
Contact Person: Mr. Aditya Acharekar
SEBI Registration No.: IN/CRA/004/1999

ICRA Limited
3rd Floor, Electric Mansion,
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Tel: (91 22) 6114 3406

Fax: NA
Email: shivakumar@icraindia.com
Contact Person: Mr. L Shivakumar
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

Credit Rating and Rationale

The NCDs proposed to be issued pursuant to this Issue have been rated CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications) by CARE Ratings Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number CARE/HO/RL/2020-21/4772 and dated March 24, 2021 revalidated by way of its letter dated June 23, 2021 bearing reference number CARE/HO/RL/2021-22/1582 and [ICRA] AA (pronounced as ICRA double A) (Outlook: Negative) by ICRA Limited for an amount of up to ₹ 2,00,000 lakhs by way of its letter bearing reference number MUM/20-21/3582 and dated March 23, 2021 further revalidated by way of its letter dated June 24, 2021 bearing reference number ICRA/Piramal Capital & Housing Finance Limited/24062021/01. The ratings provided by the Credit Rating Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letters and rationale for the aforementioned rating, see "*Annexure B1*" and *"Annexure B2"*, beginning on page 277 and 278, respectively.

Disclaimer clause of rating agencies

CARE Ratings Limited

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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.

Legal Counsel to the Issue

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road,
Bengaluru 560 025, Karnataka, India
Tel: (91 80) 6792 2000

Banker(s) to our Company

IndusInd Bank Limited
1001/1002, Solitaire Corporate Park
167 Guru Hargovindji Marg
Andheri I, Mumbai 400 093
Contact Person: Indrajoy Bhattacharya
Tel: (91) 98338 21671
Fax: (91 22) 6641 2224
Email: indrajoy.bhattacharya@indusind.com
Website: www.indusind.com

Bankers to the Issue

Public Issue Account Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Refund Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Sponsor Bank

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Recovery Expense Fund

Our Company undertakes to deposit an amount in 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, and inform the Debenture Trustee regarding 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.

Underwriting

This Issue will not be underwritten**.**

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"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."

Minimum subscription

In terms of the SEBI Debt 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. If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the ASBA Accounts of the Applicants within six Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with 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 to the Issue does not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Arrangers to the Issue

There are no arrangers to the Issue.

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.

Syndicate SCSB Branches

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 Locations 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.

Registered Brokers / RTAs / CDPs

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 ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.*, through 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.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

For further details, see "*Issue Procedure*" on page 201.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, see "*Objects of the Issue*" on page 63.

Issue Programme

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

This 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 this Issue may close on such earlier date or extended date as may be decided by our Board of Directors or duly authorized committee thereof. In the event of such an early closure of or extension the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue has been published on or before such earlier date or extended date of closure.

Applications Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. 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 post the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the 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 Issue Period. Neither our Company, nor the Members of the Consortium are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. In this regard, as per the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013, the allotment in this Issue would be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, for further details regarding the Issue, see *"General Terms of the Issue*" beginning on page 182.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, the RBI Act, the terms of this Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, 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.

Common terms of NCDs

Particulars	Details
Issuer	Piramal Capital & Housing Finance Limited.
Lead Managers	A. K. Capital Services Limited, Edelweiss Financial Services Limited, JM Financial Limited and Trust Investment Advisors Private Limited.
Debenture Trustee	IDBI Trusteeship Services Limited.
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable, listed non-convertible debentures of face value of ₹ 1,000 each.
Seniority	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).
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	1,000 each
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of Issue	Public Issue
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to the ₹ 2,00,000 lakhs pursuant to this Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant tranche prospectus for any tranche (each such tranche of issuance, a "**Tranche Issue**") which should be read with the Shelf Prospectus.
Listing	The NCDs are proposed to be listed on BSE and NSE. BSE shall be the Designated Stock Exchange for this Issue The NCDs shall be listed within six Working Days from the Issue Closing Date.
Mode of Allotment and Trading	Compulsorily in dematerialised form.
Mode of settlement	For further details see "*Issue Structure*" beginning on page 194.
Market / Trading Lot	One NCD.
Depositories	NSDL and CDSL.
Security	The principal amount of the NCDs plus the interest thereon and all secured obligations to be issued shall be secured by way of a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of minimum 100% of the outstanding amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date, more particularly as detailed *"General Terms of the Issue"* beginning on page 182.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Who can apply/ Eligible Investors</td><td>Please see “Issue Procedure” beginning on page 201.</td></tr>
<tr><td>Credit Rating</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in INR lakhs)</th></tr>
<tr><td>CARE Ratings Limited</td><td>Non-Convertible Debentures</td><td>CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications)</td><td>March 24, 2021 revalidated by way of its letter dated June 23, 2021</td><td>2,00,000</td></tr>
<tr><td>ICRA Limited</td><td>Non-Convertible Debentures</td><td>[ICRA] AA with outlook (Negative)</td><td>March 23, 2021 and further revalidated by way of its letter dated June 24, 2021</td><td>2,00,000</td></tr>
</table>

See Annexure B1 and Annexure B2 for rating letter and rationale for the above ratings. For further details regarding the disclaimer clause of the Credit Rating Agencies, see "General Information" beginning on page 46.</td></tr>
<tr><td>Issue Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Pay-in Date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire application amount is payable on submitting the application.</td></tr>
<tr><td>Record Date</td><td>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. 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 Sunday or a non-Working Day, the immediate subsequent Working day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.</td></tr>
<tr><td>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</td><td>As agreed in the Debenture Trust Deed, executed/to be executed in accordance with applicable law</td></tr>
<tr><td>Description regarding security (where applicable) including type of security (movable/immovable/tangible etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate</td><td>The principal amount of the NCDs plus the interest thereon and all secured obligations to be issued shall be secured by way of a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please refer to the “General Terms of the Issue – Security” on page 182 of this Shelf Prospectus.

We have received necessary consents from the relevant debenture trustees and security</td></tr>
</table>

Particulars	Details
	trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. Company shall pay interest of at least 2% per annum to the NCD Holders, over and above the coupon rate mentioned in the relevant Tranche Prospectus, if the Company fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the SEBI Debt Regulations or such other time frame as may be stipulated from time to time. The security shall be created prior to the listing of the NCDs. The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	For further details, see "*Objects of the Issue*" on page 63.
Details of the utilisation of Issue proceeds	For further details, see "*Objects of the Issue*" on page 63.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Discount at which security, if any is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Day count convention	Actual/Actual.
Working Days convention/Day count convention / Effect of holidays on payment	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment / anniversary date of Allotment till one day prior to the next anniversary /redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 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) falls on a holiday, the interest/redemption payments shall be made only on the preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.

Particulars	Details
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, refunds, 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.
Put/Call	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which our Board of Directors or duly authorized committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the debenture holders from the Deemed Date of Allotment.
Transaction documents	Transaction documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche 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 to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" on page 273.
Conditions precedent and subsequent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement and conditions subsequent.
Events of default (including manner of voting /conditions of joining Inter Creditor Agreement)	For further details, see "*General Terms of the Issue – Events of Default*" beginning on page 184.
Creation of recovery expense fund	Our Company undertakes to deposit an amount in 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, and inform the Debenture Trustee regarding such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Shelf Prospectus, the relevant Tranche 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, at any time, waive, on such terms and conditions as to 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 in respect of any subsequent breach thereof. Please refer to the section titled "*General Terms of the Issue -Events of default*" on page 184 of this Shelf Prospectus.
Cross Default	As per the Debenture Trust Deed executed / to be executed in accordance with applicable law
Roles and responsibilities of the Debenture Trustee	For further details, see "*General Terms of the Issue - Trustees for the NCD holders*" beginning on page 184.
Risk factors pertaining to the Issue	For further details, see "*Risk Factors*" beginning on page 17.

Particulars	Details
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

**The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., except that the Issue may close on such earlier date or extended date as may be decided by our Board of Directors* or duly authorized committee of the Board of Directors. *In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue have been published on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by 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 post the Issue Closing Date.*

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

For further details, see "Issue Procedure" beginning on page 201 for details of category wise eligibility and allotment in the Issue.

 # While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on the date of this Shelf Prospectus is set forth below:

S. No.	Particulars	Amount in (₹)
1.	**AUTHORISED SHARE CAPITAL**	
	25,000,000,000 Equity Shares of face value of ₹10 each	250,000,000,000
	TOTAL	**250,000,000,000**
2.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**	
	19,283,718,397 Equity Shares of face value of ₹ 10 each	192,837,183,970
	TOTAL	**192,837,183,970**
3.	**Securities Premium Account**	1,60,79,89,220

Note: All Equity Shares held by our Promoter (except by the nominees of our Promoter) are in dematerialized form.

The Issue will not result in any change of the paid-up share capital and securities premium account of our Company.

Notes to capital structure

1. **Changes in the Authorized Capital**

Details of change in authorised share capital of our Company as on the date of this Shelf Prospectus since incorporation is set forth below:

S. No.	Particulars	Amount (In ₹)	Date of Change
1.	Increase in authorized share capital from ₹ 3,000,000,000 to ₹ 7,000,000,000 divided into 700,000,000 Equity Shares of ₹ 10 each	7,000,000,000	EGM held on May 18, 2017
2.	Increase in authorized share capital from ₹ 7,000,000,000 to ₹ 199,980,000,000 divided into 19,998,000,000 Equity Shares of ₹ 10 each	199,980,000,000	EGM held on May 2, 2018
3.	Increase in authorized share capital from ₹ 199,980,000,000 to ₹ 250,000,000,000 divided into 25,000,000,000 Equity Shares of face value of ₹ 10 each	250,000,000,000	May 23, 2018*

* *Since May 23, 2018 being the Effective Date of Amalgamation. For further details, see "History and Main Objects" beginning on page 127.*

2. **Share capital history of our Company as on the date of this Shelf Prospectus**

Equity Share capital history of our Company since incorporation

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Premium per Equity Share (₹)	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative		
							Number of Equity Shares	Equity Share capital (₹)	Equity Share Premium (₹)
February 28, 2017	15,000,000	10	10	Nil	Cash	Subscription to the Memorandum of Association(1)	15,000,000	150,000,000	Nil
September 8, 2017	300,000,000	10	10	Nil	Cash	Rights Issue(2)	315,000,000	3150,000,000	Nil

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Premium per Equity Share (₹)	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative		
							Number of Equity Shares	Equity Share capital (₹)	Equity Share Premium (₹)
May 23, 2018	(315,000,000)	10	N.A.	Nil	Cancellation/ Reduction of Share Capital pursuant to Scheme of Amalgamation		Nil	Nil	Nil
	18,044,517,320	10	-	Nil	Other than cash	Pursuant to the Scheme of Amalgamation	18,044,517,320	180,445,173,200	Nil
July 29, 2019	45,45,45,454	10	11	1	Cash	Preferential Allotment[3]	18,499,062,774	184,990,627,740	45,45,45,454
March 31, 2020	78,46,55,623	10	11.47	1.47	Cash	Preferential Allotment[4]	19,283,718,397	192,837,183,970	1,153,443,765.81

(1) *14,998,500 Equity Shares were allotted to Piramal Finance Limited and 1,500 Equity Shares were allotted to Mr. Khushru Jijina (as a nominee of Piramal Finance Limited) pursuant to their subscription to the Memorandum of Association.*

(2) *Pursuant to a resolution of our Board of Directors dated September 8, 2017, our Company allotted 300,000,000 Equity Shares to Piramal Finance Limited by way of rights issue.*

(3) *45,45,45,454 Equity Shares were allotted to our Promoter.*

(4) *78,46,55,623 Equity Shares were allotted to our Promoter by way of conversion of inter-corporate deposits.*

3. **Shareholding pattern of our Company as on the last quarter end**

The following is the shareholding pattern of our Company as on March 31, 2021:

Sr. No.	Particulars	Total no of Equity Shares*	No of Equity Shares in demat form	Total Shareholding as % of total no. of Equity Shares
1.	Piramal Enterprises Limited	19,28,37,13,565	19,28,37,13,565	100
2.	Ajay Piramal (as a nominee of Piramal Enterprises Limited)	4,347	Nil	-
3.	Dr. Swati Piramal (as a nominee of Piramal Enterprises Limited)	97	Nil	-
4.	Nandini A Piramal (as a nominee of Piramal Enterprises Limited)	97	Nil	-
5.	Vijay K Shah (as a nominee of Piramal Enterprises Limited)	97	Nil	-

Sr. No.	Particulars	Total no of Equity Shares*	No of Equity Shares in demat form	Total Shareholding as % of total no. of Equity Shares
6.	Rajesh R Laddha (as a nominee of Piramal Enterprises Limited)	97	Nil	-
7.	Bipin Singh (as a nominee of Piramal Enterprises Limited)	97	Nil	-
	Total	**19,28,37,18,397**	**19,28,37,13,565**	**100%**

* *No Equity Shares have been pledged or encumbered by our Promoter.*

4. **Our top ten shareholders and the number of Equity Shares as on the last quarter end**

For details regarding the list of top ten Shareholders and the number of Equity Shares held by such shareholders as on March 31, 2021, see *" - Shareholding pattern of our Company as on the last quarter end"*, beginning on page 60.

5. **Our top ten debenture holders as on the date of this Shelf Prospectus**

For details, see "*Disclosures on existing Financial Indebtedness - List of top 10 Debenture Holders as on March 31, 2021*" on page 180.

Debt to equity ratio

The debt to equity ratio of our Company as on March 31, 2021 (prior to this Issue) is based on a total outstanding debt of ₹ 29,86,715 lakhs, and shareholders' funds amounting to ₹ 21,48,664 lakhs, which was 1.39 times as on March 31, 2021 (prior to this Issue). The debt to equity ratio post the Issue (assuming subscription aggregating to ₹ 2,00,000 lakhs) would be 1.48 times, based on a total outstanding debt of ₹ 31,86,715 lakhs and shareholders' funds (as on March 31, 2021) of ₹ 21,48,664.

(in ₹ lakhs)

Particulars	Prior to the Issue (as of March 31, 2021)	Post the Issue
Secured Borrowing	26,67,725	28,67,725
Unsecured Borrowing	3,18,990-	3,18,990
Total Debt [A]	**29,86,715**	**31,86,715**
Share Capital	19,28,372	19,28,372
Reserves	2,20,292	2,20,292
Shareholders' Funds [B]	21,48,664	21,48,664
Debt Equity Ratio (No. of Times) [A]/[B]	**1.39**	**1.48**

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 2,00,000 lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

For details regarding total outstanding debt of our Company, see "*Disclosures on Existing Financial Indebtedness*" on page 150.

Details of any acquisition or amalgamation in the last one year

Except as disclosed in "*History and Main Objects - Reorganization or Reconstruction undertaken by our Company in the last one year"* on page 127, our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Shelf Prospectus.

Details of any reorganization or reconstruction in the last one year

Except as disclosed in "*History and Main Objects - Reorganization or Reconstruction undertaken by our Company in the last one year"* on page 127, our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Shelf Prospectus.

Details of shareholding of Directors in subsidiaries, associates and joint ventures as of the date of this Shelf Prospectus

Our Company does not have any subsidiaries, associates and joint ventures as of the date of this Shelf Prospectus.

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

There has been no change in the promoter holding in our Company during the last financial year beyond 26%.

Details of shareholding of our Promoter in our Company's subsidiaries

Our Company does not have any subsidiaries as of the date of this Shelf Prospectus.

Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, the Promoter Group, the Directors of our Promoter, the Directors of our Company and their relatives within six months immediately preceding the date of filing of this Shelf Prospectus

No securities including shares of our Company were either purchased or sold by our Promoter, the directors of our Promoter, the Directors of our Company and their relatives within six months immediately preceding the date of this Shelf Prospectus.

OBJECTS OF THE ISSUE

Issue proceeds

The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue which should be read together with this Shelf Prospectus. The Issue is being made pursuant to the provisions of the SEBI Debt Regulations and the Companies Act, 2013. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**") towards funding the objects listed under this chapter.

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 Issue.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ lakhs)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: Tranche Issue related expenses*	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

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

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue ("**Objects**") and the amount proposed to be financed from the Net Proceeds:

S. 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 /prepayment of interest and principal of existing borrowings of our Company*	At least 75%
2.	General Corporate Purposes**	Maximum of up to 25%
Total		**100%**

* *Our Company shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any*

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

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 Issue.

Issue related expenses

The expenses for this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the UPI Mechanism Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Funding plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable

Monitoring and reporting of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit and Risk Management Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant Fiscal commencing from Fiscal 2022, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Further, in accordance with the SEBI Debt Regulations, our Company will furnish to the Stock Exchange(s) on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results in the terms of and as per the format prescribed by Circular SEBI/HO/DDHS/08/20 SEBI 20 dated January 17, 2020. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e. 75% of base issue relating to each Tranche Issue, the execution of documents for creation of Security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

Interim use of proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest/ non- interest bearing liquid instruments including money market mutual funds, deposits with banks, current account of banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by our Board of Directors / Committee of Directors (Administration, Authorization & Finance). Such investment would be in accordance with the investment policy of our Company approved by our Board of Directors or any committee thereof from time to time.

Variation in terms of contract or objects in this Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of a contract referred to in this Shelf Prospectus or the objects for which this Shelf Prospectus is issued, except subject to an approval given by our Shareholders by a special resolution and after abiding by other requirements specifically stated under Section 27 of the Companies Act, 2013.

General Corporate Purposes

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

Other confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The 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.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the Issue proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company.

Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines and any directions issued by NHB including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations and any directions issued by NHB.

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

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Benefit / interest accruing to our Promoter/Directors out of the object of the Issue

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

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

To,
The Board of Directors
Piramal Capital & Housing Finance Limited

4th Floor, Piramal Tower
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400 013

30 March 2021

Dear Sirs,

Subject: Statement of possible tax benefits ('statement') available to the debenture holders of Piramal Capital & Housing Finance Limited ('the Company') in connection with the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") of face value Rs.1000 each, aggregating up to Rs. 2,00,000 lakh, in one or more tranches (the 'Issue')

1. We, B S R & Co. LLP, Chartered Accountants, hereby report that the enclosed statement prepared by the Company, states the possible tax benefits available to the debenture holders of the Company under the Income tax Act, 1961 ('the Act'), presently in force in India.

2. Several of these benefits are dependent on the debentures holders fulfilling the conditions prescribed under the relevant statutory provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which is based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

3. The benefits discussed in the enclosed statement are not exhaustive. Further, the preparation of the statement and its contents is the responsibility of management of the Company. We are informed that, this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") by the Company. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

4. We do not express any opinion or provide any assurance as to whether:
   i) the debenture holders will continue to obtain these benefits in the future; or
   ii) the conditions prescribed for availing of the benefits have been/would be met.

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

5. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this statement consequent to such changes. We shall not be liable to the Company for 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.

6. The enclosed statement is intended solely for your information and for inclusion in the draft shelf prospectus, the shelf prospectus and the relevant tranche prospectus (collectively the "**Issue Documents**") in connection with the proposed issue of NCDs by the Company under the Companies Act 2013 and the rules made thereunder and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**ILDS Regulations**") issued by Securities and Exchange Board of India ("**SEBI**") and is not to be used, referred to or distributed for any

other purpose without our prior written consent.

Yours Sincerely

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN : 21113156AAAABC5614

Mumbai
30 March 2021

ANNEXURE: STATEMENT OF TAX BENEFITS

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

The note is based on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2021.

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested[1], in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. <u>IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')</u>

I. ***<u>To the Resident Debenture Holder</u>***

Interest on NCD

1. Interest received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the rate of 10% at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

   (a) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under. (w.e.f. 01.06.2008).

   (b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed Rs 5,000 in aggregate during the Financial Year and the interest is paid by an account payee cheque.

   (c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

   (d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the nature of income referred in section 197(1) or section 197(1A) such as dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India etc. as the case may be or the aggregate of the

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Refer Section 2(18) of the I.T. Act.

amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on 01.04.2021 -

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2021-22.

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 12,500 whichever is less to a resident individual whose total income does not exceed Rs. 500,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, health and education cess.

Classification of gains on transfer

3. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para VII below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

Capital gains and other general provisions

4. As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases, it is 36 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration. However as per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

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

5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax would also apply to such short term capital gains.

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

II. ***To Mutual Funds***

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

III. ***To the Foreign Institutional Investors (FIIs/FPIs)***

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

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

3. In the regular course, interest is subject to tax at the rate of 20%. However, section 194LD of the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by any person to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bonds of an Indian company on or after June 1, 2013 but before July 1, 2023 (provided such rate does not exceed the rate as may

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

be notified[3] by the Government). Further, as per the proviso to section 115AD(1)(i) of the I.T. Act, income by way of interest referred to in section 194LD of the I.T. Act is taxed at the rate of 5%.

4. In accordance with and subject to the provisions of section 196D(1) of the I.T. Act, tax is required to be deducted at the rate of 20% in respect of income from securities specified under section 115AD(1)(a) of the I.T. Act. However, the Finance Act, 2021 has amended section 196D(1) of the I.T. Act to provide that with effect from 1 April 2021, in case of a payee to whom an agreement under section 90(1) or section 90A(1) of the I.T. Act applies and such payee has furnished the tax residency certificate, then the tax shall be deducted at the rate of 20% or rate or rates of income-tax provided in such agreement for such income, whichever is lower.

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

IV. *To the Non-resident Indian Debenture Holder – Special provisions*

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

Interest on NCD and capital gains on transfer

(a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

Exemption from long-term capital gains

(b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

Other relaxations

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

(d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance

3 Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July, 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.

with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a Non-Resident Indian ***may opt not to be governed*** by the provisions of Chapter XII-A of the I.T. Act. In that case, the general provisions applicable to non-residents would apply.

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

V. *To Non-resident Debenture Holder –General*

1. Under the general provisions applicable to non-resident investors, the applicable tax rates are as under:

   (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

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

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 10% on long-term capital gains and at the normal rates on investment income and on Short Term Capital Gains if the payee Debenture Holder is a Non-Resident.

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

4. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(2) / 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

6. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue

Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para VI below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

7. Section 9 of the I.T. Act seeks to charge tax in various cases where income may be deemed to accrue or arise in India. Included in the list is the case of indirect transfer of capital assets in India through transfer of any share or interest in any company or entity outside India. However, indirect transfer provisions shall not apply to investment held by any non-resident, directly or indirectly, in FII and registered as Category-I FPI under the SEBI Act, 1992.

VI. _Multi-Lateral Instruments_

The Organization of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI'). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs.

VII. _General Anti-Avoidance Rule ('GAAR)_

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VIII. _Exemption under Section54F of the I.T. Act_

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the I.T. Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines.

IX. _Requirement to furnish PAN under the I.T. Act_

1. *Sec.139A(5A)*

Section 139A(5A) requires every person from whose income tax is to be deducted at source to furnish his PAN to the person responsible for deduction of tax at source.

2. *Sec.206AA*

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

(i) at the rate in force specified in the relevant provision of the I.T. Act; or
(ii) at the rates in force; or

(iii) at the rate of **twenty per cent**

However, new rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the I.T Act shall not apply on payments made to non-resident deductees who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia name, email-ID, contact number, certificate of his being resident in that country and Tax Identification Number (TIN).

(b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

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

3. *Sec. 206AB*

(a) Finance Act, 2021 has introduced a new section 206AB which requires tax to be deducted at source on any sum payable to a "specified person", at the higher of the following rates:

(iv) at twice the rate in force specified in the relevant provision of the I.T. Act; or
(v) at twice the rates in force; or
(vi) at the rate of **five per cent**

(b) This proposed section applies to the provisions of Chapter XVII-B (that is, TDS), other than sections[4] 192, 192A, 194B, 194BB, 194LBC or 194N.

(c) If the provisions of section 206AA are applicable to a "specified person", then the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.

(d) "Specified person" means a person who

(i) has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and

(ii) the aggregate of tax deducted at source and tax collected at source in his case is **rupees fifty thousand or more** in each of these two previous years.

However, the specified person shall not include a non-resident who does not have a permanent establishment in India.

X. *<u>Taxability of Gifts received for nil or inadequate consideration</u>*

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

[4] Section 192 – TDS on Salary
Section 192A – TDS on accumulated PF balance due to employee
Section 194B – TDS on winnings from lottery/crossword puzzle
Section 194BB – TDS on winnings from horse race
Section 194LBC – TDS on income from investment in securitization trust
Section 194N – TDS on Payment of certain amounts in cash

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on section 56(2)(x) of the Act.

Further, the mechanism for computing the fair market value has been prescribed in Rule 11U and Rule 11UA of the Income Tax Rules, 1962.

XI. *General Tax Rates (relevant for computing tax on short term capital gains)*

Rates applicable to different categories of assesses:

a) The slab rates applicable to individuals/HUF/Association of Persons (AOP)/Body of Individuals (BOI)/ Artificial Juridical Person are as under:
Note: tax rates are exclusive of surcharge and cess. Please refer point 'c' below.

Slabs	% of Income Tax
Up to Rs. 2.5 lacs (Basic exemption limit)	Nil
From Rs. 2.5 lacs to Rs. 5 lacs	5% of the amount by which the total income exceeds Rs. 2.5 lacs
From Rs. 5 lacs to Rs. 10 lacs	Rs. 12,500 plus 20% of the amount by which the total income exceeds Rs. 5 lacs
Above Rs. 10 lacs	Rs. 1,12,500 plus 30% of the amount by which the total income exceeds Rs. 10 lacs.

Basic exemption limit for resident senior citizens of 60 years but below 80 years of age is Rs. 3 lacs and for resident senior citizens of 80 years of age or more is Rs. 5 lacs.

An individual resident, whose total income does not exceed Rs. 5,00,000 (w.e.f. 1 April 2019) shall be eligible for a rebate of amount of income-tax payable on the total income for any assessment year or Rs 12,500, whichever is less.

As per section 115BAC, as inserted by Finance Act, 2020, an individual or a HUF may, at their option, compute income-tax payable in the following manner for any previous year relevant to the assessment year beginning on or after the 1st day of April 2021:

Slabs	% of Income Tax
Up to Rs. 2.5 lacs (Basic exemption limit)	Nil
From Rs. 2.5 lacs to Rs. 5 lacs	5% of the amount by which the total income exceeds Rs. 2.5 lacs
From Rs. 5 lacs to Rs. 7.5 lacs	Rs. 12,500 plus 10% of the amount by which the total income exceeds Rs. 5 lacs
From Rs. 7.5 lacs to Rs. 10 lacs	Rs. 37,500 plus 15% of the amount by which the total

	income exceeds Rs 7.5 lacs
From Rs. 10 lacs to Rs. 12.5 lacs	Rs. 75,000 plus 20% of the amount by which the total income exceeds Rs 10 lacs
From Rs. 12.5 lacs to Rs. 15 lacs	Rs. 125,000 plus 25% of the amount by which total income exceeds Rs. 12.5 lacs
Above Rs. 15 lacs	Rs. 1,87,500 plus 30% of the amount by which the total income exceeds Rs. 15 lacs.

For opting for the aforesaid new tax regime, most of the deductions/exemptions such as section 80C, 80D, etc. are to be foregone. The aforesaid regime is optional. Accordingly, individuals and HUFs have the option to be taxed under either of the options. The option under new regime once exercised can be changed in subsequent years (not applicable for business income).

b) Tax Rates applicable to other categories of assesses:

Note: tax rates are exclusive of surcharge and cess. Please refer point 'c' below.

Assessee	**% of Income Tax**
Partnership Firms	30%
Domestic Companies	30%
	25% ***(Refer note 1)***
	22% ***(Refer note 2)***
	15% ***(Refer note 3)***
Foreign Company	40%

Notes:

1. The Finance Act, 2021, provides that where the total turnover or the gross receipt of the domestic company does not exceed Rs. 400 crores in the previous year 2019-20, the rate of income tax is 25%.

2. Further, as per section 115BAA, as introduced by the Taxation Laws (Amendment) Act, 2019, a domestic company can opt for paying tax at a lower rate of 22% (plus applicable surcharge & health and education cess) subject to prescribed conditions especially such that certain deductions and exemptions need to be foregone. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

3. Further, the said Act has also introduced Section 115BAB as well wherein the new domestic manufacturing companies, which have been set up and registered on or after 1 October 2019 and commenced manufacturing on or before 31 March 2023, can opt for a lower tax rate of 15% (plus applicable surcharge & health and education cess) subject to prescribed conditions especially such that certain deductions and exemptions need to be foregone. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

c) Surcharge and cess

The rates of surcharge applicable to various assessees are provided as under:

For Individuals/HUF/ AOP/ BOI/ Artificial Juridical Person

Nature of Income	If total income does not exceed Rs. 50 lakhs	If total income exceeds Rs. 50 lakhs but doesn't exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn't exceed Rs. 2 crores	If total income exceeds Rs. 2 crores but doesn't exceed Rs. 5 crores	If total income exceeds Rs. 5 crores
Short-term capital gain under section 111A	Nil	10%	15%	15%	15%
Long-term capital gain under section 112A	Nil	10%	15%	15%	15%
Short term or Long term capital gains under section 115AD(1)(b)	Nil	10%	15%	15%	15%
Interest and Other Income	Nil	10%	15%	25%	37%

For Companies

Particulars	If total income does not exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	If total income exceeds Rs. 10 crores
Domestic Company (other than those opting for section 115BAA or 115BAB)	Nil	7%	12%
Domestic Company opting for section 115BAA and 115BAB	10%	10%	10%
Foreign Companies	Nil	2%	5%

For Firms and LLPs

12% where total income exceeds Rs. 1 crore.

Over and above the surcharge, 'Health and Education Cess' at the rate of 4% on tax including surcharge is payable by all taxpayer persons.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016 which shall then apply in relation to FY 2015-16 and subsequent years. There is, therefore, no wealth tax obligation arising out of the investment in debentures.

Notes

1. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and Wealth Tax Act, 1957 (collectively referred to as 'direct tax laws') and does not cover benefits under any other law.

2. 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/bonds. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2022-23 (considering the amendments made vide Finance Act, 2021).

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

5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile. For taxes paid in India, the same could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

7. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/ 195 of the I.T. Act.

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

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Overview of Indian Economy

India adopted fiscal 2012 as the new base year for calculating GDP. India was one of the fastest growing economies in the world pre-Covid with CAGR of around 6.7% between fiscal 2015 to fiscal 2020. The GDP is estimated to have shot up from Rs 105 trillion in fiscal 2015 to Rs 146 trillion in fiscal 2020.

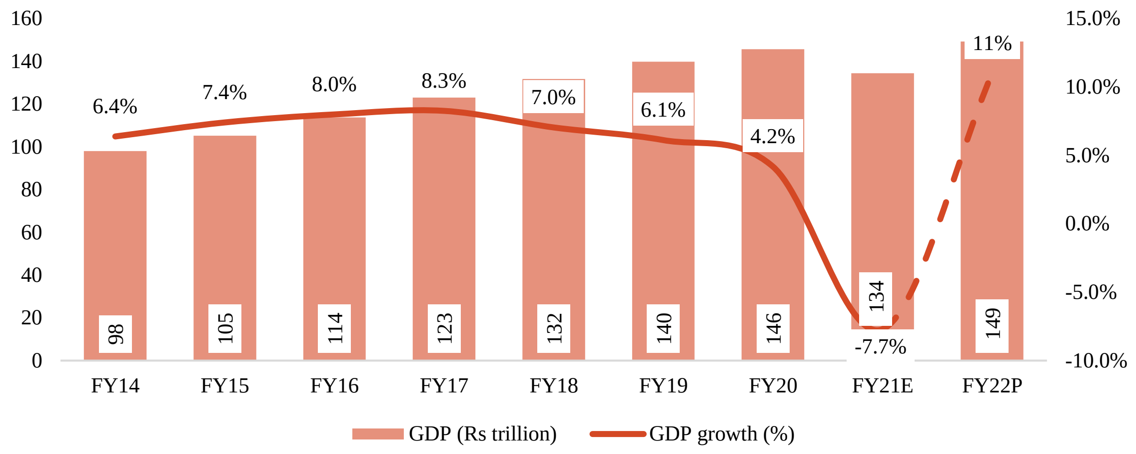
But the Novel Coronavirus (Covid-19) pandemic has changed all that. Global growth forecasts have been slashed and financial markets are in a tailspin. Unlike the global financial crisis of 2008, Covid-19 is a threat to both, lives and livelihoods.

While the economy was roiled in H1 by pandemic-induced fear factor and weak global demand, there was the benefit of low oil and commodity prices. And then there was an abrupt U-turn in the first quarter of H2. Mobility increased and economic activity picked up, thanks to the virus being contained, rising pandemic fatigue and a 'learning to live' attitude in India and across the world. Global demand also improved owing to policy stimulus. On the flip side, oil and commodity prices somewhat firmed up. The one thing that stayed supportive throughout the year was easy monetary policy conditions – in India and abroad.

CRISIL expects base-case GDP growth forecast for fiscal 2022 to be at 11%. The Fiscal 2022 budget's focus on pushing capital expenditure despite walking a fiscal tightrope provides optimism and creates a platform for higher growth. Given that the focus is on investment rather than consumption push, the full impact of these spends will be seen in the near term via multiplier effects, and over time, through enhancement of productive capacity.

Recovery in fiscal 2022 will be driven by a very weak base, some rub-off from rising global growth-tide effect, control over the spread of Covid-19 cases, and the increasing vaccinations.

GDP growth in India (FY12 series)



Source: Central Statistics Office (CSO), CRISIL Research

Spending momentum targets fiscal deficit of 6.8% in fiscal 2022

After having overshot the fiscal deficit by six percentage points - from 3.5% of GDP budget estimate (BE) to 9.5% revised estimate (RE) in fiscal 2021 - the central government has targeted to continue maintaining its spending momentum in fiscal 2022 and set an aggressive fiscal deficit target of 6.8%.

Covid-19 not only led to contraction in economic activity, it played havoc with public finances in fiscal 2021, too. As the economy shrunk and government revenues plunged, fiscal deficit almost tripled to 9.5% of GDP from a budgeted 3.5%. Receipts under all three heads, i.e. tax revenue, non-tax revenue and non-debt capital fell short in fiscal 2021 compared with their budgeted targets. Interestingly, the government still managed to increase its expenditure (both revenue and capital) by resorting to massive borrowings (market borrowings + other sources): it more than doubled from Rs 7.96 lakh crore (budgeted) to Rs 18.5 lakh crore (revised) in fiscal 2021.

The budget quite openly declares the government's intent of going expansionary to support the ongoing economic recovery – it not only pegs the fiscal deficit at 9.5% of GDP for this fiscal (higher than expected), it also fixes a not too conservative target at 6.8%. The fiscal math appears to be reasonably realistic on most accounts.

Growth assumption: To begin with, the size of the GDP, which is estimated to increase by 14.4% in nominal terms in fiscal 2022 appears to be a conservative estimate and broadly in line with CRISIL's estimate

Revenue collection targets: The government's gross tax collections were on a decline even before the pandemic, which accentuated the trend further. With the growth rebounding in fiscal 2022, tax collection should improve, though achieving 16.7% growth (as compared with the past 5-year average of 10.3%) could be a challenging task. That said, the target for indirect tax collections appears more realistic.

Disinvestment targets to be monitored: The government has shown its resolve to go big on disinvestments by clearing the new disinvestment policy which provides a clear roadmap for disinvestment in all non-strategic and strategic sectors. But going by past experience, performance on the disinvestment front remains rather poor. For instance, as opposed to budgeted Rs 2.1 lakh crore receipts from disinvestments in fiscal 2021, the government only expects to earn Rs 0.32 lakh crore, despite a buoyant capital market and acute requirement of funds. The target of Rs 1.75 lakh crore, therefore, will have to be pursued relentlessly and proactively

Enhanced transparency: Another reason why the deficit number has gone up is enhanced transparency in the budget. It relies less on off-budget items for funding investments and more on capex allocations. It also puts an end to the practice of funding Food Corporation of India's shortfall via borrowings from National Small Savings Fund (NSSF) and replaces it with budgetary allocation.

MPC continued with steady policy rates and accommodative stance

The Monetary Policy Committee (MPC), of the Reserve Bank of India (RBI), maintained status quo on the policy rates, as was widely expected, particularly after the higher-than-expected borrowing programme was announced in Union Budget 2021-22. The repo, reverse repo and marginal standing facility rates, therefore, continue at 4.00%, 3.35% and 4.25%, respectively.

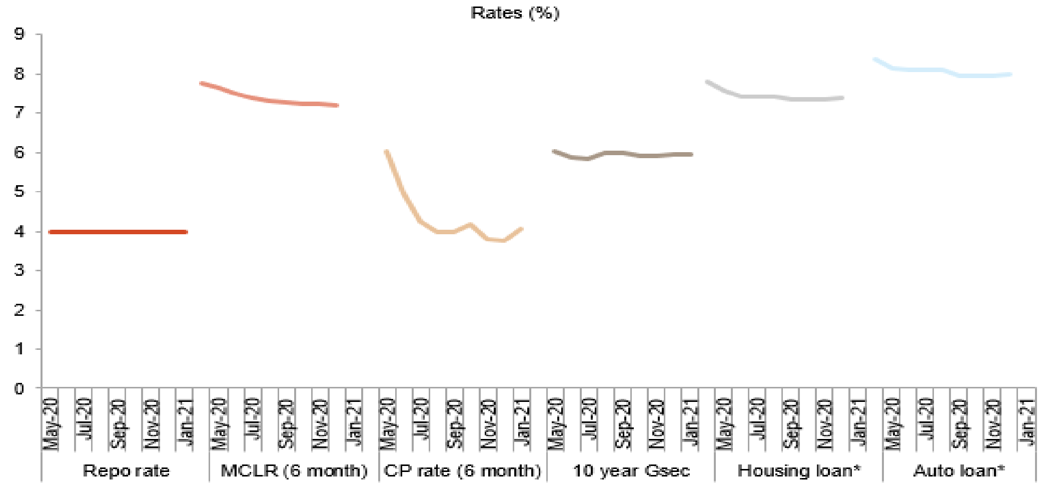
The MPC continued with steady policy rates and accommodative stance

A number of measures announced to allay liquidity concerns as CRR normalisation initiated

CRISIL forecasts inflation at 6.4% in fiscal 2021 and 5.0% in fiscal 2022

The MPC also maintained its forward guidance, stating that it would continue with the accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth on a durable basis and mitigate the impact of Covid-19 on the economy, while ensuring that inflation remains within the target going forward. The decisions on the policy rates and accommodative stance were unanimous. The MPC's decision to stay put is guided by the softening trend in inflation and the need to provide support to the nascent growth recovery.

Movement in key interest rates



Note: * Average for eight scheduled commercial banks

MCLR: Marginal Cost of funds based Lending Rate; CP: Commercial Paper

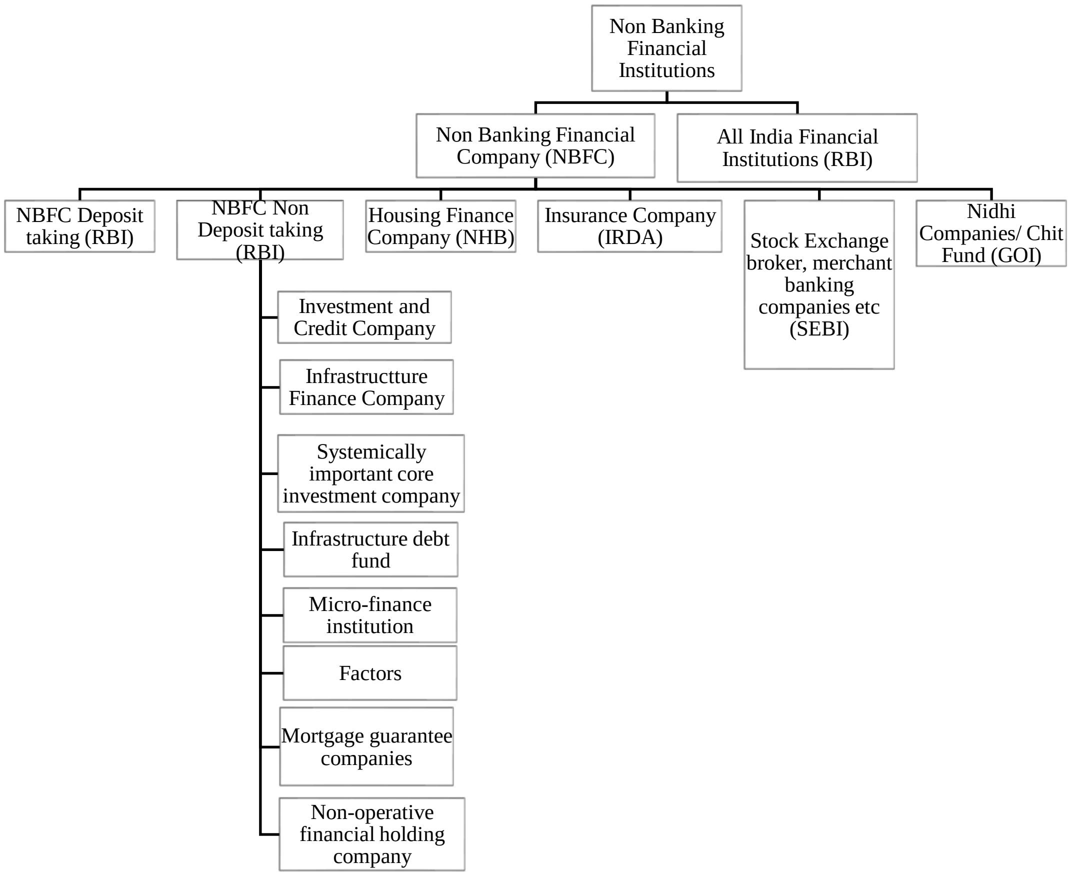
Source: RBI, CEIC, CRISIL Research

Overview of NBFC Industry

Financing needs in India have risen in sync with the notable growth recorded by the economy over the past decade. Non-banking financial companies (NBFCs) have played a major role in meeting this need, complementing banks and other financial institutions.

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion. As of March 2020, they accounted for around ~20% of the overall systemic credit.

Non-banking financial institutions structure in India



Note: The regulatory authority for the respective institution is indicated within the brackets. All-India financial institutions including NABARD, SIDBI and EXIM Bank

Source: RBI, CRISIL Research

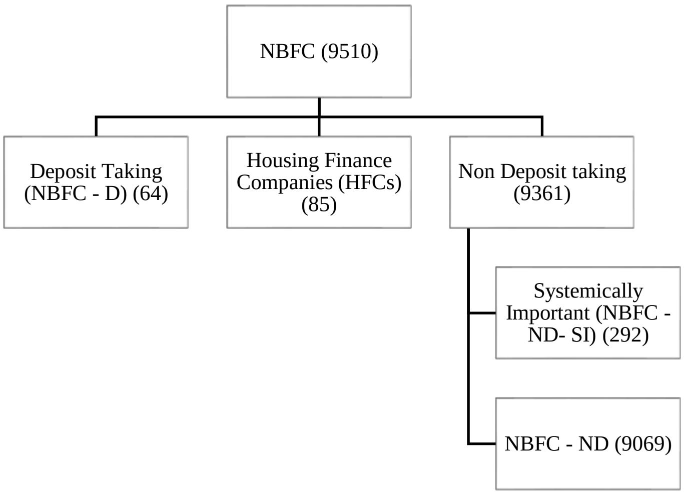
A non-banking financial company (NBFC) is a company registered under the Companies Act, 1956, and is engaged in business of loans and advances; acquisition of shares/stock/bonds/debentures/securities issued by government or local authority or other securities of marketable nature; leasing; hire-purchase; insurance business; and chit business. An NBFC does not denote any institution whose principal business is agricultural or industrial activity or sale/purchase/construction of immovable property.

Classification of NBFCs

NBFCs have been classified on the basis of kind of liabilities they access, types of activities they pursue and their perceived systemic importance.

NBFCs are classified on the basis of liabilities into two broad categories: (a) deposit-taking; and (b) non-deposit taking. Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as ‘systemically important non-deposit taking NBFCs’ (NBFC – ND – SI), and separate prudential regulations were made applicable to them.



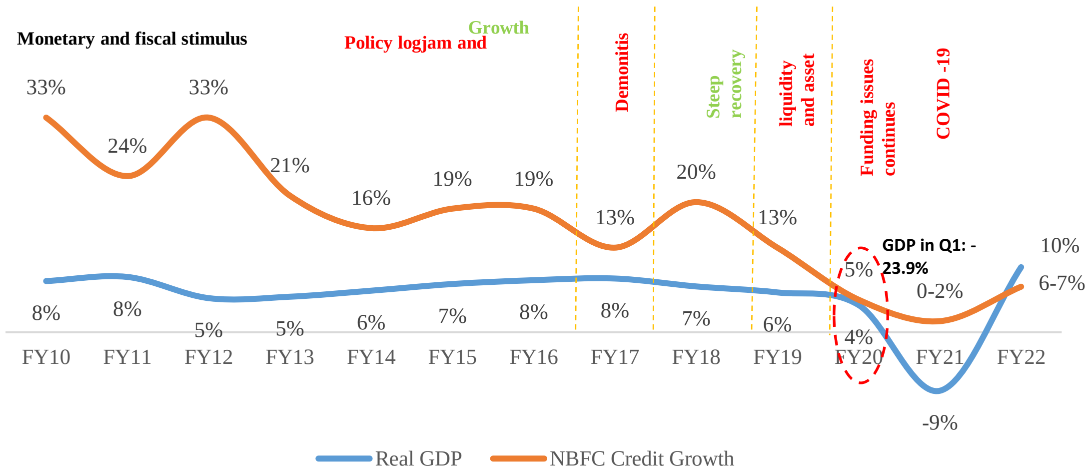
Figures in brackets represent number of entities registered with RBI as of July, 2020.

Source: RBI, CRISIL Research

Non-banks to hit a decadal low growth in fiscal 2021

NBFCs logged at a healthy pace of 14% CAGR over fiscals 2015 to 2019. However, their book grew at a slower rate of 5% during fiscal 2020 mainly due to the liquidity and funding shortages that started after the IL&FS default in mid of fiscal 2019 and continued during fiscal 2020. The NBFC segment almost spent about 12 – 15 months, post IL&FS default, setting the house in order. With the outbreak of COVID, the growth in the loan book during fiscal 2021 is expected to further reduce. In fact, growth in fiscal 2021 would be optical, arising due to mandated lending, particularly to MSMEs, and slower rundown in existing book due to moratorium and restructuring of loans.

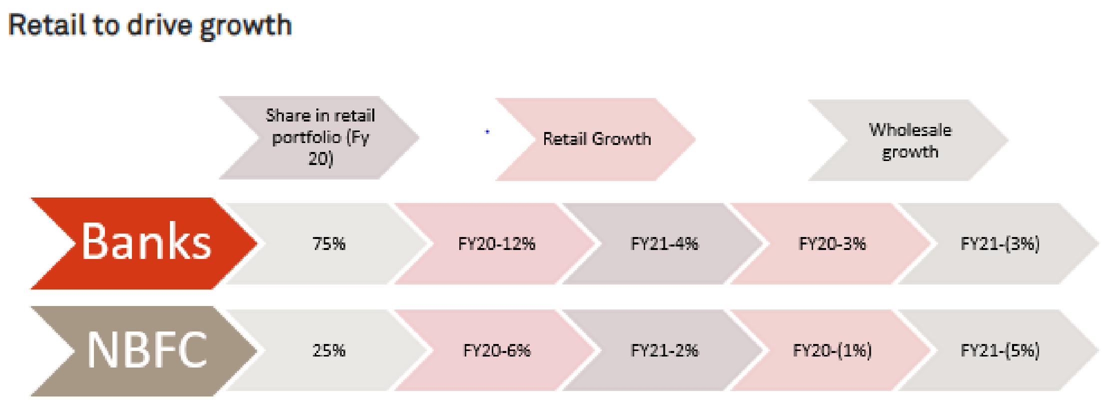
Barring 2020, NBFC credit growth consistently higher than GDP growth



Source: CRISIL Research, RBI, NHB, INF database

On account of Covid-19, demand for credit reduced drastically on account of economic activity coming down to standstill due to lockdown. While economic activity is gradually picking up, prevailing uncertainty regarding the pandemic's further impact has forced lenders to exercise utmost caution in reviving disbursements. The current focus of most of the lender is collection and consolidation of business.

CRISIL Research expects a slight pickup in business growth in fiscal 2022 on the back of pandemic's impact weaning and the economic engine beginning to roar early into the financial year.



Source: CRISIL Research

Though the NBFCs will benefit through focus on retail segments, they are expected to face stiff competition from banks who have enhanced their focus on retail products and may eat into the NBFCs' share. This is especially true in the vehicle and housing finance segment, leading to a slight decline in the share of NBFC portfolio in these segments.

With the improvement in the economic conditions and the support of the government, NBFCs are gradually recovering post-pandemic. However, even though disbursements have been improving sequentially, growth in loan book may fail to keep pace with repayments, leading to flat book growth in fiscal 2021, as compared with 5% growth in the previous fiscal.

Funding access has been improved for majority NBFCs

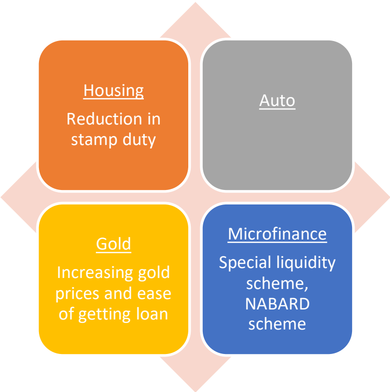
The government has undertaken various initiatives such as TLTRO, special liquidity schemes, PCG scheme, etc., to help NBFCs raise money at concessional rates. Till September, funds amounting to Rs 0.6 trillion has been raised through TLTRO and PCG schemes. This funding has been routed mainly through the banking channel.

Of all the sources, bank funding to NBFCs forms the major part and has been constantly increasing, mainly due to government support. On the other hand, the mutual funds have turned risk averse when lending to NBFCs, as can be seen from the declining CP proportion, along with slight decline in the NCD issuances.

We expect bank funding to continue going forward due to higher liquidity with banks and limited lending opportunities till growth revives. Going forward, we will see the borrowing mix of players shifting more towards bank funding.

Restructuring will ease the delinquency pain in near term

High growth sectors such as housing, auto, gold, microfinance had primary driving factors such as:



In addition to a faster pickup, these sectors also witnessed healthy recovery of loans, as seen from their collection efficiencies. In September' 2020, collection efficiencies in the housing segment stood at 90-95%, while for auto and micro finance it was 85-90%. For other segments such as micro, small and medium enterprises (MSME), the collection efficiencies were on the lower side i.e., 75-80%. As the moratorium ended in August 2020, the collection efficiency saw an improvement of 10-15% in the months of September and October compared with previous months.

The NBFC book under moratorium 2 was almost 40-45%. The moratorium has progressively declined for all the segments and the collection efficiencies have improved, due to which CRISIL expects 8-10% of the loan book to get restructured. Of this, excluding the wholesale book which was already under moratorium prior to the pandemic, the pandemic restructuring will be almost 6%.

The restructuring is expected to be higher in segments such as commercial vehicles, real estate loans, construction equipment and SME-LAP loans. Higher restructuring in commercial vehicles is driven by lower demand, led by drying up of freight due to lower economic activity and lower freight rates. MSMEs, which were already facing stress due to demonetisation, Goods and Services Tax (GST) implementation and overall macro-economic slowdown, suffered a further setback due to the pandemic.

With the restructuring in place, the GNPAs will be contained, especially in segments such as wholesale and MSME which will witness higher restructuring. Some part of the restructured portfolio will slip into fiscal 2022 which will then lead to higher GNPA levels for the fiscal.

Rs 1.6-1.8 trillion expected to be restructured, asset quality concerns to be limited in the short run

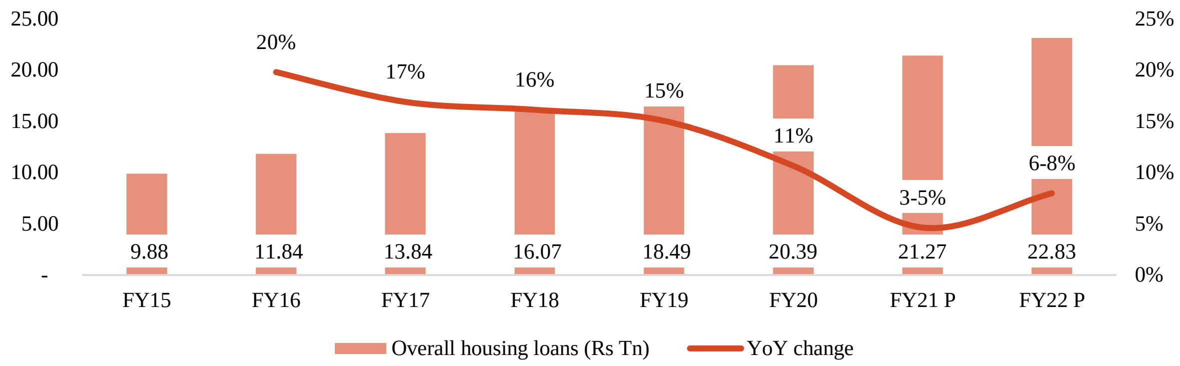
Housing Finance

Overview

The housing finance sector in India contains a large number of institutions such as financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state level apex co-operative housing finance societies, non-banking financial companies (NBFCs), microfinance institutions (MFIs) and self-help groups.

Historically, disbursement of home loans rose thanks to increasing demand from tier-II and -III cities, rising disposable incomes, and government initiatives and fiscal incentives. The pandemic-triggered nationwide lockdown is expected to take a toll on overall housing credit growth.

Overall credit growth of housing loans to be 3-5% in FY21



P: Projected

Source: Company reports, RBI, CRISIL Research

Total home loans outstanding in the country is estimated at Rs 20.4 trillion in fiscal 2020, more than double the figure five years back. Growth slowed down in fiscals 2019 and 2020 in the wake of sluggish growth of HFCs post IL&FS crisis and economic slowdown, respectively.

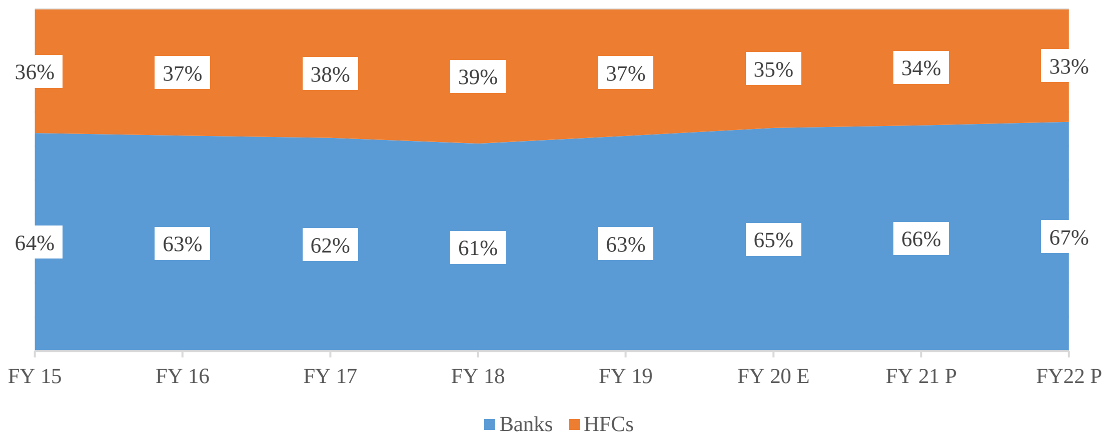
The pandemic has intensified the headwinds already facing the housing finance sector. The subsequent nationwide and local lockdowns, as well as regulations to control its spread, have taken a toll on the economy.

On the supply side, lockdown has had a cascading impact on construction activity. Large-scale migration of labour back to their home towns/ villages during the lockdown (migrant labour contributes to 80% of construction work force) and subsequent uncertainty with regard to project execution have affected buyer sentiment for under-construction projects.

On the demand side, demand has been adversely affected by restricted income growth and limited employment opportunities, which weakened demand from end-buyers, particularly self-employed borrowers.

CRISIL Research expects home loans outstanding (banks and non-banks) to grow a tepid 3-5% on-year in fiscal 2021 vis-à-vis the double-digit growth in the past few years. Growth is expected to increase to 6-8% in fiscal 2022, with housing demand returning approximately to pre-Covid levels.

Share of banks in housing loans to improve further in fiscal 2021 and 2022

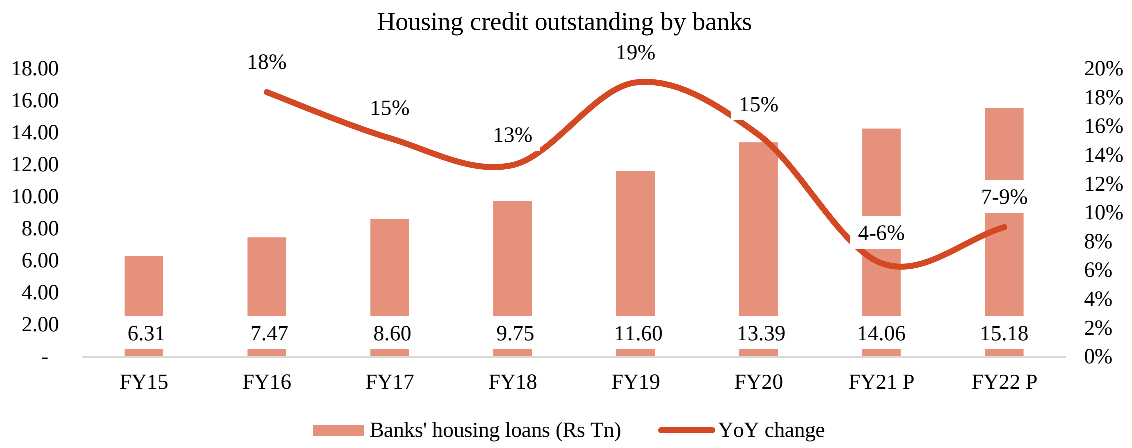


E: Estimated; P: Projected

Source: Company reports, RBI, CRISIL Research

Over fiscals 2015-2018, HFCs' share in home loans outstanding increased. However, starting fiscal 2019, the trend reversed with banks growing faster than HFCs due to the NBFC crisis and liquidity issues faced by HFCs. CRISIL Research expects the outstanding book of banks to outpace HFCs in fiscal 2021, thereby share of banks in the overall outstanding housing loan portfolio is expected to expand.

Housing loans at banks to outpace that of HFCs/NBFCs in fiscals 2021 and 2022

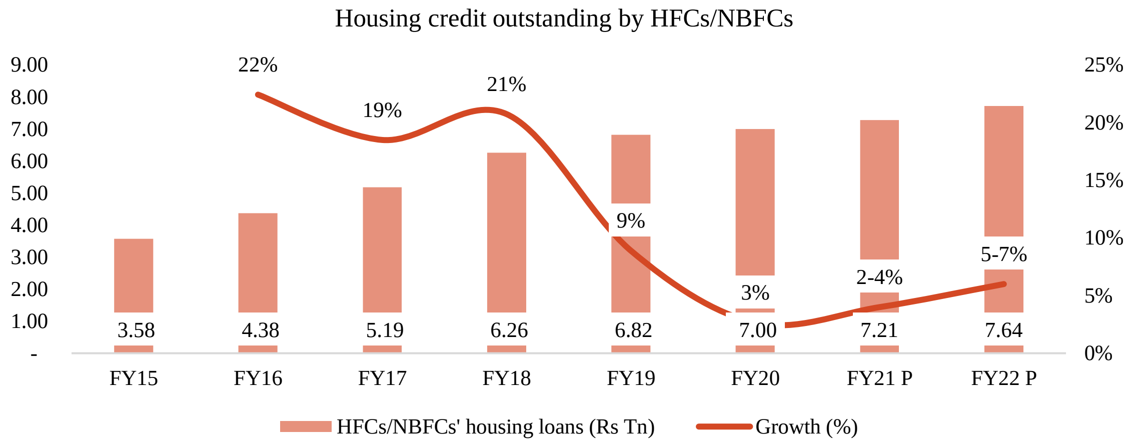


P: Projected

Source: Company reports, RBI, CRISIL Research

Over the years, banks have intensified their focus on the traditional home loan space, owing to subdued demand and asset quality pressures in the corporate sector. Banks' home loans grew at a CAGR of ~16% between fiscals 2015-20. Most banks offering interest rate of 7-8% on home loans. Banks credit of housing loans grew by 1.6% as of September 2020 compared to March 2020. This is led by lockdowns in first quarter and lower housing demand in second quarter (due to cautious spending on heavy ticket-sized real estate).

Housing loans at banks to outpace that of HFCs/NBFCs in fiscals 2021 and 2022



P: Projected

Source: Company reports, RBI, CRISIL Research

Growth slowed considerably after September 2018 due to the IL&FS crisis and liquidity constraints. Combined with economic slowdown, HFCs' home loan credit is estimated to have grown 3% on-year in fiscal 2020.

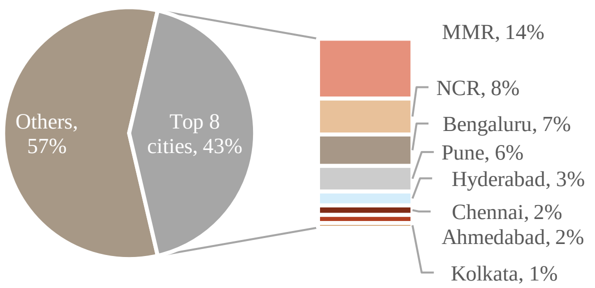
Among HFCs/NBFCs, few large players reported sharp disbursements in more than 70% of normal levels during Q2 fiscal 2021, while this number has reached more than 80% in October and November 2020. This sharp improvement in demand during is mainly due to:

There was large pent-up demand of housing loans which customers got disbursed due to inactivity in first quarter.

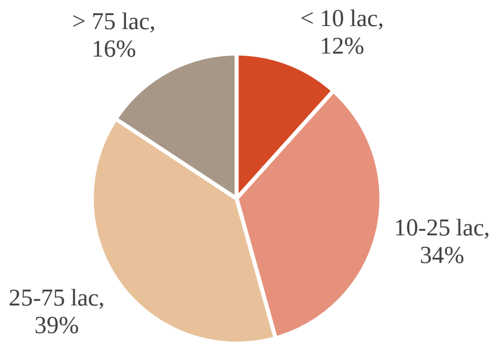
Generally, Q2 and Q3 are festive seasons in India, creating a demand to buy/construct a house.

With lower disbursements and lower repayments in H1 of this fiscal, growth of housing loans outstanding at HFCs/NBFCs remained lower at 1-3%. With improvement in demand in H2, and higher repayments (including prepayments which are were likely muted in H1), growth is expected to 2-4% in fiscal 2021.

Top eight cities account for 40-45% of credit outstanding by Mar-20 (NBFCs/HFCs)



Ticket size <Rs 25 lac contributes more than 45% of total outstanding (Mar-20) (NBFC/HFCs)

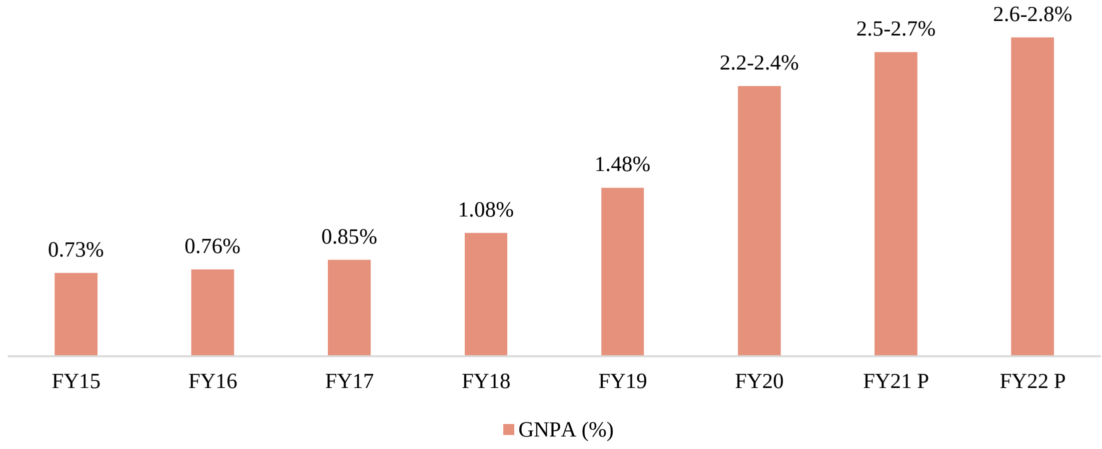


Note: MMR – Mumbai metropolitan region, NCR – National capital region

Source: Credit Bureau, CRISIL Research

Asset quality and profitability of HFCs to deteriorate in FY21

Gross Non-Performing Assets (GNPAs) of HFCs to rise 30-50 bps in fiscal 2021

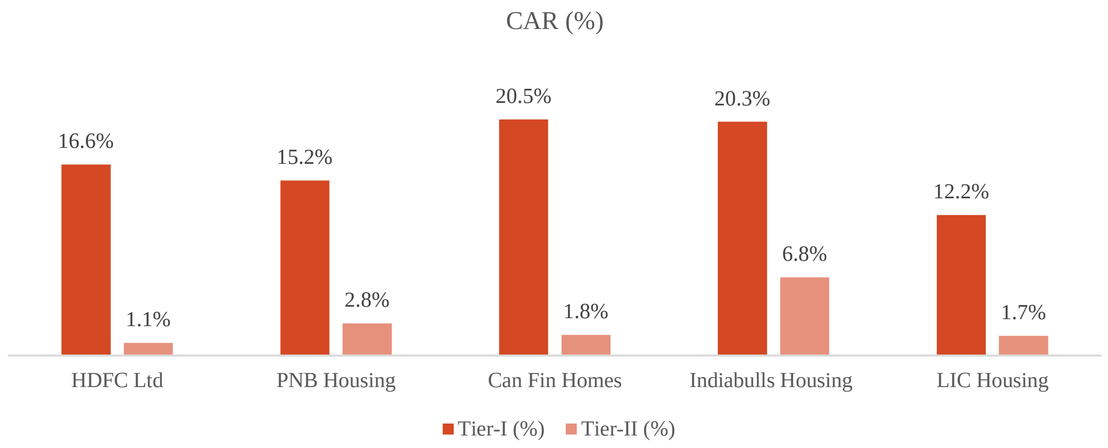


P: Projected

Source: Company reports, RBI, CRISIL Research

Due to moratorium, GNPA of HFCs remained relatively stable as of September 2020 compared to March 2020. Collection efficiency of HFCs reached more than 90% as of September 2020 and more than 95% as of November 2020. While the GNPA is expected to increase by 30-50 bps in fiscal 2021, CRISIL Research expects 1-2% of the housing loan book will undergo one-time restructuring (under Resolution Framework for Covid-19 related stress announced by RBI).

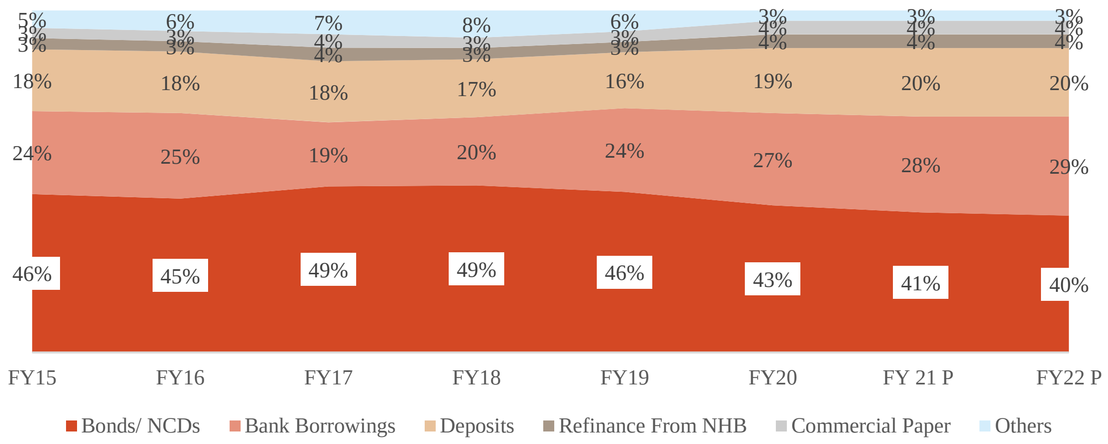
Comfortable capital position of all HFCs (fiscal 2020)



Source: Company Reports, CRISIL Research

Bank borrowings to gain further share in the HFC mix

Share of bank borrowings rose over the past four years



P: Projected

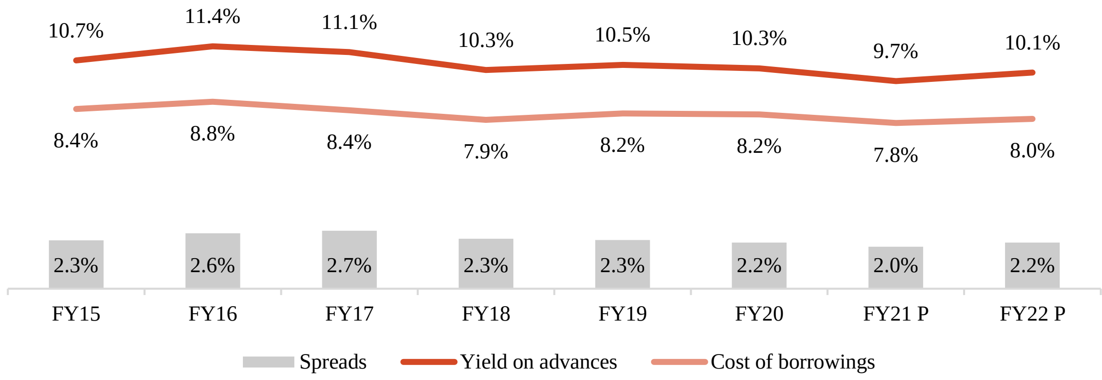
Source: Company reports, CRISIL Research

Risk in the NBFC sector increased after late 2018, which restricted the NBFCs' easy access to market borrowings. During this period, while players with high Asset Liability management (ALM) mismatch and higher share of non-retail portfolio found it difficult to raise funds, players with strong parent company support and relatively higher proportion of retail assets were able to raise funds from the market.

However, over time and with aggressive repo rate cuts by the RBI, the benchmark commercial paper (CP) and non-convertible debentures (NCD) rates have softened. Despite a reversal in the interest rate cycle, risk perception remains high in the market for players with a high share of non-retail portfolio and players without a strong parent company support.

Bank borrowings have been gaining share in the sources of liquidity for HFCs due to lower cost of borrowings (50-100 bps lower) compared with bonds/NCDs. CRISIL expects the proportion of bank borrowings to increase further over the medium term due to historically low interest rates offered by the banks

Profitability of HFCs to decrease marginally in fiscal 2021



Note: P: Projected

Source: Company reports, CRISIL Research

In fiscal 2019, rising interest rate in the first half and tight liquidity in the second half increased the cost of borrowing by ~30 bps, which remained stable in fiscal 2020. On the other hand, yield on advances is estimated to have declined ~20 bps in fiscal 2020, as market rates declined.

While the cost of borrowing is expected to fall ~40 bps as market rates decline, yield on advances is expected to decline further (~60 bps) given the current competitive scenario (resulting from low interest rates offered by the banks). CRISIL Research expects the spreads of HFCs to contract 20-30 bps in fiscal 2021. Moreover, higher credit costs due to stress in the economy, to affect Return on Assets (RoA) in fiscal 2021.

With economy expected to revive in fiscal 2022, cost of borrowings are expected to rise partially (unlikely to reach pre-covid levels though). HFCs are also expected to increase the loan interest rates on account of demand revival and to improve liquidity.

Government support and regulations

ANNOUNCEMENTS	IMPACT
Risk-weighted assets (October 2020) RBI has decided to rationalise the risk weights and link them to LTV ratios only for all new housing loans sanctioned up to March 31, 2022	Housing loans above Rs 75 Lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%. Despite challenging time on high ticket properties, lenders may use this benefit to in the form of lower cost of lending to mid and high ticket properties
Resolution Framework for COVID-19 stress (August 2020) RBI announced to permit a one-time restructuring of loans Accounts which were in default for not more than 30 days as of March 1 will be eligible for such restructuring. All other stressed	**On borrowers** ↔ Majority of the housing loan customers (who are salaried/employed) may not avail restructuring, as it will

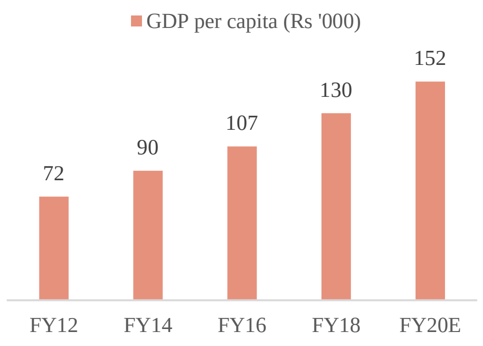
accounts will have to follow June 2019 framework for resolution	increase interest burden in the long run **On lenders** ↑ Restructuring of loans will help shield the NPAs spike at HFCs.
Moratorium on loan repayments (March, April 2020) NPA classification norms relaxed for the 90- day moratorium All lending institutions are permitted to allow a moratorium of 3 months (extended by another 3 months) on repayment of installments for term loans outstanding and payment of interest on working capital facilities as on March 1, 2020 Deferred payments are mandated not to translate into asset classification downgrades; credit history will also be unchanged	**On borrowers** ↑ Moratorium is a relief for customer profiles, whose incomes were affected in first 2 quarters, enabling them to avoid EMI payments ↓ However, the interest accumulates over the period **On lenders** ↓ Longer moratoriums affect the collections, thereby liquidity of the NBFCs/HFCs who are already facing liquidity crunch
Liquidity support to NHB (April, August 2020) RBI will provide additional special liquidity facility (ASLF) of Rs 5,000 crore to National Housing Bank (NHB) Liquidity boost through TLTRO 2.0 worth Rs 50,000 crore for NBFCs, HFCs and MFIs	**On lenders** ↑ Funding support to the NHB, will majorly help the smaller HFCs, who lack full borrowing market access due to lower rating
Partial Credit Guarantee - PCG (December 2019) Government modified the Partial Credit Guarantee (PCG) scheme to include HFCs and NBFCs rated up to BBB+	**On lenders** ↑ Previously, the scheme was eligible only to players rated AAA or above. However, these players faced no difficulties in raising funds. Inclusion of BBB+ or above will help other mid-rated players.

Note: The above list is not exhaustive; ↑ (↓) indicates positive (negative) impact for lender or borrower

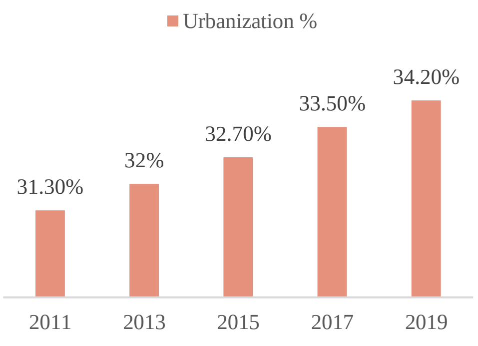
Source: Ministry of Finance, RBI, NHB, Government of India, CRISIL Research

Long-term growth drivers

Affordability led by disposable income



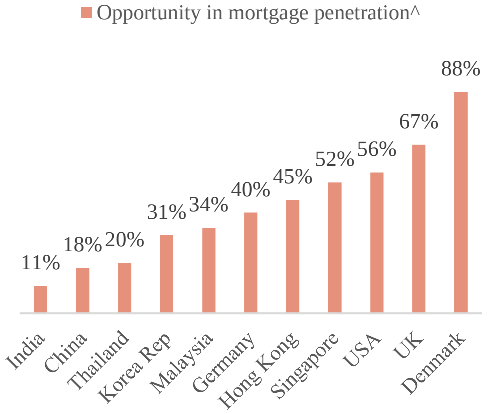
Rapid urbanization to boost housing demand



Private final consumption expenditure was

Urbanization increases nuclear families, leading biggest contributor to the country's GDP ~60%.

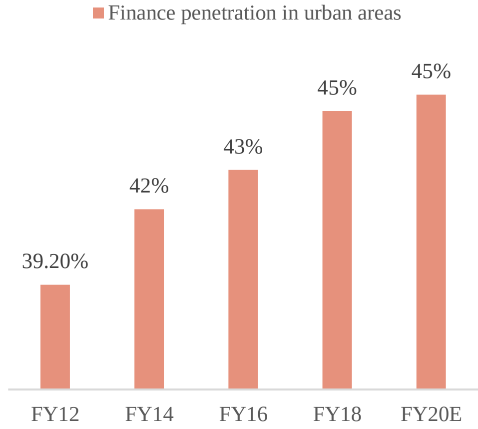
Opportunity in mortgage penetration



Mortgage penetration although lower, improving due to ease of financing, tax incentives and widening reach of financiers.

to formation of more urban households

Rise in finance penetration



Rising demand for housing in tier-II-III cities. a surge in construction have increased the focus of financiers on these geographies.

Note: ^ India data for fiscal 2019, Other countries data for CY15

Source: MOSPI, United Nations Department of Economic and Social affairs, IMF, European Mortgage Federation, HOFINET, NHB, Company report, CRISIL Research

Risks and challenges

Competitive advantage of banks vis-à-vis HFCs	• Banks have access to borrowers' banking behaviour and their repayment history by which they approach their regular customers by offering lower interest rates (than HFCs) and zero processing fee.
Funding disadvantage for lower rated HFCs	• Smaller HFCs have disadvantage due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher costs (as credit ratings are lower)
Delay in project approvals and construction	• HFCs' cash flows are largely dependent on the timely completion of projects, in which their customers have bought housing. • If the project gets delayed, the borrower may start defaulting on loans
Lack of proper title; lack of data for credit appraisal	• Credit score availability in India is still at a nascent which makes it difficult to judge the ability of the borrower to repay • HFCs are trying hard to mitigate this risk by doing more due diligence by their technical team.

Source: Company and industry reports, CRISIL Research

Pradhan Mantri Awas Yojana (PMAY)

The 'Housing for All by 2022' scheme (launched in June 2015) aims to construct more than 20 million houses across India by 2022. The scheme's target beneficiaries would be the poor, economically weaker sections (EWS), and low income groups (LIG) in urban areas.

Four components of the scheme

1. Slum redevelopment
    - Land as a resource with private participation
    - Extra floor space index (FSI)/ floor area ratio (FAR) and transfer of development rights (TDR), if required
    - Grant of Rs 1 lakh per house provided by the central government
    - Developers to benefit from "free sale component"
2. Affordable housing in partnership
    - With private sector or public sector agencies
    - Central assistance of Rs 1.5 lakh per EWS category house in projects where the project has at least 250 houses and 35% houses are for EWS category
3. Affordable housing through credit-linked subsidy
4. Subsidy for beneficiary-led housing

- For individuals of EWS category, for own house construction or enhancement
- Central assistance of Rs. 1.5 lakh per beneficiary

PMAY progress status as of October 2020

PMAY (Urban) - Progress	**Value**	**PMAY (Gramin) -Progress**	**Value**
Houses sanctioned	107.83 lakh	Houses registered	177.53 lakh
Houses grounded	66.6 lakh	Sanctioned with verified accounts	161.90 lakh
Houses completed	36.08 lakh	Houses completed	113.91 lakh
Central assistance committed	Rs 1.68 lakh crore	Allocation of funds	Rs 2.77 lakh crore
Central assistance released	Rs 71,237 crore	Fund releases	Rs 1.57 lakh crore
Total investment	Rs 6.42 lakh crore	Utlisation of funds	Rs 1.61 lakh crore

Source: Urban Transformation Report, Ministry of Housing and Urban Affairs, Government of India

Credit-linked subsidy scheme (CLSS)

Under the 'Housing for All' mission, the central government implemented CLSS as a demand-side intervention to expand institutional credit flow to the housing needs of people residing in urban regions

Under the mission, affordable housing through CLSS will be implemented through banks/financial institutions

Credit linked subsidy is provided on home loans taken by eligible urban population for acquisition and construction of houses

Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) were identified as central nodal agencies to channelise this subsidy to lending institutions and monitor progress of this component

CLSS revised guidelines

Category	Annual household income (Rs)	Loan amount (Rs)	Interest subsidy	Size of proposed house (carpet area, sq m)
EWS	< 3 lakh	6 lakh	6.50%	30
LIG	3-6 lakh	6 lakh	6.50%	60
MIG 1	6-12 lakh	9 lakh	4%	160
MIG 2	12-18 lakh	12 lakh	3%	200

Source: PMAY website, CRISIL Research

- For all income slabs, any additional loan taken by the beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates
- The interest subsidy amount will not be the differential of interest amount (of actual and subsided rate) but will be the net present value (NPV) of the interest subsidy amount
    - It is to be calculated at a discount rate of 9%
    - Assuming that a person has an income of up to Rs 18 lakh, maximum subsidised loan amount of Rs 12 lakh; market interest rate: 9%; tenure: 20 years; EMI to be paid is Rs 10,796
    - At 6% interest rate (i.e, 3% subsidy) on Rs 12 lakh loan amount, EMI to be paid: Rs 8,597
    - NPV (9% interest rate) of the difference in the above EMIs amounts to Rs 2.4 lakh. This amount gets deducted from the principal and the reduced loan amount is then amortised at 9% interest rate. Eventually the EMI reduces by ~Rs 2,200 for the above case.

Infra status to affordable housing companies

- A long-pending wish of the real estate industry was partially realised with the government granting infrastructure status to affordable housing sector, thereby entailing relatively lower finance costs
- Grant of infrastructure status, coupled with priority sector status accorded to retail loans for affordable housing projects by the Reserve Bank of India (RBI) in July 2014, ensures adequate demand and supply-side impetus to the sector
- Sectors enjoying infrastructure status can also avail of loans under external commercial borrowings route. However, this facility was already granted to the affordable housing sector in 2014 by the RBI.

Infrastructure bonds available to banks

To encourage infrastructure development and affordable housing, the RBI, in July 2014, exempted long-term bonds from regulatory mandatory norms such as cash reserve ratio and statutory liquidity ratio if the money raised was used for funding such projects. Banks are now allowed to raise bonds of a minimum maturity of 7 years for lending to: Long-term projects in infrastructure sub-sectors; and affordable housing

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The purpose of AMRUT is to provide basic services (e.g., water supply, sewerage, urban transport) to households, build amenities in cities, and to improve the quality of life for all, especially the poor and the disadvantaged.

Key components of the mission

- Access to a tap with assured supply of water for every household

- Assured sewerage connection per household
- Better amenities in cities by developing greenery and well-maintained open spaces (e.g., parks)
- Lower pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling)

AMRUT Progress

AMRUT Status as of October 2020	Projects	Value in Rs Crore
Work completed	3,001	12,431
Work in progress	2,593	65,435
NITs issued	174	2,260
DPRs approved	101	1,199
Total state annual action plans	4,672	77,640

Source: Ministry of housing and urban affairs, CRISIL Research

Real Estate (Regulation and Development) Act (RERA)

RERA is formed to result in improved transparency, timely delivery, and organised operations

The Act does not permit developers to launch new projects before registering them with the authority. This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities

RERA is also expected to put an end to fund diversion

With effective implementation of RERA, developers will have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule. This will enable prospective buyers to make informed decisions.

Impact of RERA on different stakeholders

Developers	• Mode of land agreement may change (JDA vis-à-vis land ownership) • Shift from practices followed previously (soft-launch/pre-launch activities) • Industry to witness consolidation in medium term
Regulators	• State level authority to monitor on-going projects • To act as dispute resolution authority – likely to reduce resolution time
Bankers	• Banks have also sought additional collateral from developers in recent times • Lending to RERA registered projects only • Improved information availability will strengthen due-diligence process • Shift in lending terms on account of 70% escrow clause
Consumers	• Effective implementation of RERA will improve transparency and timely delivery • Likely to support end user demand for under construction projects

Source: CRISIL Research

Initiatives by regulators to support affordable housing finance

NHB's revised guidelines announced in June 2019 have made the following key amendments:

- The minimum Tier 1 capital adequacy to be maintained by HFCs has been increased from 6% to 10%arch 2022.
- The overall capital adequacy ratio requirement has been increased from 12% to 15% in a graded manner, by March 2022.
- The maximum leverage that HFCs can take up has been reduced to 12 times from 16 times over three years, by March 2022.
- The ceiling on deposits that HFCs can mobilise has been lowered to three times of net-owned funds from five times

NHB's revision of interest spread cap for the Rural Housing Fund (RHF)

- NHB has been allocated a sum of Rs 6,000 crore under RHF for fiscal 2018 and Rs 3,000 crore under Urban Housing Fund (UHF)
- The NHB revised interest rate and on-lending cap under the RHF this fiscal
- CRISIL Research believes the on-lending cap of 3.5% is better than the previous 2% cap that made financing unattractive, because of higher operating cost incurred to serve rural areas. The new norms for lending under RHF and UHF are given below:

Revised interest rates and on-lending caps

Fund	**Primary lending institutions**	**Interest rate (per annum)**	**On lending (per annum)**
Rural housing fund	Housing finance companies and regional rural banks	4.86%	8.36%
	Scheduled commercial banks	4.86%	MCLR+1%
Urban housing fund	Housing finance companies and regional rural banks	4.86%	8.36%
	Scheduled commercial banks	4.86%	MCLR+1%

Source: NHB, CRISIL Research

Rationalization of risk weights for individual housing loans to improve sentiment towards real estate sector

Till now, risk weightages were assigned on the basis of ticket size and loan to value (LTV) ratio as shown. However, for all new housing loans sanctioned up to March 31, 2022, risk weightages will be assigned only on the basis of LTV, according to announcement by RBI in October 2020. While these risk weights will be applicable to all ticket sizes, housing loans above Rs 75 Lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%.

Regulations pertaining to risk weights for housing loan by HFCs

2017-Oct 2020				Oct 2020-Mar 2022	
Outstanding loan	**LTV ratio (%)**	**Risk Weight (%)**		**LTV ratio (%)**	**Risk Weight (%)**
< Rs 30 lakh	< 80	35		< 80	35
	80-90	50			
Rs 30 - 75 lakh	< 80	35		80-90	50
> Rs 75 lakh	< 75	50			

Source: RBI, Industry, CRISIL Research

While, announcement is positive from supply intervention, concerns on demand side continues especially in these cities due to extended lockdowns and the impact on economy. Also, over the last few years, real estate demand-especially for high ticket size properties remained muted in these cities. Another factor that will keep lenders wary of increasing LTV (even though risk weight has decreased) is pressure on capital values where developer discounts and offers are already observed across most properties. Price correction is expected in the range of 5 to 15% across ticket sizes with high ticket properties most impacted.

As per CRISIL Research estimates, rationalization of risk weights on housing loans will marginally increase credit on the back of lower capital adequacy requirement (due to new lower risk weights). Despite challenging time on demand front-especially on high ticket properties, lenders may use this benefit to in the form of lower cost of lending to mid and high ticket properties.

Low-cost housing finance

CRISIL Research defines low-cost housing as a housing market with housing finance-focused players with average ticket size below Rs 1 million.

It is believed that the root cause of shortage of low-cost housing finance is lack of finance options for low-income households. The supply of finance for the segment is constrained mainly due to the inability of banks to accurately assess credit risk associated with low-income borrowers, lower profit margins, lack of land titles, and uncertainty of repossession. The key reasons for restricted lending to this segment are: 1) high costs of serving on account of small ticket size and lower volumes; 2) unknown risks associated with the informal segment; and 3) wariness of financiers due to high delinquencies and uneven payback patterns.

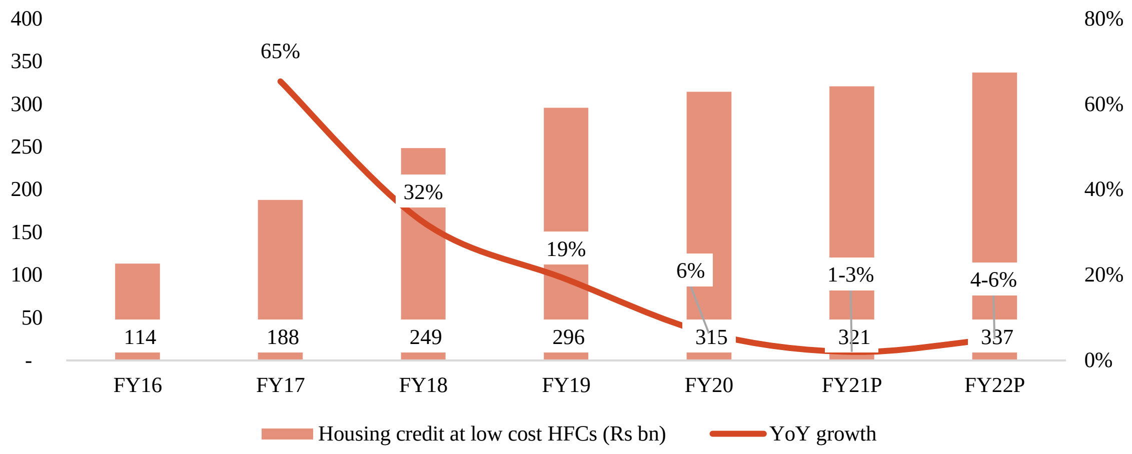
The mortgage-to-GDP ratio in India is minuscule. In fact, mortgage penetration in low-income housing is even smaller. Due to the growing traditional mortgage finance market, a few commercial banks have entered the low-income housing market. They tend to offer long-term mortgage loans, which extend to 20 years and require 10-30% of the home value as down payment, pay slips of the borrower and legal title to property.

Home loans at low cost HFCs to slow down in fiscal 2021 and fiscal 2022

The housing loans of low-cost oriented players logged a CAGR of over ~30% from fiscal 2015 to fiscal 2020, outpacing the overall housing finance market (which grew 16%). This was largely because of the government's increased focus on the sector and more players emerging in low-cost housing. However, growth slowed down considerably in the second half of fiscal 2019 due to liquidity constraints. Consequently, growth stood at 15% in fiscal 2019. Home loans outstanding of low-cost housing focused players has grown at a relatively slow ~6% in fiscal 2020.

CRISIL Research believes the outstanding home loan book of low cost-focused housing players will grow at 1-3% because of sharp decline in housing demand in fiscal 2021, increased refinance risk and asset-liability mismatch, which will result in slowdown in disbursements over the medium term. As employment generation and income growth face headwinds, low income group customers are likely to postpone their decisions of buying home.

Credit outstanding to grow at 1-3% in fiscal 2021 and 4-6% in fiscal 2022

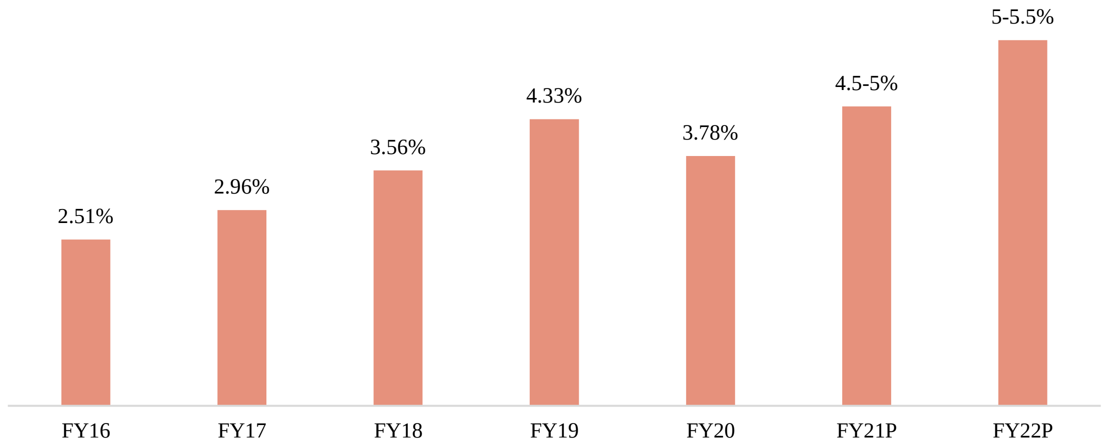


Note: For home loans outstanding of low-cost housing focused players; P: Projected

Source: Company reports, CRISIL Research

GNPAs to increase further in the low-cost housing segment

Stress in Low Income Group customers to affect asset quality



Note: For home loans outstanding of low-cost housing focused players; P: Projected

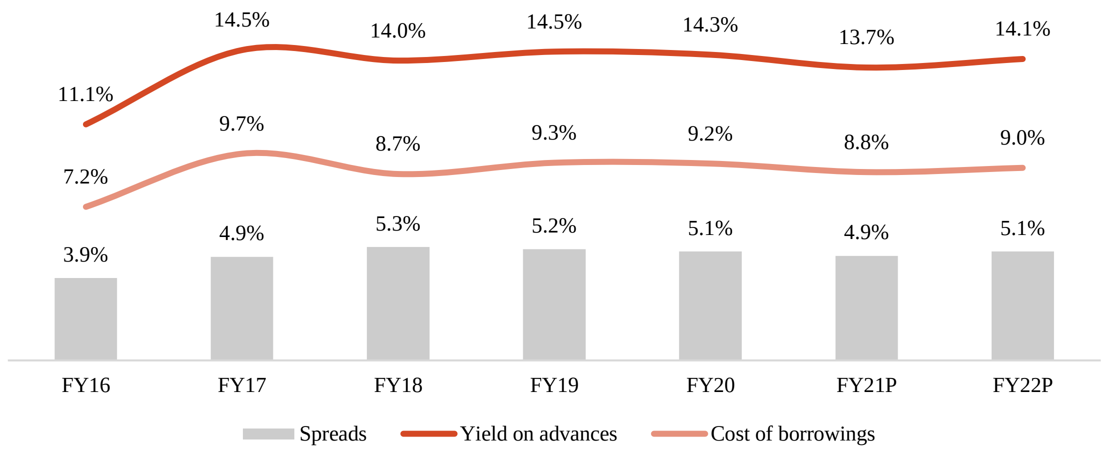
Source: Company reports, CRISIL Research

Low-ticket focused HFCs catering to semi-urban and rural areas, where borrowers' income is highly irregular as it depends largely on macro factors (such as the monsoon), and their credit history unavailable, are exposed to higher geographical concentration risk. To mitigate this, they charge higher yield and use different assessment strategies. Their GNPAs have been deteriorating over past four years with the figure for fiscal 2020 at ~3.8%.

In fiscal 2021 and fiscal 2022, CRISIL Research expects overall GNPA of low-cost housing focused players to increase further, owing to the current economic slowdown, which has impacted lower income groups, the key demographic of low cost HFCs.

Spreads to decline in fiscal 2021

Yield of advances and cost of borrowings to decline in fiscal 2021 with market rates



Note: For home loans outstanding of low-cost housing focused players; P: Projected

Source: Company reports, CRISIL Research

In the low-cost housing finance segment, overall cost of funds is higher than that of large and medium-sized HFCs owing to weak credit rating and lack of access to the bond market. However, support to low-cost housing focused players comes from NHB refinance, which is relatively cheaper than other avenues. Yield on advances declined around ~20 bps in fiscal 2020, as market rates fell, which have been passed on to home loan borrowers. Due to competition from banks and large HFCs, spreads declined by 10 bps.

Spreads in the segment are expected to decline by ~20 bps in fiscal 2021, as players pass on the current low cost of borrowing to customers to remain competitive in the current economic scenario. Here, players with large and strong parentage will have an advantage of access to funding sources over their peers, and would be relatively less affected.

All the government incentives mentioned for housing finance section previously are also applicable for Low-cost housing finance companies too.

Other regulatory incentives include: Viability gap funding

To encourage infrastructure development and affordable housing, the RBI in July 2014 exempted long-term bonds from regulatory mandatory norms such as cash reserve ratio and statutory liquidity ratio if the money raised is used to fund such projects. Banks are allowed to raise bonds of minimum maturity of seven years for lending to long-term projects in infrastructure sub-sectors and affordable housing.

Wholesale Finance

Wholesale finance represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses long- and short-term funding. However, this excludes Lease Rental Discounting (LRD) from wholesale book.

Wholesale financing products

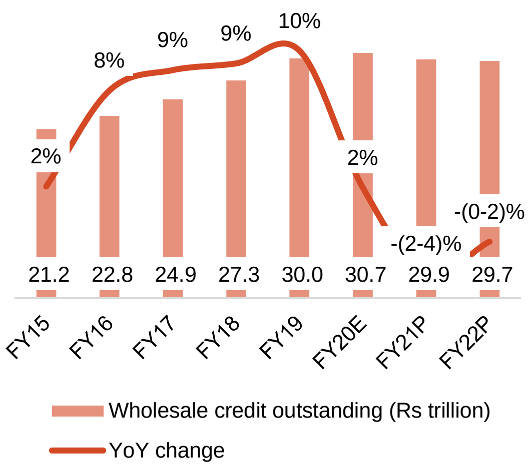
Products	**Remarks**
Real estate finance (structured credit or plain)	Short to long term loans for projects at various stages of implementation i.e., acquisition funding, inventory funding, buying commercial properties
	Escrow and hypothecation of project receivables and mortgage of property
	Loan to Value offered is 60-70% in case of residential projects and 5-10% lower in

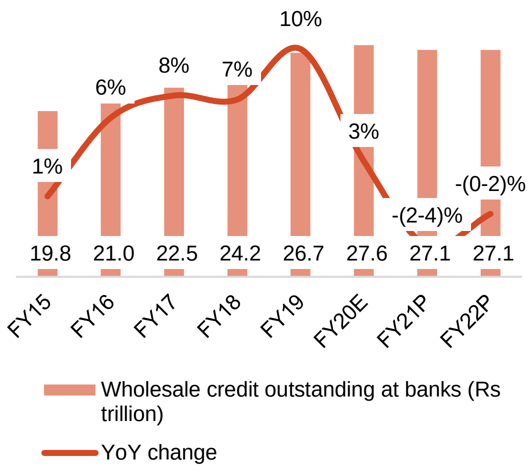
	commercial projects
Structured credit for projects	Medium to long term working capital requirements, bridge loans, acquisition financing and equity investment
	Schedule of repayments is based on company's projected future cash flows
	Debt covenants on these loans are based on predefined levels of EBITDA growth and margins, as well as manageable levels of interest expenses
	In some cases, off-balance sheet funding is provided like operating leases
	Collateral required is 1.5-2 times the loan amount in the form of property and listed/unlisted shares
Structured collateralized credit	Promoters get loans by leveraging their shareholding and pledging their other assets (properties) as collateral
	Schedule of repayments is based on company's projected future cash flows
	Collateral required is 1.5-2 times the loan amount in the form of property and listed/unlisted shares
Corporate finance (plain)	Secured loans
unsecured loans to corporates	Loans of upto Rs 50 lakhs
Capital market lending	Loans of upto Rs 150 cr
Loan against securities (MFs, shares, securities, bonds)	Collateral required is 2 times the loan amount in the form of property
Loan syndication	Syndicate loans for structured finance, mezzanine loans, subordinated debt, securitization of receivables, buyers credit, bank guarantees, bill discounting lines, letters of credit etc

Source: CRISIL Research

Wholesale lending to decline due to economic slowdown

Credit outstanding of total wholesale portfolio to decline by 2-4% in fiscal 2021





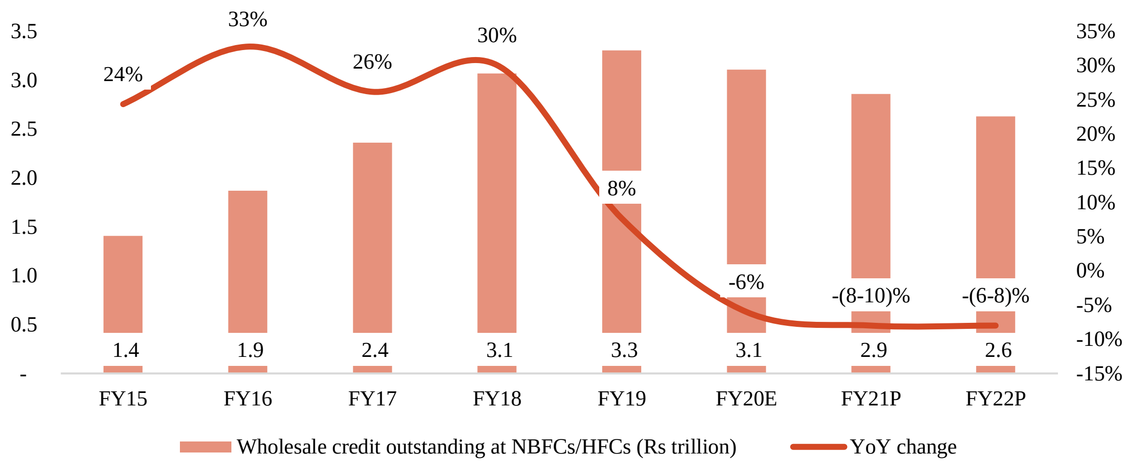
Note: E- Estimated, P-Projected

Source: Company reports, RBI, CRISIL Research

In fiscal 2019, banks' growth picked up and was about 10%. Banks have a higher market share of 90% in wholesale lending vis-à-vis non-banks' 10% as of fiscal 2020. Wholesale loan book of banks has declined by ~3.6% in September 2020 vs March 2020. While growth slowed down in fiscal 2020 due to the economic slowdown, Covid-19 is expected to worsen the segment's performance in fiscal 2021.

Non-banks to witness further decline in wholesale finance book due to stress in real estate sector

Credit growth to worsen in fiscal 2021



E: Estimated; P: Projected

Source: Company reports, CRISIL Research

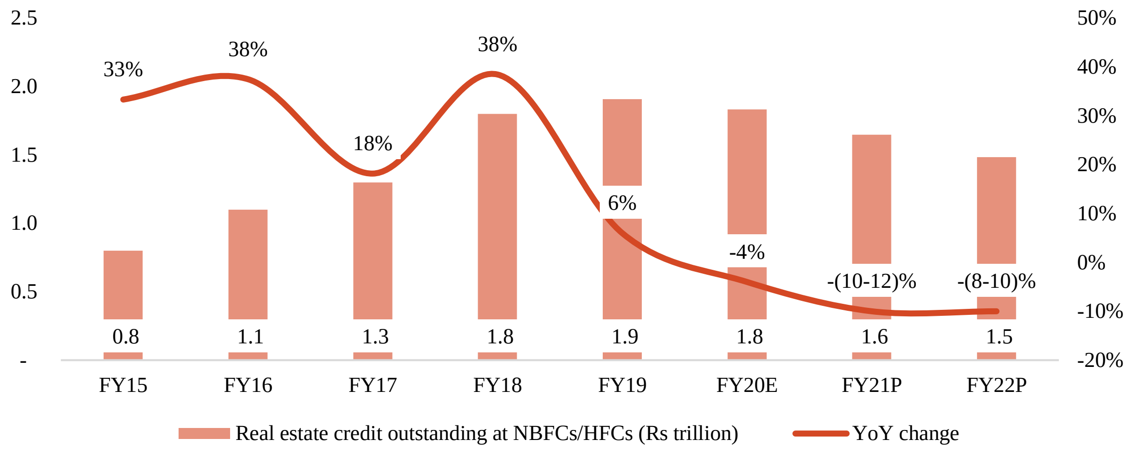
Wholesale finance book of non-banks is estimated at ~ Rs.3.1 trillion in March 2020, a decline of ~6% compared to fiscal 2019. While most non-banks reported a decline in their wholesale book, a few large HFCs arrested the decline in wholesale lending space by posting an incremental growth. The decline in overall book is primarily driven by shrinking real estate loan books.

Default of IL&FS in September 2018 led lenders to take a cautious approach to a few segments like wholesale finance. Negligible disbursements, lower repayments due to moratorium resulted in muted growth of wholesale books of NBFCs. With minimal disbursements and higher repayments in H2 of this fiscal, wholesale book of NBFCs is expected to decline sharply in fiscal 2021.

In addition, over the years, players have been announcing their plans to reduce their exposure to wholesale sector due to high risks associated with it. We expect H2 of fiscal 2021 and fiscal 2022 to witness sell-off transactions in wholesale segment resulting in further reduction in book size.

Real estate book of NBFCs to decline sharply with minimum disbursals and sell-offs

Real estate financing to decline sharply in fiscal 2021



E: Estimated; P: Projected

Source: Company reports, CRISIL Research

Real estate lending is the prominent segment in wholesale finance at NBFCs/HFCs forming ~60% of the book translating, approximately, to ~Rs.1.8 trillion as on March 2020. In fiscal 2020, non-banks witnessed a decline of ~4% in their developer book. On account of Covid-19 induced economic slowdown, credit outstanding is expected to reduce by 10-12% in fiscal 2021.

Government support and regulations, structural shifts, risks and challenges

Government support in the form of restructuring, moratoriums will be beneficial to the wholesale lenders near term due to significant stress in the segment, worsened by the Covid-19 crisis. Over long term, wholesale segment is expected to undergo major structural shifts.

Government support and regulations

Announcements	Impact
Resolution Framework for COVID-19 stress (August 2020) • RBI announced to permit a one-time restructuring of loans • Accounts which were in default for not more than 30 days as of March 1 will be eligible for such restructuring. All other stressed accounts will have to follow June 2019 framework for resolution	**On borrowers:** • ↑ Majority of the wholesale borrowers are likely to avail restructuring as developers face demand decline which will affect the repayments of their debt obligations **On NBFC/HFCs:** • ↑ As most of the developer portfolio is stressed currently, restructuring will protect the lenders from incurring losses on bad loans
Moratorium on loan repayments (March, April 2020) • NPA classification norms relaxed for the 90- day moratorium • All lending institutions are permitted to allow a moratorium of 3 months (extended by another 3 months) on repayment of installments for term loans outstanding and payment of interest on working capital facilities as on March 1, 2020 • Deferred payments are mandated not to translate into asset classification downgrades; credit history will also be unchanged	**On borrowers:** • ↑ Moratorium is a relief for customer profiles, whose incomes were affected in first 2 quarters, enabling them to defer EMI payments • ↓ However, the interest accumulates over the period **On NBFC/HFCs:** • ↓ Longer moratoriums affect the collections, thereby liquidity of the NBFCs/HFCs who are already facing liquidity crunch
Partial Credit Guarantee - PCG (December 2019) • Government modified the Partial Credit Guarantee (PCG) scheme to include HFCs and NBFCs rated up to BBB+	**On NBFC/HFCs:** • ↑ Previously, the scheme was eligible only to players rated AAA or above. However, these players faced no difficulties in raising funds. Inclusion of BBB+ or above will help other mid-rated players.

Source: CRISIL Research

Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects (SWAMIH) Fund:

The Ministry of Finance (MoF) on September 14, 2019, announced a number of steps to revive the real estate sector and boost economic growth

An alternative investment fund (AIF) of Rs 25,000 crore to provide last mile funding for stalled affordable and mid-level projects. Investments to be primarily structured in the form of non-convertible debentures.

Rs 10,000 crore to be contributed by the Government of India, and the remaining Rs 15,000 crore to be contributed by State Bank of India and Life Insurance Corporation.

The objective of the scheme is to trigger last-mile construction of stalled units and ensure delivery to the home buyers. However, CRISIL Research believes the stress associated with the industry will continue pending quick and meaningful demand-side revival. While the AIF funding may suffice to ensure construction of significant number of stalled projects, it may not be sufficient to reduce the stress due to weak demand and hence demand incentives will remain a monitorable.

Key challenges faced by Wholesale Finance sector

Declining real estate asset prices

- Considering low retail activity, customers may be forced to **renegotiate** their agreements
- Collateral cover is reduced when real estate prices fall, resulting a **rise in the LTV**
- Reduction in property prices would pose **high asset-quality risk**

Current stressed and concentrated portfolio

- **Few players dominate** wholesale book; a few slippages can result in high level of gross NPAs
- Currently, most of the developer **segment is stressed** visible in higher moratoriums, higher NPAs
- Many players announced their strategy to **exit the wholesale** portfolio

Limited refinancing avenues

- Due to increasing asset quality concerns in wholesale segment and liquidity crunch, repayments will have to be made through the actual cash flows received from the borrowers
- Economic downturn and poor demand in the real estate, borrowers are witnessing tight cash issues which **increases the default risks**

Source: CRISIL Research

Structural shifts

The stress in the wholesale segment is clearly visible in the higher NPAs, moratorium levels. Over the years, most HFCs, NBFCs have announced their strategy/focus to reduce their wholesale exposure. Going ahead, this will open up opportunistic investments for private equity funds.

Infrastructure Finance

Brief snapshot of Infrastructure finance NBFC:

Infra finance book of NBFCs (FY20)	NBFCs' share in overall infra book	FY21 growth	FY22 growth	Book under moratorium	Expected restructuring	GNPA FY20	GNPA Increase in FY21 bps
Rs 8,152 bn	**44%**	**13%**	**10%**	**50-60%**	**0-1%**	**7.0%**	**~150-200**

Key takeaways:

- NBFCs' outstanding grew 12% on year in the first half of fiscal 2021 as against ~6-7% growth (non-annualised) in the year-ago period
- The government's Rs 900 billion package for distribution companies (discoms) under the Aatmanirbhar Bharat scheme supported the growth in the first half. Power Finance Corporation (PFC) and Rural Electrical Corporation (REC) together disbursed around Rs 310 billion
- Banks' loan book growth slowed down and their infrastructure outstanding de-grew ~4% (non-annualised) in the first half

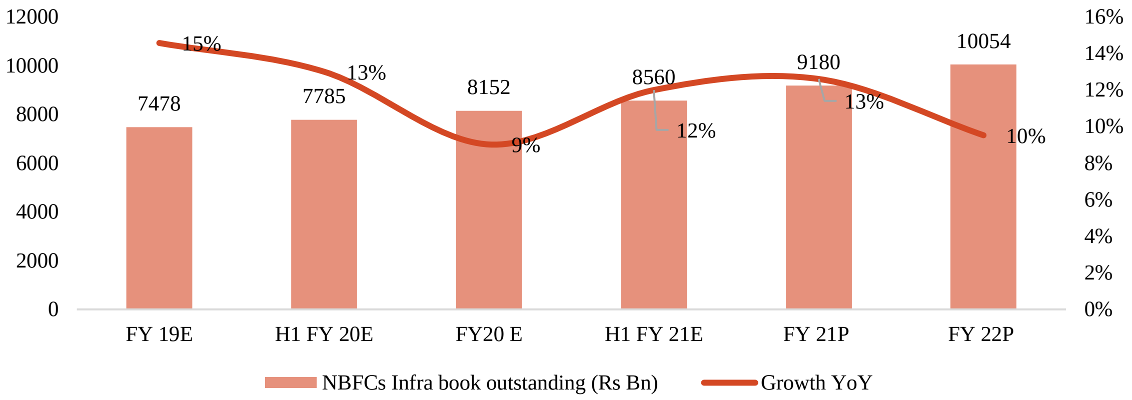
- During the period, gross non-performing assets (NPAs) of government-backed entities decreased 100-120 bps due to asset classification standstill. True picture of asset quality is likely to be visible from the third quarter this fiscal

- CRISIL Research does not expect a larger proportion of the book to be restructured as the government has infused liquidity to support discoms, which are among key borrowers of PFC and REC

PFC, REC continue to support growth

Outstanding loan book of infrastructure finance companies grew 12% on-year in the first half of fiscal 2021 due to increase in disbursement in transmission and distribution segment. In the generation segment, renewables witnessed traction. Also, government-owned enterprises, such as PFC and REC, witnessed stable growth in their loan book, given disbursement due to the government's discom package. In the first half of this fiscal, PFC and REC together disbursed around Rs 310 billion. Other players witnessed a decline in overall disbursements. However, traction in the road segment (accounting for 3-4% of the overall infra book of NBFCs) supported the overall growth.

NBFCs' infra loans outstanding grew 12% on year in the first half of fiscal 2021



Note: NBFCs outstanding infra loan book

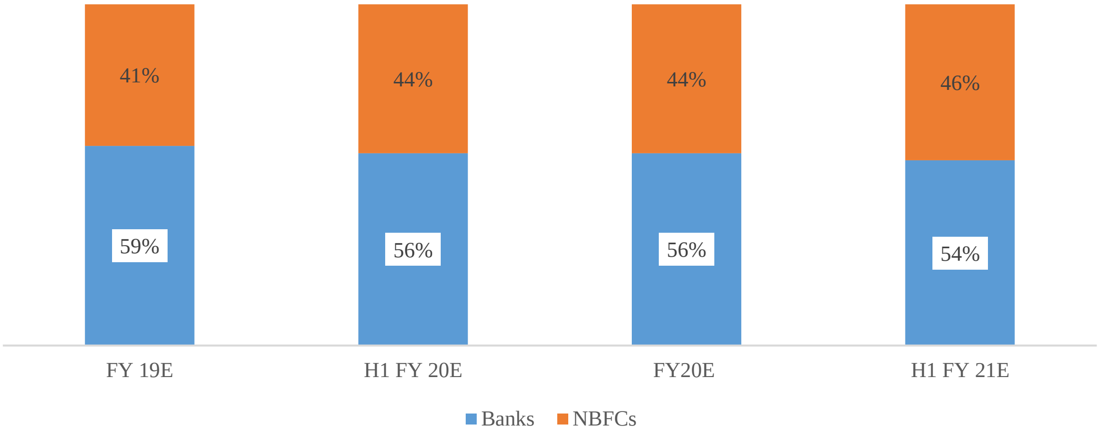
Source: CRISIL Research

We expect infra finance book to continue growing steadily in the second half, largely driven by moderate growth in books of PFC and REC. Deteriorating asset quality will, however, restrict other players' growth. We expect NBFCs' infrastructure finance to log a CAGR of 10-11% to reach Rs 10 trillion by the end of fiscal 2022. Demand in the conventional generation segment is likely to contract over the next two years, while demand from the transmission and distribution, renewables and roads segments would support disbursement growth over the period.

NBFCs fare better than banks

Unlike other segments NBFCs outpaced banks in the first half of fiscal 2021. Banks' loan-book growth witnessed a slowdown, as it grew at a meagre 1% on year until September 2020, while NBFCs performed relatively well, clocking a growth rate of 12% on year. Overall, the infrastructure finance market remained muted as banks turned cautious. In addition to this, infrastructure credit demand over the past months has remained weak due to subdued capex. We expect growth to improve marginally over the next two quarters given the traction in the roads segment. However, it will remain in single digit due to banks' caution towards the sector which has witnessed higher delinquencies in the past.

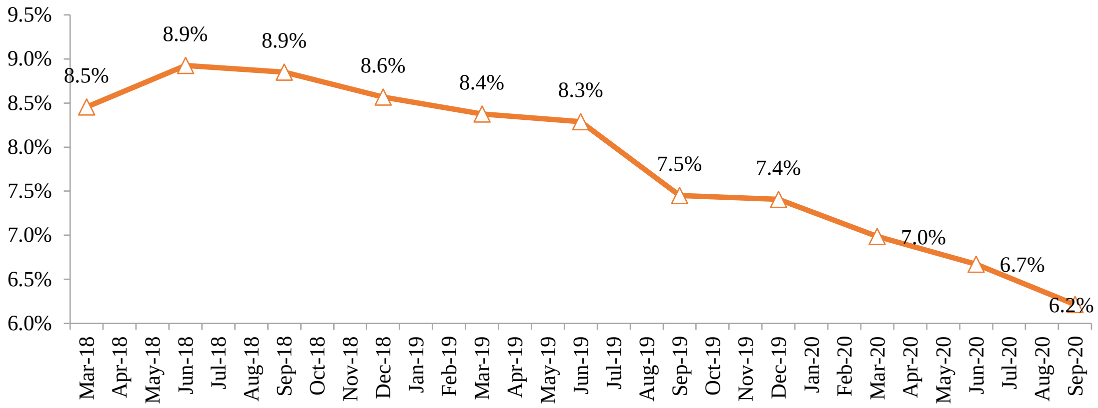
Share of bank credit in overall infra finance down 200 bps in the first half of fiscal 2021



Note: Share of NBFCs and banks in the infrastructure segment

Source: CRISIL Research

GNPA improved 100-120 bps in the first half of fiscal 2021

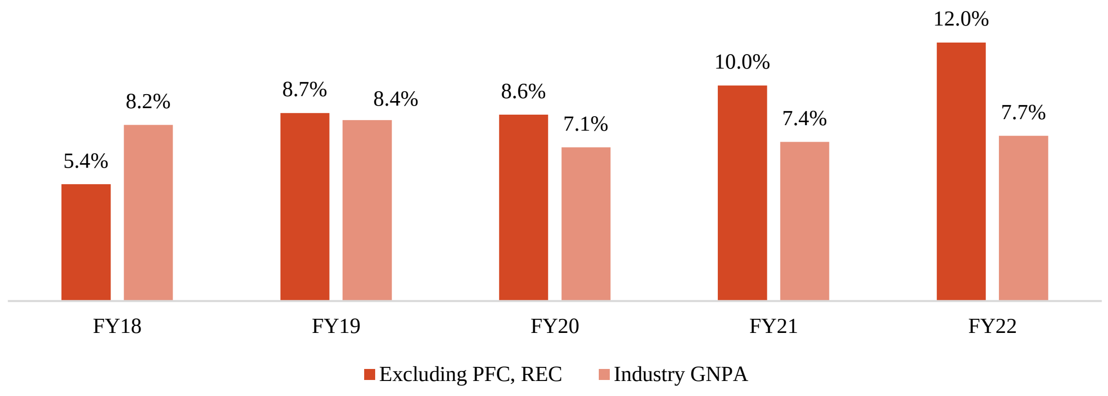


Note: Aggregate GNPA of the two largest players; for others quarterly data is not available

Source: CRISIL Research

Overall GNPAs of the government-backed power finance companies improved 100-120 bps due to asset classification standstill. We expect the sector's GNPA to increase 200-300 bps in the current fiscal, on account of higher asset quality risks of private sector power players, which have become increasingly vulnerable due to the pandemic. They are also facing other headwinds such as fuel unavailability, inability to pass on fuel price increase and lack of long-term power purchase agreements for assured offtake.

Performance of loan book during the pandemic a key monitorable



Source: CRISIL Research

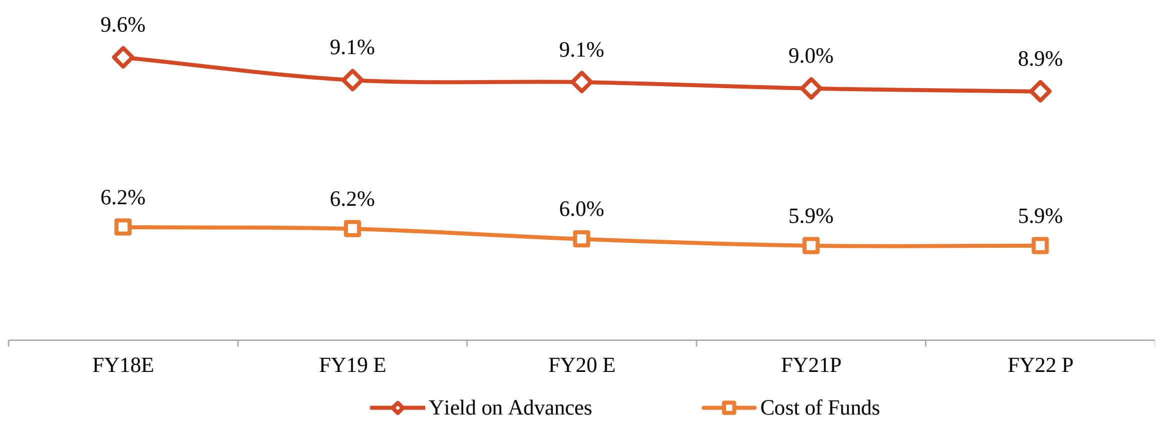
Negligible amount of restructuring in infra segment

Infra finance players' book under moratorium was estimated to be 50-60%. We do not expect a larger proportion of the book to be restructured as the government has infused liquidity to support discoms – a key borrower of PFC and REC. We believe around Rs 750-800 billion would be disbursed under the government scheme during the current fiscal. Other than PFC and REC, a few players indicated better collection efficiencies after the end of moratorium period and sufficient Debt Service Reserve Account (DSRA), which will further reduce the need for restructuring.

In addition to this, more than 80% of the industry's advances is towards government-owned power utilities, including generation companies, transmission companies and discoms. Therefore, we do not envisage losses on account of bad debt as these are likely to get support from the government and a large part of their loans are backed up by state government guarantees. However, timely repayments may not be assured.

In the first half of fiscal 2021, cost of borrowing declined 15-20 bps for the industry. However, excluding PFC and REC, the aggregate cost of borrowing looks high. We expect the cost for infrastructure financing players to decline ~10 bps over the next two years, as market rates have remained benign and bank credit has turned cheaper over the past three-four months. We expect profitability of infra finance players' to reduce to 1.7% in fiscal 2022. For entities other than PFC and REC, the reason for the reduced profitability will be deterioration in asset quality and the consequent rise in provisioning.

Spreads expected to contract 10-20 bps in the next two years



Source: CRISIL Research

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our strengths and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 17 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 twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Financial Statements. For further information, see "Financial Information" on page 276.

Overview

Our Company is a wholly owned subsidiary of Piramal Enterprises Limited ("**PEL**") which is the flagship company of the Piramal Group. We are registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) and are engaged in various financial services businesses. Our Company provides both wholesale funding opportunities to real estate developers, corporates and SMEs across sectors and retail funding opportunities including housing finance to individual customers.

In addition to wholesale lending our business also focuses on retail lending with a differeniated approach towards risk optimised profitability. Under retail lending we offfer housing finance, LAP, secured business loans, digital purchase finance and digital personal loans. We provide financing in the housing industry to existing home owners and new home buyers. We also provide construction finance for residential and commercial projects, and financing to large and mid-sized corporate clients. In real estate, the platform provides financing solutions such as structured debt, construction finance and lease rental discounting to developers and housing finance to home buyers. The wholesale business in non-real estate sector includes separate verticals for the corporate finance group ("**CFG**") and emerging corporate lending ("**ECL**"). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, industrials, and auto components, while ECL focuses on providing lending services to Small and Medium Enterprises ("**SME(s)**").

Our journey in the financial services started in 2010 with the set up of Piramal Finance Limited ("**PFL**"), a wholly owned subsidiary of PEL, which was established as an NBFC with focus on real estate funding. Over the years, we built a lending platform to serve the needs of corporates and individuals. Piramal Housing Finance Private Limited ("**PHFL**") was incorporated on February 10, 2017, as a fully owned subsidiary of PFL, with a purpose of providing retail mortgage loans to home buyers. On March 31, 2018, our Company was formed by the reverse merger of PHFL with PFL and amalgamation of Piramal Capital Limited (which was a wholly owned subsidiary of PEL).

In terms of retail housing finance, we have been offering housing loans to individual retail customers and certain other retail lending products to our customers. Apart from housing loans, under retail platform we have also started offering secured business loans and loans against property. In addition, we have are working towards entering into business partnerships with fintechs and other consumer focussed entities of strategic significance to optimise our vision of digital lending. We have pivoted our business strategy from focussing on large ticket affluent home loans to the prime segment of affordable housing loans and mass affluent housing loans. Our retail housing portfolio has grown from ₹ 1,32,618 lakh in Fiscal 2018 (constituting 4% of our loan book) to ₹ 4,43,127 lakh as of Fiscal 2021 (constituting 13.7% of our loan book) in a short span of three years.

As on March 31, 2021, we had 17 permanent branches located in various cities across India. We have a 'hub-and-spoke' model, with physical branches serving as our hub locations and technology-led spoke locations. For further details, see "– *Properties*" on page 125.

With a lending AUM of ₹ 32,35,356 lakh as on March 31, 2021, our Company has shown consistent growth in asset book and profitability over the years. As on March 31, 2021, our real estate lending, retail lending and CFG contributed 77.5%, 13.7% and 7.1% respectively of our lending book, while rest of the book included ECL and other financing. Our Company has a CRAR of 34.89% (as per Indian GAAP) as on March 31, 2020 which is higher than the CAR % (Tier I and Tier II) of the leading players in housing finance sector for FY 2020 (Source: CRISIL Report). Our Company has CRAR of 32.30% as on March 31, 2021. Our CRAR (as per Indian GAAP) has increased from 29.92% in Fiscal 2019 to 34.89% in Fiscal 2020 to 32.30% in Fiscal

2021 and our debt to equity ratio reduced from 1.65 in Fiscal 2019 to 1.44 in Fiscal 2020 to 1.39 in Fiscal 2021 indicating a strengthening financial trend in our Company. For further details in relation to the financial performance of our Company, please see "– *Key operational and financial parameters*" on page 123.

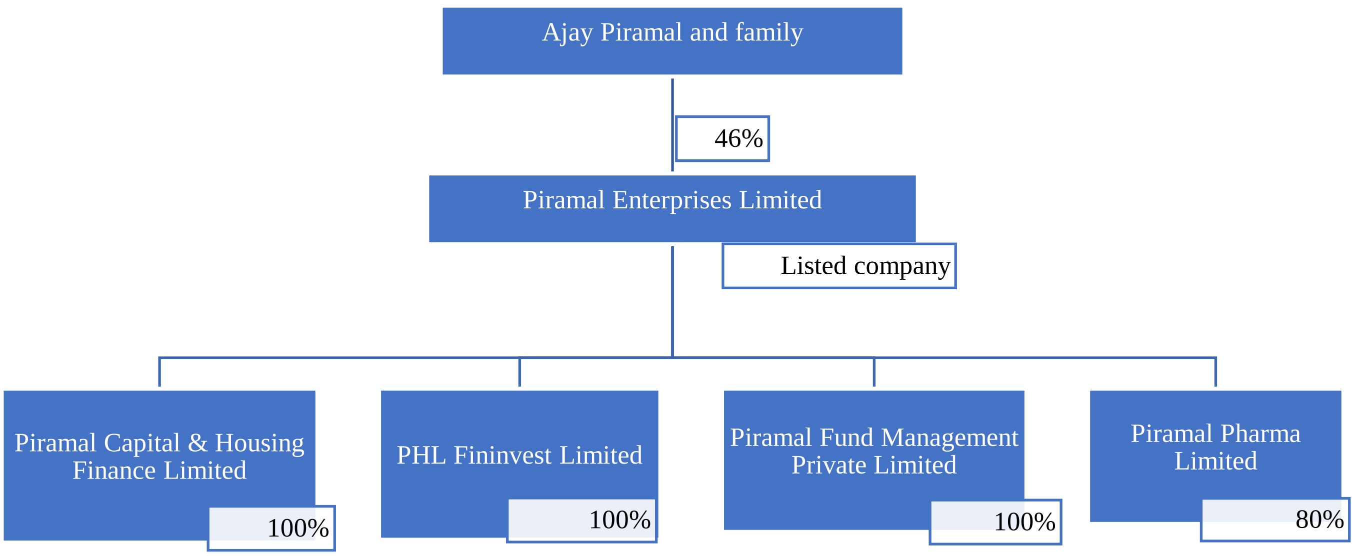
Awards and accolades

In recognition of our efficient services and products, we have received several awards such as:

- "Best Overall Investment Manager (India)" by Euromoney's Real Estate Awards in 2018 and 2019.
- "Great Workplace in Category – Small and Mid-Sized Organisations" by Great Place to Work for two years in a row in 2018 and 2019.
- Ranked 13th in "Best Small and Medium Workplaces in Asia 2019" by Great Places to Work.
- MCHI CREDAI Golden Pillar Awards for "Emerging Home Loan Provider of the Year and Piramal Finance for Leading Real Estate Project Finance Company of the Year 2018".
- "Visionary in Real Estate Financing – NDTV Property Awards 2018" by New Delhi Television Limited.
- "Best In-House Legal Team of the Year" in the banking and financial services sector by Asian Legal Business India Law in March 2020.

Corporate structure

As on March 31, 2021, our corporate structure is as set forth below:



Note: The chart above is a condensed version of our corporate structure.

<u>Our strengths</u>

Strong parentage of Piramal Group under brand "Piramal"

Our Company is a wholly owned subsidiary of PEL which is the flagship company of the Piramal Group. We believe that we have a strong brand that our customers trust along with a strong brand recall among Indian customers. We benefit from the brand reputation of our promoter, PEL, and are in a position to leverage its network, relationships, businesses and credibility helping us to be a trusted provider of financial services. In addition, we benefit from the support our promoter contributes to certain financial and operational aspects of our business, among others. The Piramal Group is one of the leading conglomerates in India with presence across industries of pharmaceuticals, financial services and real estate. The Piramal Group has demonstrated ability to raise resources time and again specifically in the recent past which has helped to strengthen the balance sheet, reduce the leverage ratios and improve liquidity profile of PEL despite tough market conditions.

Our Company also benefits from group synergies such as the shared 'Piramal' brand name, capital, managerial and operational support from PEL, product line, strategic collaborations, and experience across various sectors. We benefit from the expertise of Piramal Group in real estate sector for underwriting new real estate deals as well as managing existing loan book in real estate sector.

Strong asset quality with healthy underwriting and asset management practices

We place emphasis on risk management and extensive due diligence practices aimed at choosing high quality assets and ensuring strong underwriting practices. We believe that we have a well established risk management framework and healthy asset monitoring practices. The risk management framework spans across the pre-qualification and pre-approval stage, whereas asset monitoring takes place throughout the life cycle of a project.

The risk management framework adopted by us involves efficient and effective practices and processes followed by independent risk, legal, and compliance teams which directly report to the Board. Our loan book is secured with adequate security cover, mostly first charge on assets. Asset management teams conduct regular site visits for first-hand updates on projects. Our practices and processes are manifested in delivering high quality performances consistently. Despite headwinds of liquidity tightening and policy changes, our Company has been able to maintain strong asset quality during turbulent times in the market and economy.

<u>Pre-sanction process</u> At the pre-approval stage, our Company analyses the potential investment by leveraging our property, sales and research team ("**PSR Team**"), our in-house real estate distribution arm to verify price, ticket size and sales velocity assumptions. For corporates, detailed due diligence of business and its financials is conducted along with detailed market feedback. Moreover, every potential investment is subject to a standard risk scoring system by the risk team to measure risks associated with the investment. The financing is structured in a manner that links the disbursements of loans to the milestones linked to sales/collection of rental income, among other things. For further details in relation to the pre-qualification stage of financing projects, see "– *Lending policies and procedures – Customer appraisal and approval process*" on page 117.

<u>Post-sanction process and asset monitoring</u>

As part of our constant asset monitoring efforts, we have set up dedicated local teams in cities where we have investments. The local teams assess the performance of each project from the time of its initial investment up to our Company's exit or completion of such investment.

Our underwriting capability has been instrumental for the controlled NPA levels. Our Company had gross NPA of 3.46% and net NPA of 1.90% as at March 31, 2021.

Established presence and domain expertise in real estate coupled with diversified product mix leading to wide presence across financial services sector

Our Company draws strength from the Piramal Group's technical expertise in real estate, since the group has captive presence in real estate development, real estate advisory and distribution services and real estate private equity investment.

The Piramal Group has an ecosystem for real estate funding which helps us to develop a deeper understanding of the micro markets, borrowers and the projects we finance by validating the key data points like selling price, ticket size and sales velocity while underwriting the loans. In addition, we also leverage our network of developers for cross selling and promoting our retail housing and LAP business.

With our established position in real estate financing we continuously endeavour to diversify our book through the launch of new lower risk products and foray into various business verticals. We have made conscious efforts to shift the product mix from a pure high-yield mezzanine real estate loans to a mix of real estate, hospitality, CFG, ECL and various retail lending products.

Our retail financing portfolio has increased from ₹ 1,32,618 lakh (i.e. 4% of our total loan portfolio) as at March 31, 2018 to ₹ 4,43,127 lakh (i.e. 13.7% our total loan portfolio) as at March 31, 2021 which has further strengthened the asset book. On the non-real estate front, CFG's loan book stood at ₹ 2,30,860 lakh as of March 31, 2021 compared to ₹ 2,97,074 lakh as of March 31, 2020 compared to ₹ 5,60,212 lakh of March 31, 2019, given the focus on exits and the endeavour to reduce single-borrower exposure through down selling/ re-financing. In the current environment, ECL business remains focused on preserving liquidity through refinancing, resulting in the shrinkage in loan book YoY. To further enhance our retail lending space, we have also entered into strategic partnerships for digital purchase loans and digital personal loans. For further details in relation to our composition and change of our product mix in the Fiscals 2019, 2020 and 2021, see "– *Business description* – *Products*" on page 113. Our Company continues to focus on building retail funding business.

Such a product mix has helped to diversify our loan book and increase its granularity in order to reduce the overall risk profile of our loan book on an ongoing basis and serving across various industry sectors. This has also enabled us to reduce single-borrower exposures and our exposure to our top 10 client groups.

Further, our diversified financial products and services platform has helped us to develop presence across the rapidly growing financial services industry in India which has enabled us to grow our businesses across different segments. Presence across various wide spectrum of products also enables us to develop, maintain and leverage relationships with clients and customers across our businesses to generate repeat business and cross-sell our products. This has led to growth in our fund-based lending businesses focused on risk adjusted profitable growth with superior asset quality and ROE.

Healthy capitalisation and low leveraged balance sheet

Against the regulatory requirement of overall capital adequacy of 12% and which has progressively increased to 14% by March 31, 2021 and will be increased to 15% by March 31, 2022. Our Company has healthy capitalisation with tangible net worth of ₹ 11,18,676 lakh with a CRAR of 32.30% as on March 31, 2021. Also, our Company has maintained a low leveraged balance sheet with debt to equity ratio at 1.39 as of March 31, 2021 indicating a strengthening financial trend in our Company.

Further, following our conservative provisioning policy and considering the uncertain market scenario, we have created an additional provision of ₹ 1,24,912 lakh as on March 31, 2020 to meet any contingency that may occur to our portfolio due to impact of COVID-19. The total provisioning created as of March 31, 2021 is 5.71 % of our loan book.

Diversified funding sources and well managed ALM profile

Our Company's funding requirements are currently predominantly met through credit facilities from banks including external commercial borrowings, issuance of redeemable non-convertible debentures ("**NCDs**"), tier II bonds, and commercial papers, among others. We have access to funds from multiple classes of credit providers, including public sector banks, private commercial banks and life insurance companies. We have consistently built and maintained long-term relationships with our lenders and established a track record of timely servicing of our debt obligations. Our Company raised ₹ 1,206,600 lakh of long term funds during the Fiscal 2021 largely from public sector banks which has led to a positive asset liability profile. The company had cash and equivalent of ₹ 6,23,174 lakh as on March 31, 2021.

Due to our stable short-term and long-term credit ratings, (for details see "– *Credit ratings*" on page 125), we also have access to fundraising opportunities in the capital markets. Additionally, the measures being taken to diversify the loan book and make it more granular, through increasing the share of retail loans and reducing large single- borrower exposures, will consequently help in lowering the overall borrowing cost.

We believe that our quality of loan portfolio, stringent credit appraisal and risk management processes allow us to maintain high credit rating and reduce cost of borrowings.

We have a strong Board and management team with diversified experience

Our Company's board is headed by Mr. Ajay Piramal who is also the promoter and Chairman of the Piramal Group. Mr. Ajay Piramal along with other members of the promoter group hold approximately 46.06% equity shares in PEL as on March 31, 2021. Our Company has a strong Board comprising of experienced professionals and a management team comprising of qualified professionals heading different business verticals with adequate and relevant experience in their respective fields.

This diversified experience provides us with diverse inputs in evaluating and managing our businesses. We have also created a leadership team for each of our business vertical tasked with various roles and responsibilities of operating and managing such businesses. We believe that our management structure and experienced team helps us to carefully nurture our culture of growth, innovation and high quality governance.

Our strategies

Continue to focus on granularization of the wholesale financing loan book along with conservative provisioning to manage any contingences

Our Company has made consistent efforts to reduce concentration risk and large single-borrower exposures. This has been driven by both refinancing/ down-selling of existing loans, securitisation and cautiously increasing new exposures to existing borrowers. We endeavour to continue to launch innovative products across segments to further granulise our wholesale financing loan book and reduce the exposure to top 10 client groups.

We also intend to continue our policy to adopt conservative approach to provisioning to enable us to meet any contingency that may occur to our portfolio due to uncertain market scenarios.

Diversify our loan book mix and product suite with increasing focus on retail financing products

We continue to diversify our loan book by increasing the share of retail loans, leading to a balanced loan book mix between wholesale and retail loans. We believe there is a significant untapped potential in the retail financing space, offering long-term growth opportunities. We believe that due to the impact of COVID-19, the competitive intensity in the retail financing space is likely to decline with reducing competition from smaller players in the industry. We target to serve consumers and small businesses which we believe are systematically underserved and require differentiated products. As on March 31, 2021, the retail loan book accounted for 13.7 % of our overall loan book. We continue to expand our product offerings to cater to evolving customer needs.

We are looking to build strategic partnerships with fintechs/ digital platforms / large players for our retail lending business. We have already entered into strategic partnerships for digital purchase loans and digital personal loans. We are also looking to explore inorganic opportunities to further strengthen our retail financing and consumer lending business verticals. In line with this strategy, we are in the process of acquiring DHFL, subject to receipt of the necessary approvals, which has a large retail loan book. Such inorganic expansion will help to accelerate our retail business and diversify our portfolio by considerably increasing the share of retail loan in overall book. For further details, see "*History and Main Objects – Reorganization or Reconstruction undertaken by our Company in the last one year*" on page 127.

Leveraging a to digital lending platform to cater to retail financing customers

In line with our strategy to focus on expanding the share of retail financing in our loan book, we endeavour to use the digital lending platform towards this expansion. We propose to operate in a hub and spoke with tech led spokes model. The digital lending platform will enable us to reach masses with reduced cost of underwriting, processing and monitoring. The digital lending platform will enable us to reach masses with reduced cost of underwriting, processing and monitoring. We have built a fintech-led digital platform which is modular in structure and has the ability to add multiple products. Our digital platform has seen healthy initial traction as disbursements and logins have picked up month-on-month since the launch in November 2020. We have gradually pivoted the retail lending business towards mass-affluent and affordable housing, with no fresh disbursements in the affluent housing finance business. This will help us improve our profitability in our retail segment in the future. We intend to cater to the needs to the widespread target customers for retail financing solutions through a digitally led model and towards this we have launched a multiproduct retail lending platform, which would be "digital at the core". We intend to incorporate learnings from the current environment as we build this platform. We are currently focused on continuously improving and building technology infrastructure, setting up robust processes, developing new loan products and acquiring key talent for this business. We believe that shift to the digital lending platform will enable us to scale and accelerate our retail business.

Focus on diversified liability mix with reduced cost of funding and increasing share of long-term borrowings

In Fiscal 2019, the growth of HFCs slowed down considerably to 15% on year due to the NBFC crisis and liquidity constraints in NBFCs and HFCs. The growth further weakened in Fiscal 2020 due to an economic slowdown (*source: CRISIL Report*). Interventions by the RBI and the Government have helped ease system-wide liquidity to a certain extent, particularly for good quality players. However, rising delinquencies continue to dampen stakeholders' sentiments.

The availability of liquidity has got further impacted due to COVID-19, making this one of the most prolonged crises for the NBFC sector. During this uncertain pandemic situation with scare funding avenues, we shifted our borrowing mix towards longer-term sources of funds and reduced commercial paper borrowings. We raised ₹ 12,06,600 lakh of long-term borrowings (≥1year tenure) during the Fiscal ended March 31, 2021. As on March 31, 2021, exposure to commercial papers (face value) in overall borrowings declined to ₹ 3,000 lakh from ₹ 6,75,860 lakh on September 30, 2018. We intend to further diversify our liability mix with reduced cost of funding and increasing share of long-term borrowings.

Our Company has adopted a conservative approach to ALM management and focussed on conserving liquidity. Our efforts are reflected in the ALM profile with higher positive gaps as on March 31, 2021 as compared to previous years. We continue to focus on having multiple and diversified sources of funding in order to support our business functions to grow value investment opportunities.

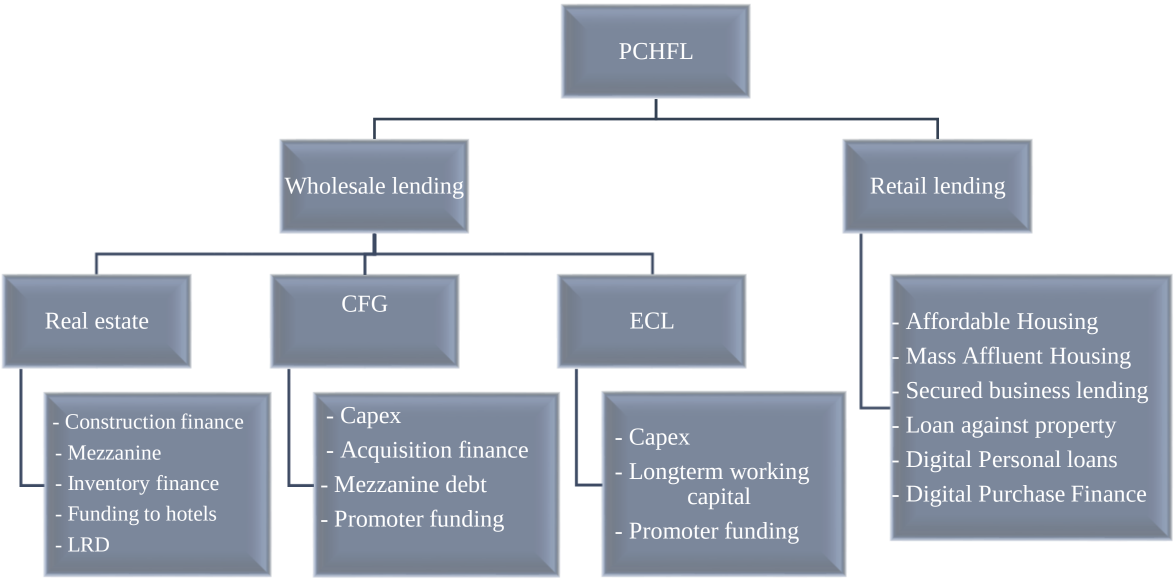
Also, to mitigate any unforeseen events in the loan book, we have made adequate capital infusion into the balance sheet. We had a CRAR (as per Indian GAAP) of 29.92% (tier I capital – 27.27%) as on March 31, 2019, 34.89% (tier I capital – 32.06%) as on March 31, 2020 and 32.30% (tier I capital – 32.06%) as on March 31, 2021.

Our strong balance sheet and credit rating has helped us to reduce our cost of borrowing. We intend to continue to make our efforts on reducing the cost of borrowing and optimize our liability franchise by adopting additional measures to boost liquidity that include issuance of non-convertible debentures, raising funds via external commercial borrowings with a focus on generating higher ROEs. Further, the growing retail book may also be leveraged to borrow through securitisation reducing our dependence on long-term bank borrowings and improving the overall borrowing cost.

Business description

Products

Our business comprises of wholesale lending to real estate developers, corporates and SMEs and retail lending including housing finance to individual customers.



Note: Our Company has recently implemented and is in the process of implementing certain subcategories of retail lending products.

The following table sets forth the composition of loan book and change of our product mix in the Fiscals 2019, 2020 and 2021:

(₹ in lakh)

Financial Services sub-segments	Fiscal		
	2019	2020	2021
Real Estate loans	27,38,381	25,64,068	25,08,117
CFG	5,60,212	2,97,074	2,30,860
ECL	1,19,425	58,862	45,528
Retail lending	5,17,375	5,51,453	4,43,127
Others*	7,694	7,723	7,723
Total	**39,43,087**	**34,79,180**	**32,35,356**

** Includes education related lending which has been discontinued as on January 2014.*

I. Wholesale Lending

Under wholesale lending we provide funding solutions to real estate developers, corporates and SMEs. The differentiation in our business model primarily includes:

- End-to-end real estate financing platform to partner with developers throughout the project life-cycle;
- Secured lending with ability to takeover, complete and sell a project, if required;
- Housing finance business, with focus on building a technology-driven model;
- Strong relationships with tier-1 developers; and
- Cross collateralize to strengthen the security.

○ Real Estate Loans

Real estate financing business contributed 77.5% in our lending book as on March 31, 2021

We provide solutions for:

A. <u>Residential</u>

(a) Construction finance: Provides loans to developers towards funding residential projects during the construction phase; and

(b) Senior secured/ structured debt: Provides readily accessible funds against assets for varied requirements of developers that traditional financial products cannot address.

B. <u>Commercial</u>

(a) Construction finance: Provides loans to developers towards funding commercial projects including in the hospitality sector during the construction phase;

(b) LAP: Provides funding to developers with property assets to access financial backing based on the liquidation value of the asset; and

(c) Lease rental discounting: Offers loans based on the discounted rental potential of a property with flexible repayment schedules, enabling owners of completed assets with a financial solution that is more flexible that they would be able to source from a bank.

- **Corporate Finance Group ("CFG")**

CFG is the sector-agnostic lending arm of the Company which offers custom solutions to non-real estate businesses across sectors ranging from infrastructure, renewable energy, power, telecom, entertainment, industrials and auto components. CFG's philosophy is to identify particular sectors and work closely with clients to develop credit solutions that tie-in to the underlying cash flows of the business.

We have established and strengthened the CFG business over the years, by building a robust process framework and focusing on all aspects of a deal, i.e., sourcing, evaluation, approval, monitoring, and exit. CFG has a strong investment team with members having background in corporate and investment banking, private equity and due diligence. The CFG underwriting process has multiple layers to analyse risk, starting with a deep dive sector study for each new sector followed by deal specific due diligence and analysis.

- **Emerging Corporate Lending ("ECL")**

ECL is a sector-agnostic platform and engages with small and medium sized enterprises for manufacturing and service sectors including tourism and hospitality, automotive and automotive component, real estate, packaging, pharmaceuticals, logistics and renewables. With the flexibility to offer multiple products at competitive rates, we believe that ECL is able to cater to the borrower's requirements with customised solutions, in terms of security and repayment tenor to match the underlying cash flows of the business. We follow the standard asset monitoring practices which are followed by our real estate lending vertical. ECL has adopted a centralised underwriting model for its deals.

As of March 31, 2021, the ECL loan book stood at ₹ 45,528 lakh (as compared to ₹ 58,862 lakh as of March 31, 2020).

II. Retail Lending

Retail lending vertical includes retail housing loans, retail LAP, secured business loans, consumer loans and other diversified retail loans. We offer a range of products to homeowners, homebuyers and retail borrowers. We have presence in various cities across India through our branches (for further details, see "*– Properties*").

Housing Finance

Our retail housing products are designed as innovative solutions tailor-made for the specific needs of customers. We offer variants of housing loans to our target segment, based on multiple income assessment methods and leveraging household income, collateral, among other things. Our key product offerings for home buyers are: (i) affordable housing loan: loans up to ₹ 25 lakh, and (ii) mass affluent housing loan: loans up to ₹ 75 lakh.

This business vertical includes retail housing loan, LAP, LRD, consumer loans and other diversified retail loans. We offer a range of products to homeowners, homebuyers and retail borrowers. We have presence in various cities across India through our branches (for further details, see "– *Properties*"). As of March 31, 2021, home loans under our HFC business majorly comprised of salaried individuals as our customers. We continue to expand our product offerings to cater to evolving customer needs

Small Business Lending

Our small business lending targets to serves the small businesses and MSMEs with innovative solutions enabling them to replace existing informal loans, support them with their working capital needs and invest in new business opportunities. Our key product offerings for businesses are: (i) secured business loan, and (ii) LAP.

Digital Lending

Over and above the core product offerings listed above, new product offerings designed and delivered through partnerships with fintechs and other consumer focussed entities is of strategic significance for us. It enables us to provide our customer access at scale, widens our distribution and offers data access. We currently offer the following products through our partnerships: (i) digital purchase finance, and (ii) digital personal loans.

Sales, marketing and distribution offices

Loan sales

Our marketing activities are strategically aligned to the relevant individual businesses and focuses on the particular targeted customer segment. While our website includes details of the various business verticals and product offerings, marketing campaigns are primarily run online for the retail business. Print advertising is seasonal and, depending on the communication, may be considered in the media plan for particular products.

We have online presence through social media and are striving to gradually build it up with relevant targeted content. We are also working towards developing our brand campaign to build brand awareness and equity.

We, team with channel partners to drive sales along with our own self-sourcing efforts. The mix varies from business to business depending on the scale, customer segment and geography. We focus on relationship-based associations, which has returned far better results than transactional associations only.

We have an in-house distribution arm which is focused on the sales and marketing of real estate and financial services products. Properties sold through our PSR Team's network are referred for loans, resulting in a low cost of sourcing.

Retail and wholesale businesses have their own set of channel partners, builder tie-ups, and compensation and/or commission schemes.

On retail lending business, we primarily serve home buyers in under-construction projects. Customers intending to purchase homes from pre-approved projects are catered to by our direct sales team employees operating at these project sites. We also rely on DSAs, referrals and walk ins across its network, events and exhibitions, as well as corporate tie-ups, help to increase sales and generate leads.

Marketing

Our marketing strategy revolves around the following:

- Leveraging the PSR Team, our in-house distribution arm focusing on the sales and marketing of real estate and financial services products, with a network of distributors across tier I cities in India. Properties sold through our PSR Team's network will be referred for loans, resulting in a low cost of sourcing;
- Creating brand awareness and positioning ourselves as one of the leading players in the affordable housing segment, offering housing loans at competitive rates;
- Targeting right set of audience;

- Ensuring sustained visibility through print and digital media for both, our customers and opinion makers; and
- Strengthening relationships with builders through optimum presence in and around our pre-approved residential projects.
- We have an in-house marketing and branding team which carries out various marketing and branding activities and implements its marketing strategy to meet our business objectives. We also engage third-party agencies to support our marketing and branding team in achieving its objectives. We adopt a comprehensive marketing approach across various media platforms to achieve sustained and strategic visibility and effective and efficient communication with its potential customers. Our communication channels include the following:
- To support our retail lending, our strategy is to create awareness by regularly advertising through outdoor media, online media, digital media, events and radio clips;
- Regular conduct and/or participation in sponsored events, property exhibitions, customer awareness events, co-branded builder site events and promotions in building societies and malls. To further expand our outreach, our marketing team conducts relationship meetings with channel partners and business associates on a regular basis. This acts as a driver for growth in sales; and

We also focus on digital communication. Our presence on search engine marketing, social media and select publisher sites has helped us leverage branding and business opportunities on internet and mobile platforms.

Distribution

Our distribution network, which includes our branches and third-party direct selling associates, plays an important role in sourcing home loans.

Our distribution networks across tier I, tier II and tier III cities and towns are designed to reach out to the low and moderate income segment and tap the growing potential customer base throughout India. We maintain a pan-India marketing and distribution network with a presence in 17 permanent branches throughout India as of March 31, 2021. In the retail lending business, we have a 'hub-and-spoke' model, with physical branches serving as our hub locations and technology-led spoke locations. We believe that our business model allows us to deliver improved turnover time and to improve customer satisfaction while maintaining asset quality. Our digital lending platform will further improve the efficiency of the existing infrastructure.

Lending policies and procedures

Overview

Within the regulatory guidelines, directions, and circulars, HFCs can establish their own credit approval processes. As such, once a company has obtained an HFC license, the terms, credit levels, and interest rates of loans and any credit approvals are based upon the HFC's established internal credit approval processes framed in accordance with applicable regulations.

Customer appraisal and approval process

At the pre-qualification stage of our financing projects, we are very selective of the developers or businesses to which we provide funding. We take into consideration a multitude of factors such as management risk, business risk, financial risk as well as structural risk. Specifically, factors such as the promoters' track record, market reputation, balance sheet and the status of the projects and business are all evaluated. We shortlist projects which are located in select micro markets in tier I Indian cities. At the pre-approval stage, we analyse the potential investment by leveraging our PSR Team to verify price, ticket size and sales velocity assumptions. For corporates, detailed due diligence of business and their financials is conducted along with detailed market feedback. Moreover, every potential investment is subject to a standard risk scoring system by the risk team to measure risks associated with the investment.

Every wholesale financing proposal goes through a three-stage approval process:

- Pre-approved assessment: The investment team provides deal structuring details and partners with the risk and legal teams along with the PSR Team (for real estate deals). These teams analyse deals in detail and provide their observations and structure improvement inputs for consideration by the deal clearance committee (the "**DCC**").

- DCC: The investment team then submits the proposal along with observations to the DCC. The DCC consists of the heads of the risk management, legal, asset management, finance and strategy and PSR Team. The DCC may deliberate the structure more than once, if required, and then provide in-principle approval for consideration of approving authorities. As legal and risk do not report to the business head, their independence is preserved.

- Approval authorities: Upon the DCC's recommendation, the investment team will present the deal to the appropriate approving authorities under our credit approval authorisation policy. The approval authorities, consisting of the Managing Director, the executive and independent directors, discuss various aspects of the deal along with the DCC's observations before making a final decision on the deal.

Every retail financing proposal goes through the following stages:

- Credit appraisal: This process covers the assessment of creditworthiness of the prospective borrower and his or her ability to repay the loan in the stipulated time period. We have various credit checks and controls at multiple stages of the loan process to ensure the formation of a quality portfolio. These include:

  (i) onboarding, i.e. review of identification documentation, residence and office address verification, KYC and fraud checks, etc.;
  (ii) customer assessment, i.e. ROC and other database checks for litigation, credit, defaults, etc., as well as a financial assessment;
  (iii) collateral assessment, i.e. a legal and technical assessment of the proposed collateral, site visit and project level feedback; and
  (iv) centralised risk control, i.e. checks that the proposed financing is within our own policy framework and sanction authorisations.

- Approval process:

  We have implemented various approval levels on a delegated basis, depending on the size of the financing and other metrics, in order to streamline the process, while still providing for exceptional authorisations depending on the risk assessment.

  Critical policy revisions (e.g. new products, income programmes, etc.) are jointly approved by the national credit manager, the chief operating officer and the head of compliance, and thereafter placed to the Piramal Group's head of risk and our Board for ratification on a quarterly basis.

  In addition, the data analytics team has developed an automated proprietary fraud analytical rule engine that has strengthened the loan application screening process and has helped identify fraudulent applications. The engine scrutinises the applications that have been processed through an external database and matches the information in these applications with our internal data and other public domain information. The applications are scrutinised across 60 parameters and inconsistences are red-flagged. Only those applications that successfully pass the scrutiny move to the next level in the loan approval process. Further, the team is in the process of implementing its first generation Piramal credit risk model for retail to minimise risk and provide superior customer experience by improving the turnaround time for loan processing.

Portfolio monitoring

Wholesale lending

We conduct constant monitoring through local teams based in each city and our dedicated asset monitoring team, including:

- monthly/ quarterly site visits to ascertain the physical progress of the project, the quality of the project and to estimate any potential cost overruns and potential delays. Site visit reports are prepared, which include details illustrating the number of labourers on the site, slab costs and approval status, among others. Moreover, the reports contain the progress made in respect of each work stream over the course of each site visit;

- monthly performance reviews with regard to actual against budget covering parameters such as sales units, value and price, collections and various costs;
- computation of monthly cash cover to ensure adherence to stipulated cash cover, status of no-objection certificate issuances;
- monthly "early warning signal" meetings to highlight project performance, market trends, regulatory developments and action points for cases which require management's attention; and
- analysis of operating and financial parameters to understand business performance. The performance is also cross-checked with any movement in our and the Piramal Group's credit ratings to detect any anomalies. In some cases, analysis by both the Board of Directors and the investment team is undertaken to monitor the key decisions being undertaken at a strategic level.

Retail lending

We have a dedicated recovery team that manages the loan administration and overdue follow up collection processes. Overdue loan collection is facilitated through online transfer via a payment gateway, representation of instrument or cheque payment.

We also have a system that generates reports on regular intervals of overdue loans and bounce reports. The basis system reports collection team ensures the follow up and collection of delinquent accounts. All bounce and overdue cases are closely monitored, and bounce reports and account level overdue reports are published to stakeholders at regular intervals.

Asset recovery and non-performing assets

With effect from April 1, 2018, we prepare our financial statements and other financial information in accordance with Ind-AS. Accordingly, the expected credit loss method for making the provision on loans is applied, under which categories of loans followed are Stage 1 (less than 30 days past due ("**DPD**")), Stage 2 (generally 31 or more, and less than 90, DPD) and Stage 3 assets (90 or more DPD).

The table below sets out, as at the dates indicated, the aggregate amount of Stage 1, Stage 2 and Stage 3 assets.

Category of assets	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2021**
	Exposure at Default	**Exposure at Default**	**Exposure at Default**
	Values in INR Lakhs		
Stage 1	39,12,235	33,40,289	29,82,520
Stage 2	49,834	1,09,959	1,80,695
Stage 3	14,081	73,697	1,11,729
Total	**39,76,150**	**35,23,945**	**32,74,944**

In situations where a secured loan is classed as a non-performing asset, we have a well-defined process to enforce its security and sell the secured assets.

As a first step, a notice is issued to the borrower mentioning the default and the security enforcement process. In case the facility document provides for a notice period before the security is to be enforced, security enforcement is initiated only after the notice period lapses. The relevant security trustee or debenture trustee is then instructed to enforce the security.

If required, necessary proceedings under the IBC are initiated. Depending on the nature of security sought to be enforced, relevant steps are taken. For instance, in the case of a pledge of shares, we follow due and fair process to find a buyer and sell the pledged shares to that buyer.

The following table sets out details of our NPAs (in absolute terms and also as a percentage of our AUM) and our provision as of March 31, 2019, 2020 and 2021:

Particulars	**As of March 31**		
	2019	**2020**	**2021***
	(in ₹ lakh, except percentages)		
Gross NPAs	14,081	73,701	111,787
Provisions	8,747	26,246	53,842
Percentage of gross NPAs	0.36%	2.12%	3.46%
Net NPAs	5,334	47,455	57,945
Percentage of net NPAs	0.14%	1.44%	1.90%
Provision coverage ratio	535%	262%	165%
Total cumulative provision – loans and other assets (Standard asset + NPA provision)	75,301	1,92,870	184,847

**Please note Gross NPA and its provision numbers as on 31 March 2021 excludes cases under one-time restructuring*

Provisioning policy

Provisions were made as per NHB prudential norms up to March 31, 2018 and thereafter we have followed the Ind-AS expected credit loss method. Historically, we have taken a conservative level of provisioning of our loan book, as against the standard requirement of 0.40%.

Sources of funding

We strive to maintain diverse sources of funds in order to reduce our funding costs, maintain adequate interest margins and achieve liquidity goals.

For details of our sources of funding see, "*Disclosures on Existing Financial Indebtedness*" beginning on page 150.

Liability management

As a lending entity, we are exposed to various risks such as credit risk, market risk, liquidity risk, legal risks, interest rate risk, and operational risk. We are conscious of these factors and place an emphasis on risk management practices to ensure an appropriate balance between risks and returns. Risk management is driven by the Board of Directors with the overall responsibility of risk management assigned to the Audit and Risk Management Committee. At an operational level, the risk management function is led by the Group Chief Risk Officer.

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

Our borrowing is mainly in the form of Rupee term loans from banks, non-convertible debentures and commercial paper, and ECBs issued on a private placement basis.

Risk and asset liability management

Our Board has formed the Asset Liability Management Committee ("**ALCO**") to help prudently manage major risks within our Company.

The Asset Liability Management Committee is composed of five members who are responsible for, among other things:

- Monitoring the liquidity and funding risk;

- Monitoring the interest rate risk;
- Reviewing and advising on issues relating to pricing of lending and borrowing rates;
- Reviewing and advising on issues relating to pricing risk in relation to interest rate fluctuations; and
- Reviewing and advising on issues relating to allocation of resources and future asset growth plans.

Interest rate risk

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

Our business is impacted by changes in interest rates, although the floating rate loans only re-price on a periodic basis. Our balance sheet consists of Indian Rupee-denominated assets and liabilities and foreign currency denominated liabilities. Consequently, movements in domestic interest rates constitute the primary source of interest rate risk.

This risk is managed on the balance sheet by the management team, with the guidance of our Audit and Risk Management Committee and Asset Liability Management Committee. These committees actively review our assets and liabilities positions and gives directions to the finance and treasury teams in managing the same.

We keep our borrowing mix largely in proportion with our asset mix so as to pass on any increase or decrease in its borrowing cost to its customers.

We have entered into various cross-currency swap arrangements to reduce our exposure to interest rate fluctuations, to completely cover our exposure to fluctuation in interest rates. For more information on our liquidity risk, see "*Risk Factors – Risks relating to our Business – 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 27.

Liquidity risk

Liquidity risk arises when there is an asset-liability mismatch caused by the difference in the maturity profile of our assets and liabilities, resulting in inability to liquidate the position in a timely manner at a reasonable price. This risk may lead to unexpected increases in the cost of funding. HFCs in particular are exposed to liquidity risk in view of the fact that the assets generated by HFCs are of an average tenor of seven to eight years while the liabilities contracted are of an average tenor of less than five years. We actively monitor our liquidity position to ensure that we can meet all requirements of our borrowers, while also meeting the requirements of our lenders and to be able to consider investment opportunities as they arise. As average loan tenors change due to market conditions, we may be exposed to more liquidity risk during certain market conditions as opposed to others.

We seek diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Our operations are principally funded by borrowings from banks and financial institutions, and the domestic debt markets. In addition, due to our stable short-term and long-term credit ratings, we have access to fundraising opportunities in the capital markets as well.

We classify our assets and liabilities as current and non-current based on our 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 NHB. We manage our balance sheet while drawing new debts and extending credits so as to minimise potential asset-liability mismatches. Please see "*Financial Information*" beginning on page 276.

We manage liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. In addition, ALCO deliberates on the static liquidity gap statement, future asset growth plans, the tenor of assets, market liquidity and pricing of various sources of funds. ALCO also decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.

Capital adequacy

HFCs are required to maintain a minimum CRAR norm of 13.00 % of the risk-weighted assets and risk-adjusted value of off-balance sheet items before declaring any dividends on or before March 31, 2020. In addition, the NHB also requires HFCs to transfer a minimum of 20.00 % of their annual profits to a reserve fund. The table below sets forth our standalone CRAR As of March 31, 2019, 2020 and 2021:

Particulars	**March 31**		
	2019	**2020**	**2021**
	(in %)		
CRAR[1]	29.92%	34.89%	32.30%
CRAR – Tier I Capital	27.27%	32.06%	32.06%
CRAR – Tier II Capital	2.65%	2.83%	0.24%

[1] *CRAR is defined as a capital ratio consisting of tier I and tier II capital to our aggregated risk weighted assets (as per the NHB Regulations) and risk adjusted value of off-balance sheet items. CRAR is calculated based on financial prepared as per Indian GAAP as required by regulation for the financial year ended March 2019 and 2020.*

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. Each investment in financial services is assessed by the investment team as well as an independent risk team on the risk-return framework. The combined analysis of these teams is presented to the investment committee for an investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify their portfolio across counterparties, sectors and geographies.

We have adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The risk management team has developed a proprietary internal rating model to evaluate risk return trade-off for the loans and investments extended by us. The output of the traditional credit rating model is an estimate of probability of default ("**PD**"). Our models are different from the traditional credit rating models as they integrated both PD and "loss given default" into a single model.

Credit risk management is achieved by considering various factors such as:

- Cash flow at risk ‑ This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to flow.
- Security cover ‑ This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc. of the collateral.
- Promoter strength ‑ This is an assessment of the promoter from a financial, management and performance perspective.
- Exit ‑ This is an assessment of the liquidity of the loan or investment.

The output from each of these analyses is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return are combined to create a metric which is used for deal assessment. Based on the above assessment the risk team categorises the deals into the following risk grades: (i) good deals with very high-risk adjusted returns; (ii) investment grade deals with high-risk adjusted returns; (iii) management review grade deals with risk adjusted returns required as per lending policy; and (iv) not advisable grade deals with lower than required risk adjusted returns.

Further, a periodic review of the performance of the portfolio is also carried out by the risk management team. The risk management team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes, etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

For Retail Lending, our credit and collateral policies designed with customized underwriting programs after detailed peer benchmarking and factoring overall group risk appetite and the implications of COVID-19.

Operational risk management

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 exists in any kind 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 the following strategies and methods to safeguard against these risks:

Technology risk

We have an in-house information technology ("**IT**") team, which ensures that our software and hardware systems are 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 authorised users and password management.

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. Additionally,employees are evaluated based on psychometric and personality tests.

Regulatory risk

We are an HFC registered with the NHB, which was the regulator for HFCs in India until August 2019. However, since then, the NHB now supervises HFCs while the RBI regulates HFCs by stipulating prudential guidelines, directions and circulars in relation to HFCs. Each HFC undergoes an annual regulatory inspection. These inspections are exhaustive and can last for a period of three to four weeks, during which regulators review the HFC's adherence to regulatory guidelines, scrutinise 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 require our employees to follow clear procedures to ensure that all regulatory clearances are obtained for the underlying projects before providing any type of financial support to such projects. Any communication received by us, including legal notices, customer letters, bank 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 a "know-your-client" or "KYC" perspective as well as carrying out money laundering and fraud prevention checks. Our fraud control unit also conducts spot checks on a random basis. We ensure the preservation of records in compliance with the Prevention of Money Laundering Act of 2002.

Key operational and financial parameters

The following tables set forth certain information relating to the financial performance of our Company prepared in accordance with Ind AS:

(in ₹ lakh)

Parameters	As of March 31		
	2019	2020	2021
	(₹ lakh, except number of accounts / groups)		
Net worth*	9,25,006	10,16,591	11,18,676
Total borrowings of which			
i) Debt securities	5,90,594	5,59,476	10,40,599
ii) Borrowings (other than debt securities)	24,40,954	21,66,926	16,30,023
iii) Deposit	1,50,000	1,59,654	2,66,600
iv) Subordinated liabilities	49,313	49,399	49,493
Property, plant and equipment	3,196	3,372	2,408
Investment property	-	-	-
Capital work in progress	-	-	-
Right-of-use assets	-	5,071	4,116
Intangible assets under development	2,330	2,803	753
Other intangible assets	69	79	3,554
Loans	30,83,732	26,83,252	24,67,586
Other financial assets	80,537	41,204	81,759
Other non-financial assets	10,457	32,441	31,843
Cash and cash equivalents	41,231	3,86,460	3,55,849
Bank balance other than above	2,405	39,510	77,318
Investments	9,52,926	8,06,336	11,35,175
Other financial liabilities	5,369	11,239	10,262
Non-financial liabilities	14,906	72,153	1,10,744
Total income	5,57,186	5,62,261	5,08,790
Revenue from operations	5,52,942	5,60,401	5,08,165
Finance cost	2,76,082	3,15,006	2,82,821
Impairment on financial instruments	12,977	1,17,569	-8024
Profit for the year from continuing operations	1,44,258	3,048	1,03,444
Total comprehensive income	1,44,154	1,595	1,03,509
Gross NPA (%)	0.36%	2.12%	3.46%
Net NPA (%)	0.14%	1.45%	1.90%
Tier I capital adequacy ratio (%)	27.27%	32.06%	32.06%
Tier II capital adequacy ratio (%)	2.65%	2.83%	0.24%

**Net worth equals to shareholder's fund minus intangible assets.*

Competition

The housing finance industry in India is highly competitive. We face competition from domestic and international banks as well as other HFCs for corporate advances and housing loans. Since we have mix of wholesale and retail loans, our primary competition is with other NBFCs and HFCs offering similar products and services.

In retail business the addressable market where, we are competing in mass affluent and affordable housing, is currently under consolidation. We see good opportunity for growth and are well placed to capture the opportunity with our strong balance sheet and the new age digital platform that we have built.

We generally compete with our competitors based on the range of product offerings, turnaround time, suitable structuring of funding, competing interest rates and fees and customer service. For further details on risks in relation to competition, see "*Risk Factors – The housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively*" on page 38.

Information technology

We understand the importance of IT and use both internally developed and externally subscribed tools such as Microsoft Office 365, SAP and RPA, to improve our overall productivity, since we intend to expand retail loans through a digital lending platform and have announced the launch of a multiproduct retail lending platform, which would be fully "digital at the core", among other things. We engage with customers through an end-to-end technology platform that leverages the capabilities of customer relationship management ("**CRM**"), mobility, loan origination, loan management, finance and accounts and collections. Data is processed and analysed using various tools, enabling us to efficiently and cost-effectively manage our nationwide network of branches and appropriately monitor various risks. We maintain data privacy. In order to safeguard our information assets, we have implemented security solutions to identify threats.

We are investing in new technologies including but not limited to: (i) cloud computing for cost efficient and resilient infrastructure; (ii) integrated CRM; (iii) robotic process automation; (iv) web services for customer ease and settlements; and (v) data warehousing.

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.

For further details on risk in relation to information technology, see "*Risk Factors – Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition*" on page 35.

Credit ratings

Our credit ratings for our short-term instruments and long-term instruments are as following:

Rating Agency	Rating	Nature of Securities
ICRA Limited	[ICRA]AA(Negative)	Non-convertible debentures
CARE Ratings Limited	CARE AA (CWD) (Double A)	Non-convertible debentures
CRISIL Limited	CRISIL A1+	Commercial paper
CARE Ratings Limited	CARE A1+	Commercial paper
ICRA Limited	[ICRA] AA(Negative)	Tier II bond
CARE Ratings Limited	CARE AA(CWD) (Double A)	Tier II bond
CARE Ratings Limited	CARE A1+	Inter corporate deposit
ICRA Limited	[ICRA] AA(Negative)	Long-term term loans
CARE Ratings Limited	CARE AA(CWD) (Double A)	Long-term bank facilities

Insurance

We currently maintain a business shield policy for insurance coverage against fire, burglary, machinery breakdown and public liability, among other things. We also have group personal accident insurance and group health insurance for our employees. We maintain a director's and officers' liability policy covering our directors, officers and employees against claims arising out of legal and regulatory proceedings. For further details on risk in relation to insurance, see "*Risk Factors – Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position*" on page 37.

Intellectual property

We regard our brand name as the most critical intellectual property and an important factor contributing to our success. We conduct our operations under the "Piramal" brand name which is registered in the name of Piramal Corporate Services Private Limited, our group company. We have entered into a Trade Mark License and Advisory Services Agreement dated September 3, 2018 with Piramal Corporate Services Private Limited ("**Trademark Agreement**") for use of the "Piramal" trademark and the corporate logo which consists of "Gyan Mudra" icon, the "Piramal" name and the words "Knowledge Action Care Impact". The Trademark Agreement is valid till March 31, 2023. Our other intellectual property includes certain domain names associated with our business. We have also registered certain trademarks for our new products such as "Bridge Loan (No more waiting just bridge it)", "Advantage STEP DOWN EMI LOAN" and "SUPER (STEP- UP EMI repayment loan)".

For further details on risk in relation to intellectual property, see "*Risk Factor – We do not own the trademark and the logo associated with "Piramal" brand name. Consequently, our ability to use the trademark, name and logo may be impaired*" on page 26.

(a) Properties

Our Registered Office and Corporate Office is situated at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013 pursuant to a leave and license agreement dated November 22, 2019. For details regarding changes to our Registered and Corporate Office, see "*History and Main Objects*" beginning on page 127.

We have branches in key cities such as Mumbai, Delhi, Hyderabad, Chennai and Bangalore, among others. Further, as on March 31, 2021, we had the following branches located in tier I and tier II cities spread across India:

Category	**Total**
Permanent	17
Temporary	2
*Grand total**	**19**

* *As on March 31, 2021, all branches of the Company have been leased.*

Employees

We place emphasis and focus on recruitment and retention of our employees as personnel is the most valuable asset for a service industry such as ours. As of March 31, 2021, we employed 600 employees. We also offer rewards and recognition programmes, and learning and development programmes to our employees.

Corporate social responsibility

In compliance with the terms of the Companies Act, 2013 we have adopted a corporate social responsibility ("**CSR**") policy. Further, our Board has constituted a CSR committee which has planned the way forward for our social initiatives. Our Company conducts corporate social responsibility activities primarily through Piramal Foundation – Piramal Swasthya Management and Research Institute and Piramal Foundation for Education Leadership (collectively referred hereinafter as the "**CSR Entities**"). In line with our sustainable development goals, the CSR Entities are focused on universal primary education, youth empowerment; and improving maternal and child health and non-communicable diseases.

Our current corporate social responsibility effort spans across numerous states in India and we have built partnerships with local governments and other international bodies in connection with our corporate social responsibility initiatives. For the Fiscal 2021, we spent an amount of ₹ 1,761.00 lakh towards CSR activities by the CSR Entities.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated as Piramal Housing Finance Private Limited on February 10, 2017 at Mumbai, Maharashtra, as a private limited company under the Companies Act, 2013, and was granted the certificate of incorporation by the Registrar of Companies, Central Registration Centre. Subsequently, upon conversion from a private limited company to a public limited company, the name of our Company was changed to Piramal Housing Finance Limited, and a fresh certificate of incorporation for change of name dated October 17, 2017 was granted by the RoC. Subsequently, pursuant to the Scheme of Amalgamation, the name of our Company was changed to Piramal Capital & Housing Finance Limited**,** and a fresh certificate of incorporation for change of name dated June 12, 2018 was granted by the RoC.

Further, our Company has obtained a certificate of registration dated December 1, 2017, bearing registration number 12.0163.17 from NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of NHB Act. Pursuant to change of name of our Company, we have obtained a fresh certificate of registration dated February 12, 2020 bearing registration number DOR-00163 from RBI to carry on the business of a housing finance institution without accepting public deposits.

Registered office and changes to Registered Office

The Registered and Corporate Office of our Company is situated at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra- 400013. Except as set forth, there has not been any change to the Registered Office since incorporation.

Effective date of change	Details of change in the address of the Registered Office	Reasons for change in the address of the Registered Office
July 29, 2019	Change in the address of the registered office of our Company from 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra- 400 013 to 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra- 400 013.	Administrative convenience
December 1, 2017	Change in the address of the registered office of our Company from 1st floor, Piramal Tower Annex, G.K. Marg, Lower Parel, Mumbai, Maharashtra- 400013 to 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra- 400 013.	Administrative convenience

Acquisition or amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior, preceding the date of this Shelf Prospectus.

Reorganization or reconstruction undertaken by our Company in the last one year

Except as disclosed below, there have been no reorganization or reconstruction undertaken by our Company in the last one year, preceding the date of this Shelf Prospectus:

Pursuant to the RBI's direction to refer DHFL to National Company Law Tribunal for initiation of insolvency proceedings of DHFL, our Company submitted a resolution plan on December 22, 2020, including a scheme of arrangement under sections 230 to 232 of the Companies Act, read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 (the "**Resolution Plan**") with the administrator of DHFL for the merger of our Company with and into DHFL from the appointed date (as defined in the Scheme of Arrangement) for a total consideration amount aggregating to ₹ 3,425,000 lakhs (through a combination of cash and non convertible debentures) which was subsequently approved by the committee of creditors.

On February 16, 2021, the RBI issued (i) no-objection in relation to change in control/ management of DHFL, (ii) approval for acquisition of DHFL, and (iii) in-principle approval for proposed merger of our Company and DHFL, following which the administrator filed an application with the NCLT, Mumbai bench on February 24, 2021 for approval of the Resolution Plan.

The Resolution Plan was approved by the NCLT, Mumbai bench on June 7, 2021 ("**NCLT Order**"). The implementation of the Resolution Plan was subject to fulfilment of certain conditions by our Company, including (i) approval from RBI for the assignment of external commercial borrowings of DHFL and masala bonds issued by DHFL to our Company; (ii) approval from relevant stock exchange for delisting of the non-convertible debentures issued by DHFL; and (iii) such other regulatory approvals as may be directed by the adjudicating authority, in relation to the amalgamation of our Company with DHFL. In addition to above conditions, our Company is also required to make certain payments inter alia towards (i) workmen and employees (ii) operational creditors (iii) dissenting financial creditors (iv) financial creditors and (v) other creditors of DHFL within specified time. Further, our Company is also required to undertake equity infusion amounting to Rs. 1 crore in DHFL at a price as provided under the NCLT Order.

In the interim, a monitoring committee is formed to supervise the implementation of the Resolution Plan. The NCLT Order, prima facie approved the reverse merger of our Company into and with DHFL. Further, the NCLT also noted that while granting the no-objection certificate by RBI, the status of DHFL was changed from deposit taking housing finance company to non-deposit taking housing finance company. In addition, the approval from the Competition Commission of India was received on April 12, 2021 are pending. Upon completion of the implementation, our Company shall be merged into DHFL by way of an amalgamation by a scheme of arrangement as provided under the NCLT Order. Upon completion of the merger, the merged entity will be renamed as PCHFL. Subsequently, the administrator has also filed an application with the National Company Law Tribunal for the approval of the Resolution Plan along with a scheme of merger. The rationale for the proposed merger of our Company with and into DHFL is, among others, build long term retail franchise, leverage geographical coverage, leverage existing customer base. Further, an appeal has been filed before the National Company Law Appellate Tribunal against the Resolution Plan.

With effect from the appointed date, our Company shall stand dissolved and all undertakings, including properties and liabilities of our Company shall stand transferred to and vested in DHFL as a going concern, without any further act, instrument, deed, matter or thing and DHFL shall issue such number of equity shares, which are equivalent to total net worth of our Company as on appointed date subject to certain adjustments in reserves. Upon completion of the merger, the merged entity will be renamed as PCHFL.

Key events, milestones and achievements

The table below sets forth the key events in the history of our Company:

Year	Particulars
2017	Our Company was incorporated as Piramal Housing Finance Private Limited
2017	Our Company was converted into a public limited company and the name was changed to Piramal Housing Finance Limited
2018	PFL and PCL got amalgamated with our Company
2020	Fresh certificate of registration was issued by RBI to commence / carry on the business of housing finance institution without accepting public deposits, pursuant to name change of our Company

Material agreements

Our Company has not entered into material agreements which are not in the ordinary course of business of our Company.

Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is as follows:

"To carry on the business of providing finance for housing (including affordable housing), rental housing, tenement/s, condominium/s, slum improvement, shelter developments, township planning and development, infrastructure/s, smart city

developments etc., whether directly or indirectly, to any person/s, group/s of person/s including economically weaker section, lower income group or middle income group, firm/s, society/ies, body corporate/s, company/ies, association/s, trust/s, club/s etc., whether singly or jointly, and/ or also providing financial, technical, administrative or any other kind of assistance, for promoting, establishing, supporting or aiding them in the field of construction, purchase, expanding, renovating, property(ies) for residential/ mixed use or for any other use as permitted and/ or including businesses in accordance with the National Housing Bank Act, 1987 whether for housing, rental housing, tenements, slum improvement, shelters, related town planning, infrastructure development or for any other purpose and/ or undertaking the business of financial and/or investment services including but not restricted to the assets securitization, rental housing, real estate/s, infrastructure/s, townships, special economic zones, industrial, investments, capital management, capital formation, acquisition/s of stakes, shares, securities etc., whether in India or overseas, and to hold and from time to time to sell, vary, dispose off or otherwise in any manner deal with them or generally performing such other businesses which may be incidental to or consequential to business herein in compliance with the applicable provisions of law under the Companies Act 2013, the National Housing Act 1987, the directives issued there under or under any other applicable law, rules, regulation for the time being in force."

Subsidiaries or associate companies

As of the date of this Shelf Prospectus, our Company does not have any subsidiaries or associates.

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company require us to have not less than three and not more than 15 Directors. The general superintendence, direction and management of our affairs and business are vested in our Board of Directors.

As of the date of this Shelf Prospectus, we have seven Directors on our Board of Directors, of which three are Independent Directors and one is a woman Director.

Details relating to Directors

Name, Designation, DIN, Term, Date of Appointment and Address	Age (years)	Other Directorships
Ajay Piramal *Non-Executive Director and Chairman* DIN: 00028116 Term: *Liable to retire by rotation* Date of appointment: May 28, 2018 Address: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli Sea Face, Mumbai 400 018	65	• Allergan India Private Limited • Kaivalya Education Foundation • PEL Management Services Private Limited • Piramal Foundation • Piramal Fund Management Private Limited; • Piramal Glass Private Limited • Piramal Management Services Private Limited • Pratham Education Foundation • Tata Sons Private Limited • Piramal Enterprises Limited
Dr. Swati Piramal *Non-Executive Director* DIN: 00067125 Term: *Liable to retire by rotation* Date of appointment: May 28, 2018 Address: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli Sea Face, Mumbai 400 018	65	• Allergan India Private Limited • Nestle India Limited • PEL Management Services Private Limited • PHL Fininvest Private Limited • Piramal Enterprises Limited • Piramal Glass Private Limited • Piramal Management Services Private Limited • EssilorLuxottica

Gautam Doshi *Independent Director* DIN: 00004612 Term: *Fixed term for a period of five years with effect from July 29, 2019* Date of appointment: July 29, 2019 Address: C 191, 19th Floor, Grand Paradi, August Kranti Marg, Kemps Corner, Mumbai 400036	68	• Aashni Ecommerce Private Limited • Banda Real Estate Private Limited • Capricon Realty Limited • Sun Pharmaceutical Industries Limited • Sun Pharma Holdings • Sun Pharma Global FZE • Suzlon Energy Limited • PHL Fininvest Private Limited • Kudal Real Estate Private Limited • Connect Capital Private Limited • Sun Pharmaceutical Industries, INC
Khushru B. Jijina *Managing Director* DIN: 00209953 Term: *Appointed for a period of five years with effect from February 28, 2017, liable to retire by rotation* Date of appointment: February 10, 2017 Address: 6401 Tower B, Omkar 1973, Pandurang Budhkar Marg, Near Doordarshan, Off Dr. Annie Besant Road, Worli, Mumbai 400030	56	• Indiaventure Advisors Private Limited • Piramal Fund Management Private Limited • Piramal Securities Limited • PHL Fininvest Private Limited • Silver Pearl Realty Private Limited • Greendale Reserve Private Limited • Agfields Nutriments Private Limited • Viridis Infrastructure Investment Managers Private Limited • Viridis Power Investment Managers Private Limited • Greendale Isles Private Limited • Greendale Pearl Private Limited • Piramal Enterprises Limited
Suhail Nathani *Independent Director* DIN: 01089938 Term: *Fixed term for a period of five years with effect from September 28, 2018* Date of appointment: September 8, 2017	56	• AGA Khan Agency for Habitat India • Mahindra CIE Automotive Limited • Progressive Electoral Trust • Salaam Bombay Foundation • Siddhesh Capital Market Services Private Limited

Address: 801, Prabhu Kutir, 15 Altamount Road, Cumbala Hill, Mumbai – 400026		• UTI Trustee Company Private Limited • Piramal Enterprises Limited • Welspun Middle East Pipes LLC
Anand Piramal *Non-Executive Director* DIN: 00286085 Term: *Liable to retire by rotation* Date of appointment: May 28, 2018 Address: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli Sea Face, Mumbai- 400018	36	• PEL Management Services Private Limited • Piramal Asset Management Private Limited • Piramal Corporate Services Private Limited • Piramal Enterprises Limited • Piramal Foundation for Education Leadership • Piramal Management Services Private Limited • Piramal Water Private Limited • PRL Developers Private Limited • India Resurgence Asset Management Business Private Limited
Deepak Satwalekar *Independent Director* DIN: 00009627 Term: *Fixed term for a period of five years with effect from September 28, 2018* Date of appointment: May 28, 2018 Address: Flat No. 401, 4th Floor, The Orchid, 12th Road, Plot no.252, Near Madhu park, Khar (West) Mumbai 400 052	72	• Asian Paints Limited • Germinait Solutions Private Limited • Home First Finance Company India Limited • Piramal Enterprises Limited • Wipro Limited

Profile of Directors

Ajay Piramal is a Non-Executive Director and Chairman of our Company. He holds a bachelor's degree of science (honours) in science from the Jai Hind College and Basantsingh Institute of Science, University of Bombay, master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay and has completed the advanced management programme from Harvard Business School Executive Education. He serves on the Harvard Business School's Board of Dean's Advisors and is co-Chair of the UK-India CEO Forum. He has been conferred with an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India, and an Honorary Doctor of Science (Honoris Causa) Degree by the Indian Institute of Technology, Indore. He was also awarded the "Entrepreneur of the Year" award by UK Trade and Investment India Business Awards, 2006.

Dr. Swati Piramal is a Non-Executive Director of our Company. She holds a bachelor's degree of medicine and a bachelor's degree of surgery (MBBS) from the University of Bombay and master's degree in public health from the Harvard University. She also holds certificate of registration from the Maharashtra Medical Council. She is a member of the Dean's Advisor to

Harvard Business School & Public Health and was also a member of Harvard Board of Overseers. Dr. Swati Piramal has been honoured with the Padma Shri by the President of India for work in the field of medical research.

Gautam Doshi is an Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and holds a master's degree in commerce from Mumbai University. He is on the board of directors of, among others, Sun Pharmaceutical Industries Limited, Sun Pharma Holdings, Capricorn Realty Limited and Suzlon Energy Limited.

Khushru B. Jijina is the Managing Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has significant experience in the fields of, among others, real estate, corporate finance and treasury management. He has been associated with the Piramal Group for over two decades.

Suhail Nathani is an Independent Director of our Company. He holds a bachelor's and a master's degree of arts from the University of Cambridge and a degree of master's of law from the Duke University, USA. He is the managing partner at Economic Laws Practices. He has significant experience in the fields of, among others, international trade and customs, competition law and corporate commercial laws. He has appeared for the Government of India before the World Trade Organisation Panel and Appellate Body in Geneva. He is enrolled as an advocate with the Bar Council of Maharashtra & Goa since 1997.

Anand Piramal is a Non-Executive Director of our Company. He holds a bachelor's degree in economics from the University of Pennsylvania and master's degree in business administration from the Harvard University. He serves as a director on the board of directors of PRL Developers Private Limited. He was conferred with the Hurun Real Estate Unicorn of the Year in 2017 and Young Business Leader of the year award by Hello! Magazine in 2018. He was also the president of the Youth Wing of the Indian Merchant Chambers.

Deepak Satwalekar is an Independent Director of our Company. He holds a bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington D.C. He is currently the Chairman of Home First Finance Company India Limited and also on the board of directors of, among others, Wipro Limited, Asian Paints Limited and Germinait Solutions Private Limited. He has also been recognised as a distinguished alumnus by the Indian Institute of Technology, Bombay. He is the Chairman of Board of Governors of Indian Institute of Management, Indore.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other.

S. No.	Name of Director	Designation	Relationship with our Directors
1.	Ajay Piramal	Non-Executive Director and Chairman	Dr. Swati Piramal – Spouse Anand Piramal - Son
2.	Dr. Swati Piramal	Non-Executive Director	Ajay Piramal – Spouse Anand Piramal – Son
3.	Anand Piramal	Non-Executive Director	Ajay Piramal and Dr. Swati Piramal – Parents

Remuneration and terms of employment of our Directors

Remuneration of the Managing Director

Our Board had, at their meeting held on February 28, 2017, approved the appointment of Khushru B. Jijina as the Managing Director of the Company subject to the terms and conditions as agreed upon in the employment agreement entered into with Khushru B. Jijina on April 10, 2017 (the **"Employment Agreement**"). Pursuant to the Employment Agreement, Khushru B. Jijina has been appointed for a period of five years with effect from close of business hours on February 28, 2017 and liable to retire by rotation. The remuneration paid to Khushru B. Jijina for the year ended March 31, 2021 was ₹619.87 lakhs per annum.

Remuneration of the Non-Executive and Independent Directors

No remuneration is paid to the Non-Executive Directors of our Company. However, the Independent Directors of our Company are paid a sitting fee of ₹ 0.5 lakhs for attending each meeting of the Board or committees thereof.

Other confirmations

No Director of 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 as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

Our Company does not have any employee stock option scheme.

Borrowing powers of our Board of Directors

Pursuant to a resolution dated June 11, 2018 passed by our Shareholders of the Company, our Board of Directors have been authorised to borrow up to ₹ 65,00,000 lakhs, apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business, notwithstanding that such borrowings may exceed the aggregate of the paid-up share capital and free reserves of the Company.

The aggregate value of the NCDs offered under this Shelf Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned.

Interest of our Directors

Our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board of Directors or a committee thereof as well as to the extent of remuneration and reimbursement of expenses if any, payable to them.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Other than as disclosed under "*Related Party Transactions*" segment of "*Financial Information*" beginning on page 276, our Company has not entered into any contracts, agreements or arrangements during the two years immediately preceding the date of this Shelf Prospectus in which our Directors are interested.

Some of our Directors may be deemed to be interested to the extent, including of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm or 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 our Company.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Shelf Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoter/Directors out of the proceeds of the Issue. None of our Directors are interested in the promotion of our Company, except in the ordinary course of business.

Our Directors have not taken any loan from our Company.

Shareholding of our Directors

Ajay Piramal and Dr. Swati Piramal hold 4,347 and 97 Equity Shares respectively, as nominees of our Promoter. None of our other Directors hold any Equity Shares as on as on the date of this Shelf Prospectus.

Debentures/Subordinated Debt holding of our Directors

As on the date of this Shelf Prospectus, our Directors do not hold any debentures or subordinated debt in our Company.

Changes in our Directors of our Company during the last three years

The changes in our Board of Directors of our Company in the three years preceding the date of this Shelf Prospectus are as follows:

Name, Designation and DIN	Date of Appointment/re-appointment	Date of Resignation	Director of the Company since (in case of resignation)	Remarks
Gautam Doshi *Independent Director* DIN:00004612	July 29, 2019	-	Not applicable	Appointment
Harish Engineer Independent Director DIN: 01843009	June 25, 2018	January 1, 2020	June 25, 2018	Resignation

Office or place of profit

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Key Managerial Personnel of our Company

Following are the Key Managerial Personnel of our Company:

(a) Khushru B. Jijina (*Managing Director*)

(b) Sachin Deodhar (*Chief Financial Officer*)

(c) Bipin Singh (*Company Secretary*)

Profile of KMPs

Sachin Deodhar is the chief financial officer of our Company since May 28, 2018. He holds a bachelor's degree of commerce from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. He leads the finance, accounts, structuring, and compliance functions of the financial services division at the Piramal Group. He is also involved in treasury, loan syndication, assurance/audit, portfolio management, management information systems, budgeting, internal audits, consulting, due diligence and risk management functions of our Company.

Bipin Singh is the company secretary of our Company since May 8, 2020. He holds a bachelor's degree in commerce from the University of Ajmer and a bachelor's degree in law from the University of Bombay. He is also an associate member of the Institute of Company Secretaries of India. He has significant experience in corporate secretarial, legal, finance and managerial functions. He is involved in, among others, corporate secretarial, compliance and corporate governance matters of our Company.

Interests of Key Managerial Personnel

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, the Key Managerial Personnel of the Company do not have any interest in the Company.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value.

The Reserve Bank HFC Directions, require every public deposit accepting and every non-public deposit accepting HFC with assets size of ₹ 5,000 lakhs and above ("**Applicable HFC**") to set-up an audit committee, a nomination committee and a risk management committee. Our Company has in accordance with the requirements of the NHB Corporate Governance Directions, 2016 and the Companies Act, 2013, set up the Audit and Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

Audit and Risk Management Committee

The Audit and Risk Management Committee was originally constituted pursuant to a meeting of the Board of Directors held on September 8, 2017 and last re-constituted by a meeting of the Board of Directors held on February 3, 2020. As on the date of this Shelf Prospectus, the Audit and Risk Management comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Gautam Doshi	Chairman	Independent Director
Suhail Nathani	Member	Independent Director
Khushru B. Jijina	Member	Managing Director

Terms of reference of the Audit and Risk Management Committee *inter alia* include:

(a) Recommendation for appointment, remuneration and terms of appointment of Auditors of our Company;

(b) Review and monitoring of the Auditor’s independence and performance and effectiveness of the audit process;

(c) Examination of financial statement and the Auditors’ report thereon;

(d) Approval or any subsequent modification of transactions of our Company with related parties;

(e) Scrutiny of inter-corporate loans and investments;

(f) Valuation of undertakings or assets of our Company, wherever it is necessary;

(g) Evaluation of internal financial controls and risk management systems;

(h) to review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;

(i) Such other matters as may be delegated to the committee by the Board of Directors from time to time or as may be prescribed under any law for the time being in force to be decided by the Audit and Risk Management Committee;

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted *vide* board resolution dated May 28, 2018 and as on the date of this Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Suhail Nathani	Chairman	Independent Director
Deepak Satwalekar	Member	Independent Director
Ajay Piramal	Member	Non–Executive Director and Chairman

The Nomination and Remuneration Committee shall have such powers and fulfill such functions as prescribed under the Companies Act, 2013 or any other applicable legislation that may be in force or modified/ implemented from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was originally constituted pursuant to a circular resolution of the Board of Directors dated June 25, 2018 and last re-constituted by a meeting of the Board of Directors held on February 3, 2020. As on the date of this Shelf Prospectus, Corporate Social Responsibility Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Suhail Nathani	Chairman	Independent Director
Ajay Piramal	Member	Non–Executive Director and Chairman
Anand Piramal	Member	Non –Executive Director

Terms of reference of the Corporate Social Responsibility Committee *inter alia* include:

(a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by our Company;

(b) To recommend the amount of expenditure to be incurred on the CSR activities;

(c) To monitor the CSR policy of our Company from time to time; and

(d) To implement and monitor approved CSR activities.

Asset Liability Management Committee

The Asset Liability Management Committee was originally constituted pursuant to a meeting of the Board of Directors held on September 8, 2017 and last reconstituted by a meeting of the Board of Directors held on October 24, 2018. As on the date of this Shelf Prospectus, the Asset Liability Management Committee comprises of:

Name	Designation
Khushru B. Jijina	Managing Director
Sudha Ravi	Chief Compliance Officer
Sachin Deodhar	Chief Financial Officer
Representative of the treasury team	-
Representative of the risk team	-

Terms of reference of the Asset Liability Management Committee *inter alia* include:

(a) To monitor and implement the asset-liability management policy of the Company and to review the asset-liability management policy from time to time;

(b) Monitor the liquidity and funding risk;

(c) Monitor the interest rate risk;

(d) Review and advice on issues relating to pricing of lending and borrowing rates.

(e) Review and advice on issues relating to pricing risk in relation to interest rate fluctuations;

(f) Review and advice on issues relating to allocation of resources.

OUR PROMOTER

Our Promoter is Piramal Enterprises Limited.

Details of our Promoter are below:

a) Our Promoter was originally incorporated as Indian Schering Limited under the provisions of the Companies Act, 1913 on April 26, 1947. The corporate identification number of our Promoter is L24110MH1947PLC005719 . The registered office of our Promoter is located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070. The name of our Promoter was changed to Nicholas Laboratories India Limited with effect from September 27, 1979 and to Nicholas Piramal India Limited with effect from December 2, 1992. Subsequently, the name of our Promoter was changed to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012.

b) Our Promoter is engaged in the business of financial services and pharmaceuticals.

c) The equity shares of our Promoter were listed on BSE Limited on April 2, 1980 and National Stock Exchange of India Limited on February 8, 1995

d) The board of directors of our Promoter as on the date of filing of this Shelf Prospectus are:

S. No.	Name	Designation
1.	Mr. Ajay G. Piramal	Chairman
2.	Dr. (Mrs.) Swati A. Piramal	Vice – Chairperson
3.	Mr. Rajesh Laddha	Whole Time Director
4.	Mr. N. Vaghul	Independent Director
5.	Mr. Deepak Satwalekar	Independent Director
6.	Mr. S. Ramadorai	Independent Director
7.	Mr. Anand Piramal	Non-Executive Director
8.	Ms. Nandini Piramal	Whole Time Director
9.	Mr. Vijay Shah	Non-Executive Director
10.	Mr. Gautam Banerjee	Independent Director
11.	Mr. Kunal Bhal	Independent Director
12.	Mr. Suhail Nathani	Independent Director
13.	Ms. Anjali Bansal	Independent Director
14.	Mr. Khushru Jijina	Whole Time Director

Details of Equity Shares held by our Promoter as on March 31, 2021 is set forth below:

Sr No	Name of Promoter	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Percentage of issued Equity Share Capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	Piramal Enterprises Limited	19,28,37,18,397	19,28,37,18,397	100%*	Nil	Nil

**Our Promoter holds 19,28,37,18,397 Equity Shares in our Company along with its nominees, namely, Ajay Piramal (4,347 Equity Shares), Dr. Swati Piramal (97 Equity Shares), Nandini A Piramal (97 Equity Shares), Vijay K Shah (97 Equity Shares), Rajesh R Laddha (97 Equity Shares) and Bipin Singh (97 Equity Shares), aggregating to 100% of the equity share capital of our Company.*

Shareholding Pattern of our Promoter as on March 31, 2021:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of (A+B+C)									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	17	10,38,74,530	-	-	10,38,74,530	46.06	10,38,74,530.00		10,38,74,530.00	46.39	-	-	-	43.81	-	-	-	-	10,38,74,530
(B)	Public	1,31,694	12,00,23,545	-	-	12,00,23,545	53.22	12,00,23,545.00		12,00,23,545.00	53.61	1,15,89,400		1,15,89,400	55.50	-	-	-	-	11,75,47,588
(C)	Non Promoter	2	16,40,28	-	-	16,40,28	-	-	-	-	-	-	-	-	-	-	-	-	-	16,40,281

	- Non Public		1			1														
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by Employee Trusts**	2	16,40,281	-	-	16,40,281	0.73	0.00	-	0.00	0.00	-	-	-	0.69	-	-	-	-	16,40,281
	Total	**1,31,713**	**22,55,38,356**	-	-	**22,55,38,356**	**100**	**22,38,98,075.00**	-	**22,38,98,075.00**	**100.00**	**1,15,89,400**	-	**1,15,89,400**	**99**	-	-	-	-	**22,30,62,399**

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A	**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**																			
(1)	**Indian**																			
(a)	Individuals/Hindu undivided	9	5,79,721	-	-	5,79,721	0.26	5,79,721		5,79,721	0.26				0.24					5,79,721

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	Family																			
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	8	10,32,94,809	-	-	10,32,94,809	45.80	10,32,94,809	-	10,32,94,809	46.13	-	-	-	43.56	-	-	-	-	10,32,94,809
Sub-Total (A)(1)		17	10,38,74,530	-	-	10,38,74,530	46.06	10,38,74,530	-	10,38,74,530	46.39	-	-	-	43.81	-	-	-	-	10,38,74,530
(2)	**Foreign**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (NonResident Individuals/ Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	Individuals)																			
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)																			
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		17	10,38,74,530	-	-	10,38,74,530	46.06	10,38,74,530	-	10,38,74,530	46.39	-	-	-	43.81	-	-	-	-	10,38,74,530
	Details of Shares which remain unclaimed for Promoter & Promoter Group																			

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
B	**Table III - Statement showing shareholding pattern of the Public shareholder**																			
(1)	**Institutions**																			
(a)	Mutual Funds	27	31,68,330	-	-	31,68,330	1.40	31,68,330	-	31,68,330	1.42	-	-	-	1.34	-	-			31,67,818
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
(c)	Alternate Investment Funds	6	8,00,677	-	-	8,00,677	0.36	8,00,677	-	8,00,677	0.36	-	-	-	0.34	-	-			8,00,677
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
(e)	Foreign Portfolio	497	6,55,58,2	-	-	6,55,58,2	29.07	6,55,58,254	-	6,55,58,2	29.28	11589400	-	11589400	32.53	-	-			6,55,58,254

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting (XIV) Rights — Class eg: X	Class eg:y	Total	Total as a % of Total Voting rights	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
	Investors		54			54				54										
(f)	Financial Institutions/ Banks	13	4,503	-	-	4,503	0.00	4,503	-	4,503	0.00	0	-	0	0.00					4,049
(g)	Insurance Companies	7	1,98,13,181			1,98,13,181	8.78	1,98,13,181		1,98,13,181	8.85	0		0	8.36					1,98,13,181
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
(i)	Any Other (specify)	1	333	-	-	333	0.00	333	-	333	0.00	0	-	0	0.00	-	-			333
	Sub-Total (B)(1)	551	8,93,45,278	-	-	8,93,45,278	39.61	8,93,45,278		8,93,45,278	39.90	1,15,89,400		1,15,89,400	42.57					8,93,44,312
(2)	Central Government/ State Government(s)/ President of	1	213	-	-	213	0.00	213	-	213	0	0	-	0	0.00	-	-			213

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	India																			
	Sub-Total (B)(2)	1	213	-	-	213	0.00	213.00	-	213	0.00	0	-	0	0.00	-	-			213
(3)	**Non-institutions**																			
(a(i))	Individuals - i.Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1,24,969	1,87,11,056	-	-	1,87,11,056	8.30	1,87,11,056	-	1,87,11,056	8.36	0	-	0	7.89	-	-			1,62,96,897
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	11	24,75,179	-	-	24,75,179	1.10	24,75,179	-	24,75,179	1.11	0	-	0	1.04	-	-			24,75,179
(b)	NBFCs registered with	7	9,370	-	-	9,370	0.00	9370	-	9370	0.00	0	-	0	0.00	-	-			9,370

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	RBI																			
(c)	Employee Trusts	2	969			969	0.00	969		969	0	0		0	0.00					969
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
(e)	Any Other (specify)	6,153	94,81,480	-	-	94,81,480	4.20	94,81,480		94,81,480	4.23	-		0	4.00	-	-			94,20,648
Sub-Total (B)(3)		1,31,142	3,06,78,054		-	3,06,78,054	13.60	3,06,78,054		3,06,78,054	13.70	0	-	0	12.94		-			2,82,03,063
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		1,31,694	12,00,23,545	-	-	12,00,23,545	53.22	12,00,23,545		12,00,23,545	53.61	1,15,89,400	-	1,15,89,400	55.50	-	-			11,75,47,588
	Details of the shareholders acting as persons in Concert for Public																			

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	Details of Shares which remain unclaimed for Public																			
C	**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**																			
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	2	16,40,281	-	-	16,40,281	0.73	-		0	0.00	-	-	-	0.69	-	-			16,40,281
Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		2	16,40,281		-	-		**0.00**	-	**0**	0.00		-	-	-		-			16,40,281

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
Total (A+B+C2)		1,31,713	22,55,38,356	-	-	22,55,38,356	100.00	22,38,98,075	-	22,38,98,075	100.00	1,15,89,400	-	1,15,89,400	100.00	-	-			22,30,62,399
Total (A+B+C)		1,31,713	22,55,38,356	-	-	22,55,38,356	100.00	22,38,98,075	-	22,38,98,075	100.00	1,15,89,400	-	1,15,89,400	99.00	-	-	-	-	22,30,62,399

Interest of Promoter in our Company

Except as a shareholder of our Company and as stated under *"Capital Structure"*, beginning on page 59, our Promoter does not have any other interest in our Company.

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Shelf 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.

Other understandings and confirmations

Our Promoter has confirmed that neither it nor its directors have been identified as wilful defaulter by the RBI or any other governmental authority and is not 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 violation of securities laws has been committed by our Promoter in the past or are currently pending against our Promoter.

Our Promoter is not 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.

No violation of securities laws has been committed by our Promoter in the past or are currently pending against it. Our Promoter or its directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or have been 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 stock exchange in India or abroad.

Our Promoter does not propose to subscribe to this Issue.

Payment of benefits to our Promoter during the last two years

Other than as disclosed under "*Related Party Transactions*" segment of "*Financial Information*" beginning on page 276, our Company has not made payment of any benefit to our Promoter during the last two years preceding the date of this Shelf Prospectus.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The amortised value of the outstanding borrowings of our Company as on March 31, 2021 is as follows:

Sr. No.	**Nature of borrowings**	**Amount (in ₹) lakhs**
1.	Secured borrowings*	26,67,724.00
2.	Unsecured borrowings	3,18,991.00
Total		29,86,715.00

** The secured borrowings include the securitisation outstanding amount of ₹ 95,609 lakhs as on March 31, 2021*

Set forth below, is a summary of the borrowings of our Company as on March 31, 2021 together with a brief description of certain significant terms of such financing arrangements. All amounts set out in this section, other than were indicated as amortized values, are the carrying values of the said amounts.

1) Details of Secured Borrowings

Our Company's secured loans/facility from banks as on March 31, 2021 amount to ₹14,97,070.00 lakhs. The amortised value of our Company's secured loans/facility from banks as on March 31, 2021 amount to ₹14,76,760 Lakhs. The details of the borrowings are set out below. Under all our term loans we will maintain an asset cover ratio on our standard assets or the outstanding amount, as specified in the relevant financing documents. Further, all our term loans have been secured by way of security as detailed below.

a) *Term Loans availed by our Company:

The total sanctioned amount of term loans availed from banks as on March 31, 2021 is ₹ 19,95,000.00 lakhs and the total outstanding as on March 31, 2021 is ₹ 14,08,774.00 lakhs. The amortised value of the total outstanding as on as on March 31, 2021 is ₹ 1,388,496.00 Lakhs. The details of the borrowings are set out below:

Sr. No	Lender's Name	Date of Sanction	Amount Sanctioned (in ₹ lakhs)	Principal Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Repayment Date/Repayment Schedule*	Security**
1.	Allahabad Bank	December 16, 2017	20,000.00	8,645.00	Principal repayment will be made in 19 quarterly installments after a moratorium period of 3 months from the date of first disbursement, for each tranche. Interest will be serviced separately on a monthly basis, as and when due.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's:(i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
		September 17, 2019	50,000.00	39,934.00	Principal repayment will be made in 18 quarterly installments after a moratorium period of 6 months from the date of first disbursement for each tranche. Interest will be serviced separately on a monthly basis, as and when due.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
2.	Andhra Bank	March 18, 2019	30,000.00	29,979.00	Principal repayment will be made in 12 quarterly installments after a moratorium period of 24 months from the date of first disbursement.	First ranking *pari passu* first charge/ hypothecation of receivables from the financial assets, current assets and lending business of our Company (both present and future).

					Interest will be paid as and when debited.	
3.	Bank of Baroda	December 27, 2018	12,500.00	1,616.00	The facility is repayable in 10 equal quarterly installments starting from the 21st month from the date of each drawdown. Interest is to be serviced on a monthly basis.	First ranking *pari passu* charge by way of hypothecation of standard assets of our Company (both present and future), including receivables and book debts arising out of our Company's investments (not in the nature of equity investments or convertible instruments), lending, current assets, loans and advances.
			1,50,000.00	30,647.00		
			1,00,000	43,324.00	The facility is repayable in 48 equal monthly installments viz. (47 installments of ₹ 2,083.00 lakhs each, and 48th installment of ₹ 2,099.00 lakhs).	
4.	Canara Bank	December 16, 2020	35,000.00	35,000.00	Principal repayment in 16 equal quarterly installments starting at the end of the moratorium period of 12 months. Interest will be serviced on a monthly basis, as and when due.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
		March 23, 2021	75,000.00	75,000.00	Principal repayment in 20 equal quarterly installments. Interest will be serviced on a monthly basis, as and when due.	

5.	Central Bank of India	August 27, 2019	30,000.00	23,081.00	Principal repayment will be made in 9 half yearly installments after a moratorium period of 6 months from the date of first disbursement. Interest is to be serviced on a monthly basis.	First ranking *pari passu* charge/ hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
6.	State Bank of India	October 05, 2018	2,00,000.00	1,33,334.00	Principal repayment will be in 18 equal quarterly installments after a moratorium period of 6 months from the date of first draw down. The repayment is to start on the 9 months from the month of the first disbursement and is to be made on the last date of the corresponding quarter. Interest will be serviced at monthly intervals.	First ranking *pari passu* charge by way of hypothecation over our Company's standard moveable assets including the current assets and the entire present/future loan receivables (all loan book including unquoted debentures net of overdue, financial charges and non-performing assets).
		March 31, 2017	1,50,000.00	62,500.00	Principal repayment will be in 12 quarterly installments after a moratorium period of two years from the date of first draw down. Interest will be serviced at monthly intervals.	
		March 31, 2020	3,50,000.00	3,50,000.00	Principal repayment will be in 24 quarterly	First ranking *pari passu* charge by way of hypothecation over our Company's standard moveable

					installments after a moratorium period of 1 year from the date of first drawdown. Interest is to be serviced at monthly intervals.	assets including the current assets and the entire present/future loan receivables (all loan book including unquoted debentures net of overdue, financial charges and non-performing assets).
7.	J&K Bank	August 24, 2017	20,000.00	10,409.00	Principal repayment in 8 half yearly installments starting after an initial moratorium of 12 months. Interest to be serviced on a monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments) and/or (ii) lending; and/or (iii) current assets, loans and advances.

8.	Indian Overseas Bank	March 12, 2020	20,000.00	20,874.00	Principal repayment in 20 equal quarterly installments starting from the date of first disbursement after a moratorium period of 24 months (with each installment being ₹ 1,000.00 lakhs). Interest to be serviced as and when debited including during the moratorium period.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.

9.	Karnataka Bank	June 23, 2017	10,000.00	6,272.00	Principal repayment in 12 quarterly installments with the first 11 installments being of ₹ 833.00 lakhs each and the 12th installment being of ₹ 837.00 lakhs, after a moratorium period of 24 months. Interest to be serviced every month as and when debited.	First ranking *pari passu* charge by way of hypothecation over our Company's standard moveable assets (present and future) including receivables and book debts arising out of our Company's lending business, excluding any investments made or loan extended by our Company to our Company's subsidiaries or affiliates.
10.	Indian Bank	August 18, 2017	50,000.00	19,396.00	Principal repayment in 16 quarterly installments with a moratorium of one year from the date of drawdown of each tranche. Interest is to be serviced on a monthly basis.	First ranking *pari passu* charge by way of hypothecation of receivables arising out of identified financial assets covered under loan agreements of our Company.
		December 20, 2017	50,000.00	22,638.00		
11.	Punjab and Sind	December 24,	20,000.00	12,487.00	Principal repayment in 16 equal quarterly	First ranking *pari passu* charge by way of hypothecation/assignment on the standard movable

	Bank	2018			installments of ₹ 1,250.00 lakhs, post moratorium period of 3 months. Interest to be paid on a monthly basis.	assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); or (ii) lending, or (iii) current assets, loans and advances.
12.	South Indian Bank	March 6, 2017	25,000.00	12,509.00	Principal to be repaid in 12 equal quarterly installments commencing from the 27th month of initial drawdown. Interest to be paid on monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); or (ii) lending; or (iii) current assets, loans and advances.
13.	United Bank of India	August 2, 2017	30,000.00	15,888.00	Principal repayment in 8 equal quarterly installments after the moratorium period of two years from the date of first disbursement. Interest to be paid on monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
		December 21, 2019	40,000.00	39,319.00	Principal repayment in 16 equal quarterly installments of ₹ 2,500.00 lakhs each, after a moratorium period of one year or 12 months from the date of first disbursement. (e.g. if first disbursement date is December 12, 2019, then repayment to start from March 12, 2021). Interest to be paid on monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.

14.	UCO Bank	January 22, 2018	5,000.00	2,293.00	Repayable at the end of one year with 12 equal monthly installments after a moratorium period of 2 years.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
15.	Oriental Bank of Commerce	February 26, 2018	30,000.00	16,123.00	Each tranche of the term loan is to be repaid in 6 equal half yearly installments starting after 1 year from the date of first disbursement. Interest to be paid on monthly basis.	First ranking *pari passu* charge on movable assets, which means all standard receivables of our Company (both present and future), including without limitation: (i) receivables arising out of lending, loans and advances; (ii) receivables arising out of our Company's investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets.
		September 27, 2018	20,000.00	14,273.00	Repayable in 6 equal half yearly installments after a moratorium of 12 months from date of disbursement of each tranche. Interest to be paid on monthly basis.	
16.	Bank of India	November 22, 2018	50,000.00	29,111.00	Principal repayment in 12 equal quarterly installments of ₹ 4,160.00 lakhs starting from the 9th month from the date of disbursement. Interest to be repaid as and when applied.	First ranking *pari passu* charge/ hypothecation of receivables from the financial assets, current assets and lending business of our Company.

		December 19, 2019	50,000.00	42,107.00	Principal repayment in 19 equal quarterly installments starting from the quarter after the date of the respective drawdown, with the entire facility to be repaid in full within 5 years and 6 months from the date of first drawdown. Interest to be repaid as and when applied	First ranking *pari passu* charge/ hypothecation of receivables from the financial assets, current assets and lending business of our Company.
17.	Union Bank of India	January 21, 2020	50,000.00	49,988.00	Principal repayment in 24 quarterly installments, after moratorium of 4 quarters. Interest to be paid on a monthly basis, as and when due.	First *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future) including receivables and book debts arising out of our Company's: (i) investments (not in the nature of equity investments or convertible investments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
18.	HDFC Bank Limited	March 26, 2018	10,000.00	3,750.00	Principal repayment in equal half yearly installments starting from the date of first drawdown. Interest payable on monthly basis.	First ranking *pari passu* charge on movable assets of our Company which means all standard receivables of our Company (both present and future), including without limitation: (i) receivables arising out of lending, loans and advances; (ii) receivables arising out of our Company's investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or

						convertible instruments); and (iii) current assets.
		March 15, 2017	15,000.00	2,500.00	Principal repayment in equal half yearly installments starting after 1 year from the date of first drawdown. Interest payable on monthly basis.	First ranking *pari passu* charge on movable assets of our Company, which means all standard receivables of our Company (both present and future), including without limitation: (i) receivables arising out of lending, loans and advances; (ii) receivables arising out of our Company's investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets
19.	Vijaya Bank	February 27, 2019	10,000.00	6,078.00	Principal repayment in 12 equal quarterly installments after a moratorium of 12 months from the date of first disbursement, with a total door to door tenor of 4 years. Interest chargeable and payable on monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts consisting of only principal receivables of standard category arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances, excluding any investments made or loans extended by our Company to our Company's subsidiaries or affiliates.

		September 27, 2017	30,000.00	30,000.00	The principal repayment is a bullet in August 2021. Interest is to be paid on monthly basis.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts consisting of only principal receivables of standard category arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances, excluding any investments made or loans extended by our Company to our Company's subsidiaries or affiliates.
20.	IndusInd Bank	September 06, 2020	67,500.00	67,500.00	Repayment in 16 equal quarterly installments after a moratorium of 3 years. Interest is to be serviced on a monthly basis.	First ranking *pari passu* charge by way of hypothecation on the loan portfolio/receivables that are standard and liquid investments (excluding investments in group companies), cash and cash equivalents.
			1,20,000.00	82,200.00	Bullet payment at the end of tenor which shall be a minimum of 7 days and a maximum of 24 months.	First ranking *pari passu* charge by way of hypothecation on the loan portfolio/receivables that are standard and liquid investments (excluding investments in group companies), cash and cash equivalents.
21.	Dhanlaxmi Bank	February 26, 2020	5,000.00	5,000.00	Principal repayment in 16 quarterly installments of ₹ 313.00 lakhs after a principal moratorium of 12 months. Interest to be serviced monthly as and when debited.	First *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts consisting of only principal receivables of standard category arising out of our Company's: (i) investments (not in the nature of equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances, excluding any investments made or loans extended by our Company to our

						Company's subsidiaries or affiliates.
22.	Punjab National Bank	March 26, 2020	50,000.00	49,999.00	Principal repayment in 16 equal quarterly installments after a moratorium of 1 year. Interest is to be serviced monthly.	First ranking *pari passu* charge by way of hypothecation on the standard current assets including receivables/ book debts arising out of bank loans.
23.	Bank of Maharashtra	June 05, 2020 read with amendment letter dated August 07, 2020	10,000.00	10,000.00	Principal repayment in 16 equal quarterly installments after a moratorium of 1 year. Interest is to be serviced monthly.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts arising out of our Company's (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and/or (iii) current assets, loans and advances.
24.	Catholic Syrian Bank Ltd.	December 05, 2020	5,000.00	5,000.00	Principal repayment in 16 quarterly installments of ₹ 312.50 lakhs after a principal moratorium of 12 months. Interest to be serviced as and when debited.	First *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables and book debts consisting of receivables arising out of our Company's: (i) investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or convertible instruments); and/or (ii) loans, advances and outstanding; and/or (iii) current assets, excluding any investments made or loans extended by our Company to our Company's subsidiaries or affiliates.

**Note: This table only captures details relating only to scheduled payments. Under the financing documents other amounts such as default, penal or additional interest or premium may be payable on the occurrence of (or absence of) certain events, such as prepayment, as also other costs, fees, and indemnity payments and reimbursements. The prepayment premium, where payable, is typically in the range of up to 2% of the prepaid amount.*

***Note: The security interests disclosed do not include the contractual obligations that may have been undertaken by our affiliates on behalf of our Company.*

b) * Line of Credit/ Working Capital Loans availed by the Company

The total sanctioned amount of secured line of credit or working capital loans availed from banks as on March 31, 2021 is ₹ 1,05,000.00 lakhs and the total outstanding as on March 31, 2021 is ₹ 88,296.00 lakhs. The amortised value of the total outstanding as on as on March 31, 2021 is ₹ 88,265.00 Lakhs. The details of the borrowings are set out below:

Sr. No	Lender's Name	Date of sanction	Type of Facility	Amount Sanctioned (in ₹ lakhs)	Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Repayment Date/Repayment Schedule*	Security**
1.	Axis Bank	February 07, 2019	December 16, 2020 read with sanction letter dated Line of credit with sub-limit of working capital demand loan.	45,000.00	45,000.00	On due dates for respective drawals, wherever applicable. .	First ranking *pari passu* charge on the standard receivables of our Company along with other lenders with minimum asset cover of 1.10x. Security creation , through security trustee arrangement (where standard receivables constitute receivables arising from activities permitted by RBI/NHB).
2.	Bank of India	December 19, 2019	Line of credit in the form of short-term loan with a sub-limit of working capital demand loan	30,000.00	30,000.00	In case of line of credit, the tenor is a maximum of 18 months from the date of disbursement of respective tranches, with bullet repayment at the end of tenor. In case of working capital demand loan, the tenor is maximum of 12 months from the date of disbursement of different tranches with bullet repayment at the end of the tenor.	First ranking *pari passu* charge/ hypothecation of receivables from the financial assets, current assets, and lending business of our Company.
3.	Corporation Bank	January 05, 2019	Line of Credit with sub-limit of (i)	25,000.00	8,296.00	The demand loan will be repaid as a bullet payment on	First ranking *pari passu* charge by way of

			cash credit limit; and (ii) short term loan			the relevant due date (i.e. minimum of 7 days and a maximum of 35 months) from each drawdown date.	hypothecation on the standard movable assets of our Company (both present and future), including receivables, non-convertible debentures and book debts arising out of our Company's: (i) investments (not in the nature of the equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.
4.	UCO Bank	January 22, 2018	Working capital demand loan	5,000.00	5,000.00	The working capital demand loan is to be repaid on the relevant due date (i.e. minimum of 7 days and a maximum of 365 days) from the date of each drawdown.	First ranking *pari passu* charge by way of hypothecation on the standard movable assets of our Company (both present and future), including receivables, non-convertible debentures and book debts arising out of our Company's: investments (not in the nature of the equity investments or convertible instruments); and/or (ii) lending; and/or (iii) current assets, loans and advances.

**Note: This table only captures details relating only to scheduled payments. Under the financing documents other amounts such as default, penal or additional interest or premium may be payable on the occurrence of (or absence of) certain events, such as prepayment, as also other costs, fees, and indemnity payments and reimbursements. The prepayment premium, where payable, is typically in the range of up to 0.5% of the prepaid amount.*

***Note: The security interests disclosed do not include the contractual obligations that may have been undertaken by our affiliates on behalf of our Company.*

c) *External Commercial Borrowings:

The total sanctioned amount of external commercial borrowings as on March 31, 2021 is USD 750.00 lakhs / ₹52,264.00 Lakhs and the total outstanding as on March 31, 2021 is USD 750.00 lakhs / ₹52,264.00 Lakhs. The amortised value of the total outstanding as on as on March 31, 2021 is ₹ 54,755.00 Lakhs. The details of the borrowings are set out below:

Sr. No	Lender's Name	Date of Sanction	Amount Sanctioned (in USD lakhs)	Principal Amount Outstanding as on March 31, 2021 (in USD lakhs)	Repayment Date/Repayment Schedule*	Security**
1.	International Financial Corporation (IFC)	March 13, 2019	750.00 (Phase 1)	750.00	Repayment of the facility is to be completed in two phases: (i) 50% of the loan amount to be repaid at the end of 4 years from the date of utilisation (ii) remaining 50% of the loan amount to be repaid at the end of 5 years from the date of utlisation.	First ranking *pari passu* charge by way of hypothecation on (a) all the amounts due together with all other monies whatsoever stipulated in or payable by or on behalf of the sub-borrowers and/or the issuers of non-convertible debentures (to which our Company has subscribed) to our Company under the sub-loan documents and/or the debenture documents, in each case, including without limitation; (b) all present and future right, title and interest of our Company in and to the receivables referred to in point (a); and (c) all claims, awards and judgments in favour of our Company, in each case, under or in connection with the receivables referred to in point (a).

**Note: This table only captures details relating only to scheduled payments. Under the financing documents other amounts such as default, penal or additional interest or premium may be payable on the occurrence of (or absence of) certain events, such as prepayment, as also other costs, fees, and indemnity payments and reimbursements.*

***Note: The security interests disclosed do not include the contractual obligations that may have been undertaken by our affiliates on behalf of our Company.*

d) Details of Secured Non-Convertible Debentures

The total principal amount of secured redeemable non-convertible debentures issued by our Company as on March 31, 2021 is ₹ 10,58,590.00 lakhs and the total outstanding as on March 31, 2021 is ₹ 10,43,590.00 lakhs. The amortised value of the total outstanding as on as on March 31, 2021 is ₹ 10,40,599.00 Lakhs. The details of the secured redeemable non-convertible debentures issued by our Company is set forth below:

i) **Public Issue of secured redeemable non-convertible debentures**

A. Public Issue

As on March 31, 2021, our Company has not made any public offering of debt securities.

***B.* Private Placement of secured redeemable non-convertible debentures**

Sr. No	Reference of Debenture Trust Deed	ISIN No	Date of Allotment	Principal Amount (in ₹ lakhs)	Date of Redemption	Tenor (in years, months or days)	Coupon Rate (per annum)	Principal Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Credit Rating at the time of Issuance	Security
1.	Debenture trust deed dated February 7, 2017 for a principal amount of issuance of ₹ 3,00,000.00 lakhs*	INE641O07037	March 10, 2017	500.00	March 8, 2024	2555 days	8.95	500.00	AA (stable) by ICRA Limited	Mortgage over (i) freehold non-agricultural land admeasuring 171.00 square meters forming part of the property known as plot no. 9 forming part of survey numbers 36A of mouje pali of Sudhagad taluka district Raigad, and (ii) hypothecation over all movable assets, present and
		INE641O07086	May 04, 2017	2,500.00	May 03, 2024	2556 days	8.75	2500.00	AA (stable) by ICRA Limited and CARE Limited	

		INE641O07144	September 20, 2017	50,000.00	September 20, 2027	10 years	7.96	50,000.00	AA (stable) by ICRA Limited	future of our Company and all rights, title, interest, benefits and claims and demands in respect of such movable assets.
* The debenture trust deed is for issuance of debentures aggregating to ₹ 30,000,000 lakhs. Debentures have been issued in tranches pursuant to separate information memorandums, some of which have now been redeemed. Set out above are details from information memorandums under which debentures are currently issued and outstanding.										

Sr. No	Reference of Debenture Trust Deed	Series	Date of Allotment	Principal amount (in ₹ lakhs)	Date of Redemption	Tenor (in years, months or days)	Coupon Rate (per annum)	Principal Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Credit Rating at the time of Issuance	Security
2.	Debenture trust deed dated September 4, 2018 for a principal amount of issuance of ₹ 75,00,00.00 lakhs*	INE641O07193	November 2, 2018	2500.00	November 2, 2023	1,826 days	9.75	2,500.00	AA+ (stable) by CARE Limited	Mortgage over (i) freehold non-agricultural land admeasuring 171.00 square metres forming part of the property known as plot no. 9 forming part of survey numbers 36A of mouje pali of Sudhagad taluka district Raigad, and (ii) hypothecation over all movable assets, present and future of our Company and all rights, title, interest, benefits and claims and demands in respect of such movable assets.
		INE641O07185	October 5, 2018	3,500.00	October 3, 2025	2,555 days	9.25	3,500.00	AA+ (stable) by CARE Limited	
		INE516Y07014	December 19, 2018	50,000.00	December 19, 2028	10 years	9.27	50,000.00	AA+ (stable) by CARE Limited	
		INE516Y07105	January 15, 2019	65,000.00	April 15, 2022	3 years 3 months from deemed date of allotment	9.50	65,000.00	AA+ (stable) by CARE Limited	
		INE516Y07089	January 21, 2019	5,000.00	April 21, 2022	3 years 3 months from deemed date of allotment	9.50	5,000.00	AA+ (stable) by CARE Limited	

		INE516Y07063	March 11, 2019	1,50,000.00	Redeemable at par in 3 installments: 8th year – 50,000.00 – March 11, 2027. 9th year – 50,000.00 – March 10, 2028. 10th year – 50,000.00 – March 09, 2029	10 years	9.5109	1,50,000.00	AA+ (stable) by CARE Limited	
		INE516Y07121	September 16, 2019	30,000.00	September 16, 2022	3 years	9.50	15,000.00	AA (stable) by CARE Limited	
		INE516Y07147	May 13, 2020	50,000.00	May 12, 2023	3 years	8.75	50,000.00	AA (stable) by CARE Limited	
		INE516Y07154	June 30, 2020	32,500.00	May 31, 2023	35 months	8.75	32,500.00	AA (stable) by CARE Limited	
		INE516Y07162	July 16, 2020	10,000.00	January 14, 2022	18 months	7.85	10,000.00	AA (stable) by CARE Limited	
		INE516Y07170 (Serie	July 31, 2020	1,00,000.00	Series I – 50,000.00 January 31,	Series I - 18 months Series II –	Series I - 7.85 Series II –	Series I – 50,000.00 Series II –	AA (stable) by CARE Limited and AA (negative	

		s-I) and INE516Y07188 (Series-II)			2022 Series II – 50,000.00 - in 3 installments: 1st year – 16,667.00 – July 30, 2021. 2nd year – 16,667.00 – July 29, 2022. 3rd year – 16,666.00 – July 31, 2023.	upto 3 years	8.50	50,000.00	outlook) by ICRA Ratings Ltd.
		INE516Y07196	August 05, 2020	4,000.00	February 04, 2022	18 months	7.85	4,000.00	AA (stable) by CARE Limited
		INE516Y07204	August 17, 2020	15,000.00	February 17, 2022	18 months	7.85	15,000.00	AA (stable) by CARE Limited
		INE516Y07212	August 21, 2020	5,000.00	February 21, 2022	18 months	7.85	5,000.00	AA (stable) by CARE Limited
		INE516Y07220	September 04, 2020	15,000.00	March 04, 2022	18 months	8.10	15,000.00	AA (stable) by CARE Limited
		INE516Y07238	September 22, 2020	15,000.00	March 22, 2022	18 months	8.10	15,000.00	AA (stable) by CARE Limited

		INE516Y07246	November 03, 2020	5,000.00	November 01, 2030	10 years	9.32	5,000.00	AA by CARE Limited and ICRA Ratings Ltd.	
		INE516Y07253	November 19, 2020	17500.00	May 19, 2022	18 months	8.10	17500.00	AA by CARE Limited	

* The debenture trust deed is for issuance of debentures aggregating to ₹ 75,00,00.00 lakhs. Debentures have been issued in tranches pursuant to separate information memorandums, some of which have now been redeemed. Set out above are the details pertaining to information memorandums under which debentures are currently issued and outstanding.

Sr. No	Reference of Debenture Trust Deed	Series	Date of Allotment	Principal amount (in ₹ lakhs)	Date of Redemption	Tenor (in years, months or days)	Coupon Rate (per annum)	Principal Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Credit Rating at the time of Issuance	Security
3.	Debenture Trust Deed dated June 6, 2019 read with amendment letter to the Debenture Trust Deed dated November 11, 2019	INE516Y07139	June 14, 2019	18,000.00	50% of the face value of each debenture to be redeemed on November 8, 2023 and balance 50% to be redeemed on November 8, 2024. Coupon is payable on a half yearly basis.	5 years	10.00%	18,000.00	AA+ (stable) by CARE Ratings Limited	Hypothecation over (i) all receivables from the loans and non-convertible debentures as on that date; (ii) all receivables relating to any loan made and non-convertible debentures subscribed to after the date of the deed of hypothecation; (iii) all our Company's present and future right, title, interest in

										all claims, awards, judgements, in our Company's favour in connection with the receivables

Sr. No	Reference of Debenture Trust Deed	ISIN No	Date of Allotment	Principal Amount (in ₹ lakhs)	Date of Redemption	Tenor (in years, months or days)	Coupon Rate (per annum)	Principal Amount Outstanding as on March 31, 2021 (in ₹ lakhs)	Credit Rating at the time of Issuance	Security
4.	Debenture trust deed dated September 01, 2020 for a principal amount of issuance of ₹ 80,00,00.00 lakhs*	INE516Y07261	March 12, 2021	2,00,000.00	Debentures are redeemable at par in 4 equal quarterly installments starting from the 5th year as per below schedule: 51st Month - ₹ 50,000.00 lakhs - 12th June 2025 54th Month - ₹ 50,000.00 lakhs - 12th September 2025 57th Month - ₹ 50,000.00 lakhs - 12th December 2025 60th Month - ₹ 50,000.00 lakhs - 12th	60 months	9.25%	2,00,000.00	AA by CARE Ratings Limited	Mortgage over (i) freehold non-agricultural land admeasuring 171.00 square meters forming part of the property known as plot no. 9 forming part of survey numbers 36A of mouje pali of Sudhagad taluka district Raigad, and (ii) hypothecation over all movable assets, present and future of our Company and all rights, title, interest, benefits and claims and demands in respect of such movable assets.

					March 2026					
		INE516Y07279	March 19, 2021	2,05,000.00	Debentures are redeemable at par in 4 equal quarterly installments starting from the 5th year as per below schedule: 51st Month – ₹ 2,50,000/- per debenture - 19th June 2025 54th Month – ₹ 2,50,000/- per debenture - 19th September 2025 57th Month – ₹ 2,50,000/- per debenture - 19th December 2025 60th Month – ₹ 2,50,000/- per debenture -	60 months	9.25%	2,05,000.00	AA by CARE Ratings Limited	

					19th March 2026					
		INE516Y07287	March 26, 2021	5090.00	January 23, 2023	22 months	Zero coupon	5090.00	AA by CARE Ratings Limited	
		INE516Y07295	March 30, 2021	2,500.00	March 28, 2031	10 years	9.00%	2,500.00	AA by CARE Limited and ICRA Ratings Ltd.	

* The debenture trust deed is for issuance of debentures aggregating to ₹ 80,00,00.00 lakhs. Debentures have been issued in tranches pursuant to separate information memorandums. Set out above are details from information memorandums under which debentures are currently issued and outstanding.

e) Other Secured Borrowings

Our Company has no other secured borrowing other than: (a) as set out above as on March 31, 2021; (b) the securitisation outstanding amount of ₹ 88,323.00 lakhs as on March 31, 2021. The amortised value of the securitisation outstanding amount as on March 31, 2021 is ₹ 95,609.00 Lakhs.

2) Details of unsecured borrowings

Our Company has ₹ 3,19,600.00 lakhs of unsecured borrowings as on March 31, 2021 in relation to (i) the commercial papers issued by our Company (*as detailed below*); and (ii) the unsecured non-convertible debentures issued by our company (*as detailed below*). The amortised value of the such unsecured borrowings as on March 31, 2021 is ₹ 3,18,991.00 Lakhs

a) Line of Credit/Working Capital Loans

Our Company does not have any unsecured line of credit or working capital facility outstanding as on March 31, 2021.

b) Commercial papers

Our Company has issued commercial papers of the face value ₹ 5,00,000 each aggregating to a total face value ₹ 3,000 lakhs as on March 31, 2021. The total outstanding amount in respect of the commercial papers as on March 31, 2021 is ₹ 3,000.00 lakhs and the amortised value of the total outstanding amount in respect of the commercial papers as on March 31, 2021 is ₹ 2,898.00 Lakhs The details of the commercial papers are set forth below:

Sl. No	Date of issue	Amount (in ₹ lakhs)	Discount Rate	Number of Securities	Face Value each	Date of Maturity	Credit Rating
1.	March 12, 2021	2,000.00	7.75%	400	5,00,000	June 10, 2021[5]	CRISIL A1+ and CARE A1+
2.	March 17, 2021	1,000.00	8.25%	200	5,00,000	March 16, 2022	CRISIL A1+ and CARE A1+

c) Unsecured, Subordinated Bonds

Our Company has an outstanding amount of ₹ 50,000.00 lakhs as unsecured, subordinated non-convertible debentures as on March 31, 2021. The amortised value of such outstanding amount as on March 31, 2021 is ₹49,493.00 Lakhs. The ISIN number for the non-convertible debentures is INE641O08035. The unsecured and subordinated non-convertible debentures have a coupon rate of 9.55%, were issued on March 08, 2017 and mature on March 8, 2027.

3) The amount of corporate guarantee issued by the Issuer along with the name of the counterparty on behalf of whom it has been issued

As on March 31, 2021, no corporate guarantees have been issued by the Issuer.

4) Details of rest of the borrowings (if any including hybrid debt like FCCB, optionally convertible debenture/ preference shares) as on March 31, 2021

As of March 31, 2021, our Company has no outstanding amounts in relation to hybrid debt like FCCB, optionally convertible debenture/ preference shares.

5) Loans from our Directors and Relatives of our Directors

Our Company does not have any borrowings from our directors and relatives of our directors as on March

[5] Since matured

31, 2021, which are in the nature of demand loans and are unsecured.

6) Details of any Inter-Corporate Loans, Deposits and other borrowings

As of March 31, 2021, our Company has outstanding inter-corporate deposit to the extent of ₹ 2,66,600.00 lakhs availed from our parent company. The amortised value of such outstanding inter-corporate deposit as on March 31, 2021 is ₹ 2,66,600.00 Lakhs.

7) 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.

a) Our Company has no outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on March 31, 2021.

b) In the five years preceding the date of and as on the date of this Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and/or principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, since incorporation. Further, since incorporation, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any existing financing facilities or term loan or debt security including corporate guarantee issued by our Company.

8) Non-convertible debt securities which create or acknowledge indebtedness (including debentures, bonds and such other securities of a body corporate or a trust registered with the board as a real estate investment trust or an infrastructure investment trust, or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not).

Our Company has not issued any non-convertible debt securities which create or acknowledge indebtedness, other than as set out above, which are outstanding as on March 31, 2021.

9) Events of Default

The facility documents and the debenture trust deeds executed by our Company stipulate certain events as "*Events of Default*", pursuant to which our Company may, subject to cure periods and carve outs mentioned in the facility documents, be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a) the failure to pay any secured obligations, including failure to make payment of the principal amount and/or the interest and/or any other amounts payable in relation to the facility, on any of the due dates;

b) breach by our Company of any terms, covenants, obligations, representations or warranties set out in the finance documents, unless cured with the cure period, for breach of any such covenants, obligations, representation or warranties has been expressly set out in the finance documents;

c) our Company commencing a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law in effect, or our Company admits inability to pay its debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of our Company's property;

d) any of finance document being rendered ineffective, unenforceable or invalid and such defect is not remedied or appropriately reinstated within seven from the imposition of such defect;

e) any regulatory or statutory approval, permit, license or other certificate required by our Company under applicable law, being withdrawn or not granted or not renewed;

f) any material act of fraud, embezzlement, mis-statement, misappropriation or siphoning off funds in respect of our Company or any other act having a similar effect being committed by the management or an officer of our Company;

g) cessation or threats to cease the carrying on of our Company's material line of business or any notice of our Company's intention to do so;

h) change in the control of our Company;

i) any material litigation, arbitration or administrative proceedings which have been started or threatened and would affect the ability of our Company to fulfill our Company's obligations and such proceedings have not been vacated within a period of thirty business days;

j) the inclusion of our Company and/or any of our Directors in RBI's wilful defaulters list; and

k) breach of certain financial ratios.

10) Restrictive covenants under our financing agreements include, but are not limited to the following covenants:

A. Some of the corporate actions for which our Company requires prior consent of the lenders are:

a) winding up, or liquidation of our Company's affairs;

b) any corporate restructuring, re-organization and / or re-capitalization of any sort including but not limited to merger, demerger, amalgamation, buy-back, capital reduction, transfer of controlling interest, drastic changes in management set-up and liquidation;

c) making any material amendments in our Company's constitutional documents, which may adversely affect the ability of the Company to fulfil our Company's obligations under the finance documents;

d) entering into any compromise or arrangement or settlement with any of our Company's secured creditors;

e) creation of any additional security interests over our Company's assets if the asset cover ratio falls below the minimum-security cover;

f) the Promoter ceasing to have control of our Company; and

g) upon the occurrence of a default on our interest payments or repayment of principal to the lenders, we would be restricted from declaring dividends and in some cases, this would provide the lenders with a right to appoint a nominee director on our board.

B. Further, our Company may be prohibited from prepaying (or in other situations be required to prepay) certain facilities during specified periods, or on occurrence of certain events.

11) List of top 10 Debenture Holders as on March 31, 2021:

Sr. No.	Name of the Holder	Amount (in ₹ lakhs)
1.	State Bank of India	3,50,000.00
2.	Life Insurance Corporation of India	2,50,000.00
3.	Franklin Templeton Mutual Fund	1,08,820.00
4.	Union Bank of India	1,05,000.00
5.	Indian Bank	72,500.00
6.	Central Bank of India	57,500.00
7.	Bank of Baroda	50,000.00
8.	International Finance Corporation	18,000.00
9.	Bank of India	10,000.00
10.	Navodaya Vidyalaya Samiti Contributory Provident Fund	7,500.00

Note: The above table excludes Inter group company exposures

MATERIAL DEVELOPMENTS

Except as stated below, there have been no material developments since March 31, 2021 and there have arisen no circumstances that materially and adversely affect the profitability or credit quality of our Company:

(a) Pursuant to the RBI's direction to refer DHFL to National Company Law Tribunal for initiation of insolvency proceedings of DHFL, our Company submitted a resolution plan on December 22, 2020, including a scheme of arrangement under sections 230 to 232 of the Companies Act, read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 (the "**Resolution Plan**") with the administrator of DHFL for the merger of our Company with and into DHFL from the appointed date (as defined in the Scheme of Arrangement) for a total consideration amount aggregating to ₹ 3,425,000 lakhs (combination of cash and non convertible debentures) which was subsequently approved by the committee of creditors. Subsequently, the administrator also filed an application with the National Company Law Tribunal for approval of the Resolution Plan including a scheme of merger which has been approved. The rationale for the proposed merger of our Company with and into DHFL is, among others, build long term retail franchise, leverage geographical coverage, leverage existing customer base.

On February 16, 2021, the RBI issued (i) no-objection in relation to change in control/ management of DHFL, (ii) approval for acquisition of DHFL, and (iii) in-principle approval for proposed merger of our Company and DHFL, following which the administrator filed an application with the NCLT, Mumbai bench on February 24, 2021 for approval of the Resolution Plan.

The Resolution Plan was approved by the NCLT, Mumbai bench on June 7, 2021 ("**NCLT Order**"). The implementation of the Resolution Plan was subject to fulfilment of certain conditions by our Company, including (i) approval from RBI for the assignment of external commercial borrowings of DHFL and masala bonds issued by DHFL to our Company; (ii) approval from relevant stock exchange for delisting of the non-convertible debentures issued by DHFL; and (iii) such other regulatory approvals as may be directed by the adjudicating authority, in relation to the amalgamation of our Company with DHFL. In addition to above conditions, our Company is also required to make certain payments inter alia towards (i) workmen and employees (ii) operational creditors (iii) dissenting financial creditors (iv) financial creditors and (v) other creditors of DHFL within specified time. Further, our Company is also required to undertake equity infusion amounting to Rs. 1 crore in DHFL at a price as provided under the NCLT Order.

In the interim, a monitoring committee is formed to supervise the implementation of the Resolution Plan. The NCLT Order, prima facie approved the reverse merger of our Company into and with DHFL. Further, the NCLT also noted that while granting the no-objection certificate by RBI, the status of DHFL was changed from deposit taking housing finance company to non-deposit taking housing finance company. In addition, the approval from the Competition Commission of India was received on April 12, 2021 are pending. Upon completion of the implementation our Company shall be merged into DHFL by way of an amalgamation by a scheme of arrangement as provided under the NCLT Order. Further, an appeal has been filed before the National Company Law Appellate Tribunal against the Resolution Plan.

With effect from the appointed date, our Company shall stand dissolved and all undertakings, including properties and liabilities of our Company shall stand transferred to and vested in DHFL as a going concern, without any further act, instrument, deed, matter or thing and DHFL shall issue such number of equity shares, which are equivalent to total net worth of our Company as on appointed date subject to certain adjustments in reserves. Upon completion of the merger, the merged entity will be renamed as PCHFL.

SECTION V: ISSUE RELATED INFORMATION

GENERAL TERMS OF THE ISSUE

Authority for this Issue

For details in respect of the authority for this Issue, see "*Other Regulatory and Statutory Disclosures*" beginning on page 235.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government, the Stock Exchanges, and any other statutory or 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 the NCDs

The NCDs would constitute secured obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of *pari passu* charge by way a first ranking *pari passu* charge by way of a floating charge over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment.

Our Company is required to obtain permissions or consents from the prior creditors holding pari passu charge over the Security for proceeding with this Issue. Pursuant to the DT Circular, our Company undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or pari passu charge on the assets of the Issuer have been obtained from the earlier creditors.

Our Company has, through the Debenture Trustee, intimated all the prior creditors holding pari passu charge over the Security for the Issue.

Security

The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of minimum 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date, more particularly as detailed in the Debenture Trust Deed. The security is estimated to be created prior to the listing of the NCDs. The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.

Our Company intends to enter into the Debenture Trust Deed, the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by the Companies (Share Capital and Debentures) Amendment Rules, 2019, a listed HFC is not required to create a debenture redemption reserve in case of public issue of debentures. The rules further mandate that the company which is coming with a public issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15 % of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a debenture redemption reserve for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15 % of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15 % of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Face Value

The face value of each of the NCDs shall be ₹ 1,000.

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 as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the 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, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements and copy of the Debenture Trust Deed on a specific request made to us.

2. Subject to applicable statutory/ regulatory requirements, 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. In case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders 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 NCD 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 Debt Regulations, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, NHB, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 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 debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Shelf Prospectus and the Debenture Trust Deed.

Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders 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 Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. 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, give notice to our Company specifying that the NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(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).

Minimum Subscription

In terms of the SEBI Debt 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. If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the ASBA Accounts of the Applicants within six Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "*Issue Procedure*" beginning on page 201.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to enable us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. 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 the Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or

(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

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.

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 dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor 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.

For further details, see "*Issue Structure*" beginning on page 194, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

Pursuant to the SEBI LODR Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders 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 whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the 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 relevant provisions of the Companies Act, 2013, shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, 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 NCDs 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. Our Board of Directors or any other person authorised by our Board of Directors in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

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 of Association.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. For further details, see the "*Summary of the Key Provisions of Articles of Association*" beginning on page 263.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in this Issue

NCDs being issued through this Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2) (d) of the SEBI Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by our Board of Directors. In the event of such an early closure of or extension subscription list of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

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 the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3:00 p.m. 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 post the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the 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 Issue Period. Neither our Company, nor the Members of the Consortium 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 will be as per the Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in this Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA 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 Fiscal. 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 to the Issue 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 Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue 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.

Payment of Interest

Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the preceding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

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.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the "*General Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*" beginning on page 189.

Maturity and Redemption
As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment
The date on which our Board of Directors or the committee thereof approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant tranche prospectus) shall be available to the Debenture holders from the deemed date of allotment.

Application Size

Each application should be for a minimum of 10 NCDs across all series collectively and multiples of 1 NCD thereafter (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter. Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that application 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.

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 unblock the excess amount paid on application to the applicant in accordance with the terms specified in "*General Terms of the Issue – Terms of Payment*" beginning on page 189.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the Prospectus. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below*:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who 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. Neither the Lead Managers, nor our Company, nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

**In the event, the interest / payout 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 ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

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 Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment 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. Payments through NACH are 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 payments through NEFT or Direct Credit or RTGS.

3. RTGS

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments 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 MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

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 dematerialized form, these particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post, registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held under different options, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, 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). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record

Date fixed for the purpose of Redemption. 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 7 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 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.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable, on the date of this Shelf Prospectus, 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.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Common form of transfer

Our Company 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 including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

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 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 Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, 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 certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a charge on any assets, (a) subject to such consents and approvals and other conditions, as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents (b) provided the stipulated security cover for the Issue is maintained and compliance with other terms of the Transaction Documents.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue procedure - Rejection of Applications*" beginning on page 219.

Listing

The NCDs proposed to be offered in pursuance of this Shelf Prospectus will be listed on the BSE and NSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/003/21-22 dated April 9, 2021 and from NSE by way of its letters bearing reference number NSE/LIST/D/2021/0039 dated April 9, 2021 and NSE/LIST/C/2021/0435 dated June 28, 2021 extending the validity of the in-principal approval. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Shelf 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 are taken within six Working Days from the Issue Closing Date.

Guarantee/Letter of comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "*General Terms of the Issue*" beginning on page 182.

The key common terms and conditions of the NCDs are as follows:

<table>
<tr><th>Particulars</th><th>Terms and Conditions</th></tr>
<tr><td>Minimum Application Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Mode of allotment</td><td>Compulsorily in dematerialized form.</td></tr>
<tr><td>Terms of Payment</td><td>Full amount on application.</td></tr>
<tr><td>Trading Lot</td><td>One NCD.</td></tr>
<tr><td>Who can apply</td><td>Category I

• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;

• Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;

• Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations;

• Resident Venture Capital Funds registered with SEBI;

• Insurance companies registered with the IRDAI;

• State industrial development corporations;

• Insurance funds set up and managed by the army, navy, or air force of the Union of India;

• Insurance funds set up and managed by the Department of Posts, the Union of India;

• Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakhs as per the last audited financial statements

• National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and

• Mutual funds registered with SEBI.

Category II

• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;

• Co-operative banks and regional rural banks;</td></tr>
</table>

Particulars	Terms and Conditions
	• Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** • High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹1,000,000 across all options of NCDs in this Issue. **Category IV** • Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see *"Issue Procedure"* beginning on page 201.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs*

Common Terms of NCDs

Particulars	Details
Issuer	Piramal Capital & Housing Finance Limited.
Lead Managers	A. K. Capital Services Limited, Edelweiss Financial Services Limited, JM Financial Limited and Trust Investment Advisors Private Limited.
Debenture Trustee	IDBI Trusteeship Services Limited.
Registrar to the Issue	Link Intime India Private Limited.
Type and nature of instrument	Secured, redeemable, listed non-convertible debentures of face value of ₹ 1,000 each.

Particulars	Details
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value (in ₹ / NCD)	1,000
Issue Price (in ₹ / NCD)	1,000
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each for an amount aggregating up to ₹ 2,00,000 lakhs.
Listing	The NCDs are proposed to be listed on BSE and NSE. BSE shall be the Designated Stock Exchange for this Issue The NCDs shall be listed within six Working Days from the Issue Closing Date.
Mode of Allotment and Trading	Compulsorily in dematerialised form.
Mode of settlement	For further details , see "*Issue Structure*" beginning on page 194.
Market / Trading Lot	One NCD.
Depositories	NSDL and CDSL.
Security	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of minimum 100% of the outstanding amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date, more particularly as detailed *"General Terms of the Issue"* beginning on page 182.
Security Cover	The Company shall maintain a minimum 100% security cover on the outstanding balance of the NCDs plus accrued interest thereon.
Who can apply/ Eligible Investors	For further details, see "*Issue Procedure*" beginning on page 201.
Credit Ratings	**Rating agency** | **Instrument** | **Rating symbol** | **Date of credit rating letter** | **Amount rated (in INR lakhs)**

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
<table>
<tr><td>CARE Ratings Limited</td><td>Non-Convertible Debentures</td><td>CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications)</td><td>March 24, 2021 further revalidated by way of its letter dated June 23, 2021</td><td>2,00,000</td></tr>
<tr><td>ICRA Limited</td><td>Non-Convertible Debentures</td><td>[ICRA] AA with outlook (Negative)</td><td>March 23, 2021 and further revalidated by way of its letter dated June 24, 2021</td><td>2,00,000</td></tr>
</table>
See Annexure B1 and Annexure B2 for rating letter and rationale for the above ratings. For further details regarding the disclaimer clause of the Credit Rating Agencies, see "General Information" beginning on page 46.</td></tr>
<tr><td>Issue Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Application money</td><td>The entire application amount is payable on submitting the application.</td></tr>
<tr><td>Record Date</td><td>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. 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 the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</td></tr>
<tr><td>Issue Schedule*</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>All covenants of the issue (including side letters, accelerated payment clause, etc.)</td><td>As agreed in the Debenture Trust Deed, executed/to be executed in accordance with applicable law</td></tr>
<tr><td>Description regarding security (where applicable) including type of security (movable/immovable/tangible etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate</td><td>The principal amount of the NCDs plus the interest thereon and all secured obligations to be issued shall be secured by way a first ranking pari passu charge by way of hypothecation over the standard movable assets of our Company (both present and future), including receivables and book debts arising out of (i) investments (not in the nature of equity investments or convertible instruments); (ii) lending; and (iii) current assets, loans and advances, save and except any receivables arising out of the investments made or loan extended by the Company to its affiliates. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please refer to the “General Terms of the Issue – Security” on page 182 of this Shelf Prospectus.</td></tr>
</table>

Particulars	Details
	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. Company shall pay interest of at least 2% per annum to the NCD Holders, over and above the coupon rate mentioned in the relevant Tranche Prospectus, if the Company fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the SEBI Debt Regulations or such other time frame as may be stipulated from time to time The security shall be created prior to the listing of the NCDs. The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.
Objects of the Issue	For further details, see "*Objects of the Issue*" beginning on page 63.
Details of the utilisation of Issue proceeds	For further details, see "*Objects of the Issue*" beginning on page 63.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual.
Working Days convention/Day count convention / Effect of holidays on payment	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai. If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 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) falls on a holiday, the interest/redemption payments shall be made only on the preceding Working Day, along with interest

Particulars	Details
	accrued on the NCDs until such date, however, excluding the date of such payment.
Issue Agreement	Agreement dated March 25, 2021 entered into by our Company and the Lead Managers.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Put/Call Option	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put/Call Option Date/Price/notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed Date of Allotment	The date on which our Board of Directors approves the Allotment of the NCDs for the Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the debenture holders from the Deemed Date of Allotment.
Transaction documents	Transaction documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche 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 to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" on page 273.
Conditions precedent and subsequent to this Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement and conditions subsequent.
Events of default (including manner of voting /conditions of joining Inter Creditor Agreement)	For further details, see "*General Terms of the Issue – Events of Default*" beginning on page 184.
Creation of recovery expense fund	Our Company undertakes to deposit an amount in 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, and inform the Debenture Trustee regarding such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed and, except where the

Particulars	Details
	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, at any time, waive, on such terms and conditions as to 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 in respect of any subsequent breach thereof. Please refer to the section titled "*General Terms of the Issue -Events of default*" on page 184 of this Shelf Prospectus.
Cross Default	In accordance with the Debenture Trust Deed.
Risk Factors pertaining to the Issue	For further details, see "*Risk Factors*" beginning on page 17.
Roles and responsibilities of the Debenture Trustee	For further details, see "*General Terms of the Issue – Trustees of the NCD Holders*" beginning on page 184.
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

**This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors or a duly authorised committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue have been published on or before such earlier date or initial date of closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. 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 post the Issue Closing Date.*

 # While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

Terms of the NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Day count convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF- 1/122/2016 dated November 11, 2016.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018 (the "**Debt ASBA Circular**"), which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs for the full Application Amount.*

*In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (**"UPI Mechanism Circular"**), whereby retail individual investor may use the Unified Payment Interface (**"UPI"**) to participate in the public issue for an amount up to ₹ 2,00,000 being conducted on or after January 1, 2021.*

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Retail individual investors should note that they may use the UPI mechanism to block funds for application value up to ₹ 2,00,000 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).

Please note that this section has been prepared based on the UPI Mechanism Circular, SEBI circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013, the Debt ASBA Circular and other related circulars. 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 as per mechanism provided in the UPI Mechanism circular.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION 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 EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE CONSORTIUM AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

For the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of the post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai, in accordance with the Debt ASBA Circular.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions, scheduled commercial banks and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**);
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 50,000 lakhs as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all options of NCDs in this Issue.

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

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 they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

Who are not eligible to apply for the NCDs?

Applications cannot be made by:

(a) Minors without a guardian name* (a guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);

(b) Foreign nationals;

(c) Persons resident outside India;

(d) Foreign Institutional Investors;

(e) Foreign Portfolio Investors;

(f) Non Resident Indians;

(g) Qualified Foreign Investors;

(h) Overseas Corporate Bodies**;

(i) Foreign Venture Capital Funds; and

(j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

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 Exchanges.

***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 Issue.*

The Lead Managers, Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

How to apply?

Availability of this Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of this Shelf Prospectus may be obtained from our Registered and Corporate Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, and the website of the Lead Managers at www.akgroup.co.in, www.edelweissfin.com, www.jmfl.com and www.trustgroup.in.

(ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchanges. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure. The Direct Online Application facility will be available for this Issue as per mechanism provided in the UPI Mechanism circular.

All Applicants shall mandatorily apply in this Issue through the ASBA process only. Applicants intending to subscribe in the 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 Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the CRTAs at the Designated CRTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges 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, 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 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 Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the UPI Mechanism Circular, an eligible investor desirous of applying in this 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 the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

    c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac 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**

    a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

    b. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61. Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities. For further details, see "*Process for investor application submitted with UPI as mode of payment*" on page 213.

Application Size

As specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20 % of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10 % of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20 % of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10 % of net assets value extendable to 15 % of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must also be accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled commercial banks, co-operative banks and regional rural banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with the IRDAI; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

Applications by alternative investments funds

Applications made by 'alternative investment funds' eligible to invest in accordance with 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.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applications by public financial institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Partnership firms formed under applicable Indian laws in the name of the partners and limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form. In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities.

Applications by National Investment Funds

Application made by a national investment fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Applications by non-banking financial companies

Non-banking financial companies can apply in this Issue based on their own investment limits and approvals. Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board resolution authorising investments; and (ii) specimen signature of authorized person.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant 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 ₹ 2,00,000 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.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within six Working Days of the 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 Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for retail individual investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the 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.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the 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 Issue Closing Date) day till 1 pm

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of 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.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and the relevant Tranche Prospectus with ROC

A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 8(1) of SEBI Debt Regulations on or before the Issue Opening Date of this Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Shelf Prospectus, the Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Shelf Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) Applicants applying for Allotment must provide details of valid and active DP ID, UPI ID, if applicable, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(g) Applicants must ensure that their Application Forms are made in a single name.

(h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) 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.

(j) The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

(k) Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

(l) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(m) Applications for all the options of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, UPI ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, UPI ID, Client ID and PAN, then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

Unified Payments Interface (UPI)

SEBI has issued UPI circulars on November 23, 2020 with reference number SEBI/HO/DDHC/CIR/P/2020/233 in relation to streamlining the process of public issue of *inter alia* debt issues. Pursuant to the UPI circular, the UPI Mechanism has been introduced and will become applicable for public debt issues being conducted on or after January 1, 2021 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.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of the Stock Exchanges. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, UPI ID, if applicable, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock 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, and/or 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 Shelf

Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

h. The Sponsor Bank shall initiate a mandate request on the investor

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.

t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval.

x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 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 dependant 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 5, 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.

General Instructions

Do's

- Check if you are eligible to apply as per the terms of this Shelf Prospectus, the relevant Tranche Prospectus and applicable law;

- Read all the instructions carefully and complete the Application Form;

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- 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;

- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchanges by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- 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;

  Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) 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.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;

- 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 the NCDs;

- Before submitting the physical 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 centre;

- Ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Bank or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;

- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

- Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹ 2,00,000;

- 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;

- 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;

- Ensure that you have mentioned the correct ASBA Account number or UPI ID (as applicable) in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of retail individual investor submitting their Bids and participating in 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;

- 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;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;

- 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;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order or by stock invest;

- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID, UPI ID (if applicable) and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not submit an Application Form using UPI ID, if the Application is for an amount more than ₹ 2,00,000;

- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue 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;

- Do not submit a bid using UPI ID, if you are not a retail individual investor;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- 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;

- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;

- Do not submit more than five Application Forms per ASBA Account;

- 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;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see "*Issue Procedure*" beginning on page 201.

OTHER INSTRUCTIONS

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.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. 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 an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated March 22, 2021 and October 9, 2017, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) It may be noted that NCDs in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.

(vi) 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.

(vii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see "*Issue Procedure"* beginning on page 201.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre Issue related problems and/or post Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

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.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, our Board of Directors and / or any committee reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher 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;
- Investor Category in the Application Form not being ticked;
- Date of birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID, Client ID and UPI ID (in case applying through UPI Mechanism) not mentioned in the Application Form;
- Applications by stock invest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;

- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a limited liability partnership firm can apply in its own name;

- Applications made without mentioning the PAN of the Applicant, 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;

- GIR number mentioned in the Application Form instead of PAN;

- Application by OCBs;

- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;

- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;

- Applications by any persons outside India;

- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;

- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;

- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;

- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB or Sponsor Bank 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 or Sponsor Bank for blocking of funds;

- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

- Applications by Applicants seeking Allotment in dematerialised form 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;

- Applications not uploaded on the terminals of the Stock Exchanges;

- Applications providing an inoperative demat account number;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;

- Application Forms submitted to the Designated Intermediaries which do not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs and do not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;

- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;

- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Shelf Prospectus and as per the instructions in the Application Form, this Shelf Prospectus and the relevant Tranche Prospectus;

- Application Form accompanied with more than one cheque;

- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;

- The UPI Mandate Request is not approved by the retail individual investor;

- 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; and

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

(i) **Direct Credit** – Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

(ii) **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

(iii) **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. 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. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Investors through this method.

(iv) **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

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 Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;

(b) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;

(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within six Working days from the Issue Closing Date, for the delay beyond six Working days in case of non-receipt of minimum subscription; and

(d) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The registrar will aggregate the applications based on the applications received through an electronic book from the Stock Exchanges 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 following manner:

For the purposes of the basis of allotment:

A. *Applications received from Category I Investors:* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Investors:* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Investors:* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion**" and collectively referred to as **"Portions"**.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

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 has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/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 the Registrar will follow the guidelines prescribed by SEBI in this regard.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, 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 Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded / unblocked within 6 Working days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

- Details of all unutilised monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval from the Stock Exchanges as stated in this Shelf Prospectus in "*Issue Structure*" beginning on page 194.

- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

- Proceeds of this Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants 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."

Undertakings by our Company

We undertake that:

a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date;

c) the funds required for dispatch of allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

e) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report and on our Company's website;

g) the assets on which charge is created in the Issue 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 our Company's assets has been obtained from the earlier creditor(s);

h) we shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same.

i) the charge created on the Security shall be registered with the sub-registrar, RoC, CERSAI, Depositories, as applicable, within 30 days of creation of such charge;

j) NCDs shall be considered as secured only if the charged assets are registered with the sub-registrar and RoC or CERSAI or Depositories, as applicable or is independently verifiable by the Debenture Trustee;

k) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Transaction Documents; and

l) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VI: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) outstanding material litigation, including taxation matters, in each case involving our Company, our Promoter, our Directors and Group Companies, (iii) outstanding litigation involving our Company and our Promoter having implications on the financial position or credit quality which may materially affect our Company or the investor's decision to invest / continue to invest in the debt securities of our Company; (iv) litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last five years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, (v) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years against our Company (including against PFL and PCL), (vi) prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the last five years against our Company (including against PFL and PCL) and action taken by our Company, (vii) defaults in or non-payment of any statutory dues by our Company, (viii) material frauds committed against our Company (including against PFL and PCL) in the last five years (including stub period) and actions taken by our Company in this regard, if any, (ix) outstanding proceedings initiated against our Company for any economic offences and default and (x) show cause notices received from the statutory or regulatory authorities by our Company, Directors, Promoter and Group Companies, (xi) pending litigation involving our Company, our Promoter, Directors, Group Companies or any other person, whose outcome could have material adverse effect on the position of our Company.

For the purposes of (ii) above, our Board in its meeting held on June 30, 2021, has considered and adopted a policy of materiality for identification of material litigation. In terms of materiality policy, any outstanding litigation:

a. *involving our Company (including PFL and PCL), in which the aggregate monetary claim by or against our Company exceeds the lower of one percent of the total income or net worth for Fiscal 2021 has been considered material. The total income of our Company for Fiscal 2021 is ₹ 508,790 lakhs and net worth for Fiscal 2021 is ₹ 11,18,676 lakhs. Accordingly, all litigation involving monetary amount of claim exceeding ₹ 5087.9 lakhs has been considered as material;*

b. *involving our Directors, irrespective of the amount involved in such litigation, has been considered as material;*

c. *involving our Promoter, in which the aggregate monetary amount of claim by or against our Promoter exceeds an amount equivalent to one percent of the consolidated income or net worth for the Fiscal 2020 has been considered as material. The consolidated income of our Promoter for Fiscal 2021 is ₹ 12,80,935 lakhs and consolidated net worth for Fiscal 2020 is ₹ 30,57,159 lakhs. Accordingly, all litigation involving monetary amount of claim exceeding ₹ 12,809.40 lakhs has been considered as material; and*

d. *involving our Group Companies, any litigation which has a material impact on our Company, has been considered as material.*

Under the Scheme of Amalgamation, legal proceedings involving PFL and PCL have been transferred to our Company from the Effective Date of Amalgamation. Details of such legal proceedings have also been set out below.

Further from time to time, our Company has been involved in certain matters involving the borrowers of our Company and third parties wherein our Company has been impleaded as a party to such litigation, as the property in dispute is mortgaged with our Company. Such matters are pending before various courts in India and are not likely to affect business, operations and financial condition of our Company, nor will they have a material adverse effect on our Company.

Litigation against our Company

1. A commercial suit has been filed by PNB Housing Finance Limited ("**Plaintiff**") against Ornate Spaces Private Limited, our Company and others, including our Company, ("**Defendants**") for enforcement of the securities and undertakings in relation to the default of construction finance facility amounting to ₹ 55,000 lakhs availed by Ornate Spaces Private Limited from the Plaintiff. Our Company had entered into an agreement to record the understanding on sharing of securities with, among others, the Plaintiff and Ornate Spaces Private Limited. The Plaintiff has prayed for, among others, recovery of outstanding amount due and payable under the construction finance facility as secured by the security interest in the movable and immovable properties and other documents executed by Defendants. There is no relief claimed against our Company as we only have a *pari passu* charge along with the Plaintiff on the mortgaged property. The matter is currently pending.

2. A commercial suit has been filed by Akshay Raheja and Viren Raheja (collectively, the "**Plaintiffs**") against, among others, our Promoter and our Company before the High Court of Judicature at Bombay ("**Bombay High Court**") alleging fraud on account of loss suffered and seeking re-transfer / re-conveyance of certain property located at Thane, Mumbai ("**Suit Property**"). Our Promoter had invested an amount of ₹ 17,500 lakhs by subscribing to the non-convertible debentures issued by Courtyard Real Estate Private Limited and an inter-corporate deposit of ₹ 7,500 lakhs which were subsequently assigned to our Company. The Plaintiffs have prayed for, among others, an injunction restraining our Promoter and other defendants from constructing, developing, transferring or otherwise creating third party rights in the Suit Property and any of the construction units. However, vide order dated February 13, 2020, the Bombay High Court has dismissed the notice of motion of the Plaintiffs. Our Company has been made a party because we are the mortgagee of the Suit Property and no relief has been claimed against us. The matter is currently pending.

Litigation by our Company

Criminal matters

1. Our Company has filed a complaint under Sections 403, 406 and 420 of the Indian Penal Code, 1860 with the Economic Offences Wing against Vijay Machindar, Director of Ornate Spaces Private Limited ("**Accused**") alleging, among others, delay in payments to be made to our Company, siphoning off the funds loaned to Ornate Spaces Private Limited by our Company and breaching the undertakings given by the Accused in various financing documents executed between our Company and the Accused. The matter is currently pending.

2. Our Company has registered a complaint under Sections 406, 418 and 420 of the Indian Penal Code, 1860 with the Economic Offences Wing against Anil Kumar, Akshit Kumar and Manjusha Kumar, ("**Guarantors**") the promoters of SK Elite Industries (India) Limited ("**Borrower**") in relation to a term loan facility of ₹ 620 lakhs availed by the Borrower. Our Company has alleged that the Borrower and Guarantors have sold a part of the property which was a part and parcel of the properties mortgaged to our Company in relation to the term loan facility availed. The matter is currently pending.

3. Our Company, in the ordinary course of business, has initiated a recovery proceeding against S.K. Elite Industries (India) Limited, Akshit Kumar, Manjusha Anil Kumar and Anil Kumar parties for the dishonour of cheque under Section 138 of the Negotiable Instrument Act, 1881. The proceeding is pending before the Court of Learned Metropolitan Magistrate, Ballard Pier, Mumbai. The amount involved in the matter is ₹ 4,700 lakhs, to the extent ascertainable.

4. Our Company, in the ordinary course of business, has initiated five recovery proceedings against various parties for the dishonour of cheques under Section 138 of the Negotiable Instrument Act, 1881. Such proceedings are pending before various courts. The aggregate amount involved in such proceedings is ₹ 152.48 lakhs, to the extent ascertainable.

Civil matters

1. PFL filed an execution application ("**Execution Application**") against Saraswati Education Society ("**SES**") and its Trustees ("**Defendants**") in relation to a suit against the Defendants for recovery of dues amounting to ₹6,238.80 lakhs along with interest ("**Injunction Suit**"), before the Bombay High Court. PFL and SES had come to the settlement and consent terms were executed before the Bombay High Court (the "**Consent Terms**"). As per the Consent Terms, the Defendants were required to pay a sum of ₹ 7,684.70 lakhs in multiple installments to PFL and one of the terms stated that in the event there is a default in even in a single installment, the same will be termed as an event of default. The Defendants defaulted in repayment of the third installment and accordingly PFL had filed the aforesaid Execution Application, requesting sale of all the properties mortgaged to it and recovery of money agreed upon. Pending disposal of the Execution Application, the Bombay High Court appointed a receiver to take over the possession of all immovable properties of the Defendants and passed an order *inter alia*, restraining the Defendants from selling, transferring or disposing of property in any manner whatsoever. PFL filed a chamber order before the Bombay High Court to amend the Execution Application to include additional property of all the trustees of SES and the same was allowed by an order of the Bombay High Court. Further, the Bombay High Court has also appointed a valuer and the valuation of properties is under process post which the subject properties will be sold. The amount involved in the matter is ₹ 6,238.80 lakhs. The matter is currently pending.

2. IDBI Trusteeship Services Limited ("**Plaintiff**") has filed a suit on behalf of the Company, holder of non-convertible debentures and loans, against *inter alia* Ornate Spaces Private Limited ("**Defendant**") before High Court of Bombay for *inter-alia* realisation of the mortgaged property, hypothecated properties and the pledged

shares and payment of outstanding amounts along with an application for interim relief. An order dated September 23, 2019 for ad-interim relief was passed by the High Court of Bombay, restraining the Defendant from *inter-alia* selling/transferring/alienating the mortgaged property, hypothecated properties and the pledged shares. Subsequently, the Plaintiff filed an application on behalf of the Company before the National Company Law Tribunal, Mumbai ("**NCLT**") seeking initiation of corporate insolvency resolution process of the Defendant. The application has been admitted by NCLT vide order dated June 29, 2020. The amount of claim involved in the matter is approximately ₹ 21,463.08 lakhs (excluding interest amount). The matter is currently pending and under moratorium.

3. Our Company has filed a summary suit ("**Suit**") against Anil Kumar, Akshit Kumar and Manjusha Anil Kumar (the "**Guarantors**") in relation to the loan facility granted by our Company to S.K. Elite Industries (India) Limited and S.K. Wheels Private Limited ("**Borrowers**") amounting to ₹ 6,200 lakhs before the High Court of Bombay ("**Bombay High Court**"). The Borrowers failed to pay an amount of ₹ 79.50 lakhs and the instalments thereafter to our Company. Subsequently, our Company recalled the entire loan and filed the Suit for invoking the personal guarantees provided by the Guarantors and demanding an amount of ₹ 6,792.20 lakhs to be paid to our Company by the Guarantors. Our Company also filed an application with the National Company Law Tribunal, Mumbai Bench, for initiation of corporate insolvency resolution process against one of the Borrowers viz. S.K. Elite Industries (India) Limited. The Bombay High Court, vide an order pronounced on March 20, 2020, has, among others, directed the Guarantors to deposit an amount of ₹ 6,010.45 lakhs within a period of eight weeks from the date of the order. The matter is currently pending.

4. A commercial suit has been filed by our Company and Piramal Trusteeship Services Private Limited against Jagdish Baweja and others, ("**Respondents**") before the High Court of Delhi ("**Delhi High Court**") for enforcement of mortgage of certain immovable properties in relation to a term loan amounting to ₹ 7,500 lakhs granted by our Company to Delhi Baroda Road Carrier Private Limited ("**Borrower**"). Our Company has alleged, among others, that the Borrower breached several conditions of the facility agreement and other security related documents executed in relation to the term loan granted to the Borrower. Our Company has prayed for an amount of ₹ 9,189.10 lakhs to be declared as due from the Respondents and the Borrower. Pursuant to the interim order dated February 11, 2020 passed by Delhi High Court, the Respondents have been restrained from dealing with the property. The matter is currently pending.

5. Our Company has filed an execution petition before the High Court of Delhi at New Delhi against International Land Developers Private Limited and others, ("**Judgment Debtors**") for enforcement of the settlement agreement dated January 18, 2020 ("**Settlement Agreement**") executed between our Company and Judgment Debtors in relation to the inter corporate deposit agreements dated December 2, 2015 and December 2, 2017 executed by our Promoter with one of the Judgment Debtors for providing working capital for the development projects undertaken by them. The rights, receivables and obligations of our Promoter under the inter corporate deposit agreements were transferred to our Company vide deeds of assignment dated September 22, 2016 and August 30, 2018. Our Company has contended that Judgment Debtors have failed to abide by and adhere to the terms of the Settlement Agreement and therefore they are liable to pay an amount of ₹ 21,028.74 lakhs to our Company. The matter is currently pending.

Litigation involving our Directors

1. Tarani Halder ("**Complainant**"), has filed a complaint before the Metropolitan Magistrate 18th Court, Calcutta, against Shriram Housing Finance Limited ("**SHFL**") and its directors including Mr. Khushru Jijina (erstwhile director of SHFL), for the irregularities in the disbursement of loan to the Complainant.

   SHFL has filed a writ petition in Calcutta High Court to quash the criminal case and the same is pending for hearing. In the interim, Calcutta High Court has granted a stay on the matter. The matter is currently pending.

For further litigation against our Directors, see "*Litigation Involving our Promoter – Criminal Cases against our Promoter*" on page 227.

Litigation involving our Promoter

Criminal cases against our Promoter

1. Loknath Ratnakar ("**Complainant**"), a former C&F agent, filed a complaint before the JMFC, Patna, against, among others, our Promoter, Ajay Piramal and certain officers of our Promoter, for offences under the IPC including, criminal breach of trust and alleged misappropriation of funds, on the grounds that notice of termination was issued to the Complainant. Thereafter, our Promoter and certain Directors approached the Patna High Court to quash the proceedings before the JMFC, Patna. The matter is currently pending.

2. Loknath Ratnakar ("**Complainant**"), a former C&F agent, filed a complaint before the court of the CJM, Patna, against, among others, our Promoter, Ajay Piramal and certain officers of our Promoter, for offences under the IPC, on the grounds that our Promoter took a road permit through the Complainant, however supplied products to another distributor instead of the Complainant. The matter is currently pending.

3. The Drugs Inspector, Drugs Control Department, New Delhi, filed a complaint ("**Complaint**") before the Metropolitan Magistrate, Tis Hazari Court, Delhi against, among others, our Promoter, under the Drugs and Cosmetics Act, 1940 on the ground that *Tixylix,* a children's cough *'linctus'* was not of standard quality and tested negative for *Pholcodine.* Our Promoter filed a petition ("**Petition**") before the Delhi High Court for quashing the Complaint. However, the Delhi High Court dismissed the Petition and remanded the matter to the trial court. Subsequently, a discharge application was filed by our Promoter before the Metropolitan Magistrate, Tis Hazari Court, Delhi which was dismissed. Our Promoter filed a revision petition ("**Revision Petition**") before the Court of District and Sessions Judge (Rohini), Delhi, and the same was transferred to the court of the Additional Sessions Judge and was subsequently dismissed by the Additional Sessions Judge. Our Promoter has filed a petition before the Delhi High Court and the Delhi High Court has stayed the proceedings pending before the Trial Court. The matter is currently pending.

4. The State of Jharkhand (through the Medicine Inspector, Ranchi), filed two complaints, before the Sub - Divisional Judicial Magistrate ("**Magistrate**") against our Promoter and a C&F Agent, for offences pertaining to supply of medicines to different agents, instead of the institutions to which they were billed. Our Promoter filed a petition before the Ranchi High Court to quash the proceedings before the Magistrate. The Ranchi High Court passed an interim order to stay the proceedings till final orders are issued. The matters are currently pending.

5. A show cause notice was issued by the Drugs Control Department, to, among others, our Promoter, for violating, the provisions of the Drugs and Cosmetics Act, 1940 by manufacturing a medicine under the brand *Grogro* containing fixed dose combination of *Cyproheptadine* with Lysine or *Pepton*, a combination banned by the GoI. The State (through the Drug Inspector, Belgaum) filed a complaint before the JMFC, Belgaum against our Promoter, and certain officials for offences under the Drugs and Cosmetics Act, 1940. During the pendency of the case, our Promoter filed a petition ("**Petition**") before the Karnataka High Court to quash the proceedings before the JMFC Belgaum, and the Karnataka High Court granted interim stay on the proceedings. Subsequently, the Karnataka High Court dismissed the Petition and the matter was remanded back to the JMFC, Belgaum. Our Promoter filed a special leave petition before the Supreme Court against the order of dismissal of the Petition passed by the Karnataka High Court. The Supreme Court observed that it was mandatory for the JMFC, Belgaum to comply with Section 202 of CrPC and to conduct a preliminary enquiry and accordingly remanded the matter to the trial court. The matter is currently pending.

6. G. Srinivas Reddy ("**Complainant**"), filed a private complaint ("**Complaint**") before the Special Mobile Court cum Additional Metropolitan Magistrate, Cyberabad, against our Promoter for offences under the Drugs and Cosmetics Act, 1940 on the grounds that our Promoter's products, sold to him, have been prohibited under the notification issued by the Central Government. The JMFC, Special Mobile Court cum Metropolitan Magistrate, referred the Complaint to the Drug Inspector for investigation. The investigation report, submitted by the Drug Inspector ("**Report**") observed that the action against our Promoter should be dropped. The Complainant has filed a protest petition against the Report before the JMFC, Special Mobile Court cum Metropolitan Magistrate. The JMFC, Special Mobile Court cum Metropolitan Magistrate took cognizance of the case and held that the Complainant made out a *prima-facie* case and issued summons against our Promoter. Our Promoter filed a petition ("**Petition**") before the Andhra Pradesh High Court to quash the proceedings before the JMFC, Special Mobile Court cum Metropolitan Magistrate and the High Court stayed the proceedings, until the disposal of the Petition. The matters are currently pending.

7. The State of Jharkhand (through the Inspector of Drugs, Palamau) filed a case before the CJM, Palamau, against, among others, our Promoter, our Directors namely, Ajay Piramal, Dr. Swati Piramal, Anand Piramal ("**Parties Involved**"), for misbranding under the Drugs and Cosmetics Act, 1940. CJM, Palamau also passed an order to attach the property of our Promoter. Subsequently, the Parties Involved filed petitions before the Jharkhand High Court to quash the proceedings before the CJM, Palamau. The Jharkhand High Court passed an order with a direction that no coercive step should be taken against our Promoter, the Board of Directors of our Promoter and officers in the case pending before the CJM, Palamau. The matters are currently pending.

8. A show cause notice was issued by the Drug Inspector, (Palakkad) Kerala against our Promoter, certain

directors and certain officers of our Promoter regarding the quality of one of our drugs 'STEMETIL'. The State (through the Drug Inspector (Palakkad) Kerala) filed a complaint ("**Complaint**") against our Promoter, certain directors and officers before the CJM, Palakkad. Subsequently, our Promoter filed a petition before the Kerala High Court for quashing the Complaint and the Kerala High Court stayed all further proceedings before the CJM, Palakkad. The matters are currently pending.

9. A show cause notice was addressed by the Drug Inspector, Baramulla to the Managing Director of our Promoter alleging that a product *'Phenergan'* was not of standard quality. Subsequently, the Drug Inspector, Baramulla filed a case before the CJM, Sopore against the officers and the C&F Agents of our Promoter, for *inter alia* contravening the Drugs and Cosmetics Act, 1940. Subsequently, the matter was transferred by the CJM, Sopore to the court of the Additional Session Judge, Baramulla. The matter is currently pending

10. A show cause notice was issued by the Drug Inspector, Vadapalani Range, Chennai ("**Inspector**") to our Promoter, for storing and supplying products without a valid license and contravening the Drugs and Cosmetics Act, 1940. Thereafter, the Inspector filed a case, before Metropolitan Magistrate (Saidapet) Chennai, against, among others, our Promoter and our Director Dr. Swati Piramal. Our Promoter filed a petition before the Madras High Court against the case filed by the Inspector and the Madras High Court after hearing the matter stayed the proceedings before the Metropolitan Magistrate (Saidapet), Chennai. The matter is currently pending.

11. A worker sustained injuries due to a fire, at Digwal Plant and succumbed to them during the course of treatment. A Notice of Accident was sent by our Promoter to the Inspector of Factories, Medak District, Telangana reporting incident. The Deputy Chief Inspector of Factories ("**Inspector**"), Hyderabad sent an inspection order and show cause notice to one of the directors of our Promoter and officer of our Promoter for violating the Factories Act, 1948 and Andhra Pradesh Factory Rules, 1950. A response was submitted to the Inspector by our Promoter. The Telangana State (represented by the Assistant Inspector of Factories), filed a complaint before the JMFC, Zaheerabad, Medak District, ("**Magistrate**") against the director of our Promoter (as an 'occupier' of the factory) and our officer ("**Accused**") under various provisions of the Factories Act and the Magistrate issued summons to the Accused. A petition to quash the proceedings before the Magistrate was filed before the Andhra Pradesh and Telangana High Court. The matters are currently pending.

12. Two workers sustained burn injuries due to a fire at our Promoter's Ennore Plant and one of them succumbed to them during the course of treatment. Our Promoter and the factory manager issued letters to the Joint Director, Industrial Safety and Health, Tiruvallur ("**JD**") informing the JD about the incident. An incident investigation report and a death intimation letter was also submitted to the JD. Subsequently, a show cause notice was issued to the director of our Promoter (as an 'occupier' of the factory) and our Promoter's factory manager. Incident Intimation Letters sent by our Promoter were forwarded to the Dy. Commissioner Labor Office by the JD. A compensation for the deceased contract personnel of ₹6.50 lakhs was deposited with the Dy. Commissioner of Labor by our Promoter. The Factory Inspector filed a complaint before the CJM, Tiruvallur against the director of our Promoter and the officers and summons were issued by the CJM against the director and officer of our Promoter. Criminal petitions were filed before the Madras High Court to quash the proceedings against the directors and officers of our Promoter and the High Court passed interim stays against the proceedings before the CJM. The matters are currently pending.

13. The Local Health Authority, Ahmadabad Municipal Corporation informed our Promoter that the Public Analyst via his report concluded that one of our products, '*Nicoveg Atta Premix'* contained 1.15/100 gram less Folic Acid than what was disclosed on the packaging. A complaint was filed by the Food Inspector, Ahmadabad Municipal Corporation before the Metropolitan Magistrate against *inter alia* our Promoter and our Promoters' officer, for misbranding under the Prevention of Food Adulteration Act, 1954. Our Promoter filed a quashing petition before the Ahmedabad High Court and the Ahmedabad High Court has in the interim, stayed the proceedings before the Metropolitan Magistrate. The matter is currently pending.

14. The State of Jharkhand (through the Medicine Inspector, Ranchi), filed a criminal complaint, before the Chief Judicial Magistrate, Ranchi ("**CJM**") against the board of directors of Scott-Edil Pharmacia Limited and the board of directors of Piramal Healthcare Limited, alleging that a product *'M-Cold Tablet'* was not of standard quality. Our Promoter filed a criminal petition before the Ranchi High Court to quash various orders passed by the CJM. The Ranchi High Court passed an order quashing the orders passed by CJM. The matter is currently pending.

15. A criminal complaint has been filed against our Promoter under the provisions of Sections 24 and 43 of the Water (Prevention and Control) Act, 1974 and Section 19 of Environmental Protection Act, 1986 alleging

pollution problems from the operation of industry and contamination of groundwater consequently affecting crops and health of human beings and live stocks at our Promoter's plant as Digwal, Sangareddy. The matter is currently pending.

Criminal Cases by our Promoter

1. Our Promoter has filed a criminal complaint for offences of cheating, forgery, falsification of accounts etc. before the Additional Commissioner of Police, Economic Offences Wing against, among others, ex-employees of Boots Piramal Healthcare Private Limited, Subharata Datta ("**Accused**"). The matter is currently pending.

2. A criminal complaint has been filed by Rhone Poulenc (India) Limited against Varma Medical agency in the court of Judicial Magistrate of First Class, Patna for offences under section 406 and 420 of the Indian Penal Code, 1860. Rhone Poulenc (India) Limited was amalgamated with Nicholas Piramal India Limited in 2001. The matter is currently pending.

3. Our Promoter has filed a first information report against Varsha Inc. Pharma, Saproon, Solan ("**Accused**") for manufacturing counterfeit tablets and passing them off as the brand of our Promoter with the name 'Saridon' and an official complaint has been registered before the Judicial Magistrate, Solan ("**Judicial Magistrate**"). Subsequently, the Accused filed an application before the Judicial Magistrate for release of the seized tablets and wrappers which was refused by the Judicial Magistrate vide order dated August 11, 2008. The Accused also filed an appeal before the Sessions Judge, Solan which was also rejected vide order dated October 3, 2008. The matter is currently pending.

4. A first information report has been lodged by our Promoter against Rupesh Rane, former Chief Manager of Animal Nutrition Health before Parksite Police Station, Vikroli for misappropriating the funds by forging invoices of our Promoter to the tune of ₹ 318.70 lakhs. The matter is currently pending.

5. A first information report has been filed by our Promoter before the Cyber Crime Cell, Mumbai, against the owner of the email address shariffgkhan@gmail.com for sending unsolicited emails to women employees of our Promoter. The matter is currently pending.

6. Our Promoter, in the ordinary course of business, has initiated various recovery proceedings against various parties for the dishonour of cheques under Section 138 of the Negotiable Instrument Act, 1881. Such proceedings are pending at various stages before various courts.

Civil and Taxation matters

1. A commercial suit has been filed by Akshay Raheja and Viren Raheja (collectively, the "**Plaintiffs**") against, among others, our Promoter, before the High Court of Judicature at Bombay ("**Bombay High Court**") alleging fraud on account of loss suffered and seeking re-transfer / re-conveyance of certain property located at Thane, Mumbai ("**Suit Property**"). For further details, see "*Legal and Other Information – Litigation against our Company*" on page 225.

2. A homebuyer, SGM Webtech Private Limited, has initiated insolvency proceedings against Boulevard Projects Private Limited ("**Corporate Debtor**") under the Insolvency and Bankruptcy Code, 2016. The application was admitted by National Company Law Tribunal, New Delhi ("**NCLT**"). Our Promoter is one of the financial creditors and also a debenture holder to the Corporate Debtor and has accordingly lodged its claim before the interim resolution professional appointed by NCLT. The amount involved is ₹ 26,839.60 lakhs. A resolution plan has submitted to the committee of creditors which is approved by majority of the members. The resolution professional has filed the resolution plan before the NCLT. The matter is currently pending.

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during last five years preceding the date of this Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action

Except as disclosed below and under "*Litigation involving our Promoter – Criminal cases against our Promoter*" on page 227, there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoter during last five years preceding the date of this Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action:

1. Jyoti Bhatia ("**Complainant**") filed a complaint with the SCORES (SEBI Complaint Redress System) on April 10, 2015 alleging non receipt of bonus shares on 400 equity shares purchased by the Complainant's father in 1992 ("**Complaint**"). SEBI issued a show cause notice ("**SCN**") to our Promoter under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officers) Rules, 1995 for alleged failure of our Promoter to address the pending investor grievance within the prescribed time. The Complaint was withdrawn on account of procedural infirmity and SEBI consequently withdrew the SCN. The Complainant had also approached the National Company Law Tribunal ("**NCLT**"), Mumbai Bench, against our Promoter under Section 111A of the Companies Act, 1956 claiming 200 bonus shares of our Promoter and consequential benefits attached therein. The matter before the NCLT is currently pending.

2. An order was passed by the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers, Government of India, (the "**Order**") against our Promoter in relation to *inter alia* overcharging of retail prices of certain pharmaceutical formulations under the Drug Price Control Order, 1979. Subsequently, our Promoter filed a writ petition before the Bombay High Court challenging the order on the grounds of unconstitutionality and invalidity. The matter is currently pending.

3. The CCI under sub-section (1) of Section 20 of the Competition Act, had initiated a suo motu inquiry against our Promoter for not notifying the CCI of a combination, arising as a result of the acquisition of: (a) 9.96% stake in Shriram Transport Finance Company from the stock exchange by way of a contract note; (b) 20% equity stake (directly and indirectly) in Shriram Capital Limited, pursuant to the execution of a collaboration agreement; and (c) 9.99% stake in Shriram City Union Finance Limited, pursuant to a preferential allotment by our Promoter. Subsequently, on the direction of the CCI, our Promoter filed Form-II in terms of the provisions of the Competition Act. The CCI approved the combination and imposed a penalty of ₹500 lakhs ("**CCI Order**") on failure of our Promoter to notify the CCI. Our Company filed an appeal against the CCI Order before the Competition Appellate Tribunal, which upheld the penalty of ₹500 lakhs imposed by the CCI. The matter is now closed.

4. The Chief Medical Officer (SAG), Officer In-charge, Government Medical Store Depot, Kolkata (the "**Chief Medical Officer**") (Directorate General of Health Services, Ministry of Health and Family Welfare) issued a show cause notice to our Promoter ("**Notice**") alleging that a batch of 'Becozyme C Forte' tablets was not of standard quality. On the basis of the same, the Chief Medical Officer recommended to the Additional Director General (ST), Directorate General of Health Services, debarment of our Promoter from supplying Becozyme C Forte tablets to medical store organization for a period of three years with effect from August 25, 2017. Our Promoter had sought personal hearing before the Additional Director General requesting for re-analysis of the sample under section 25 of the Drugs and Cosmetics Act, 1940. Subsequently, a writ petition is also filed by our Promoter before the Kolkata High Court against the order of debarment. Kolkata High Court has directed the Chief Medical Officer to conduct re-analysis. Thereafter, our Promoter has sent letter to the Chief Medical Officer to conduct the analysis. Subsequently, the Kolkata High Court dismissed the recall application by the Central Drug Laboratory thereby allowing our Promoter to challenge the report of the Inspector and the Central Drugs Laboratory. The matter is currently pending.

5. Four show cause notices ("**Notices**") have been issued by the National Biodiversity Board to our Promoter for alleged violations of contraventions of the Biological Diversity Act, 2002 by, inter alia, accessing the biological resources and obtaining patents from Indian patent office without obtaining prior approval from National Biological Authority. Subsequently, our Promoter has replied to the said Notices. The matter is currently pending.

6. A notice has been issued by Madhya Pradesh State Biodiversity Board ("**Notice**") directing our Promoter to provide details in relation to the payment made, application and the details of raw materials in relation to alleged violation of Biological Diversity Act, 2002. Our Promoter has replied to the Notice. The matter is currently pending.

7. A notice has been issued by the Department of Revenue, Chennai, ("**Notice**") directing our Promoter to submit certain title related documents in relation to the land occupied in Ernavur Village, Tiruvottiyur Taluk, Chennai. Our Promoter has replied to the Notice and submitted the requested documents with the Department of Revenue. The matter is currently pending.

8. Our Promoter had filed an appeal before the Securities Appellate Tribunal, Mumbai against the order of SEBI ("**SEBI Order**") in relation to violation of Insider Trading Regulations. SEBI had issued a show cause notice against our Promoter, certain directors viz. Ajay Piramal, Dr. Swati Piramal and our Promoter's officials ("**Parties Involved**") for inter alia the alleged violation of model code of conduct for the Insider Trading Regulations read with regulation 12(3) of the Insider Trading Regulations. It was alleged that the Parties

Involved, inter alia mishandled unpublished price sensitive information pertaining to the sale of domestic healthcare formulation business by our Promoter to Abbott Healthcare Private Limited and failed to close the trading window in accordance with the Insider Trading Regulations. The Parties Involved filed their written submissions before the Adjudicating Officer and appeared for a personal hearing. SEBI passed an order imposing a 'joint and several penalty' of ₹ 6 lakhs on, among others, our Promoter and certain of our Directors. Subsequently, an appeal was filed in this matter by, among others, Piramal Enterprises Limited, Mr. Ajay Piramal and Mrs. Swati Piramal, before the Securities Appellate Tribunal which was allowed by the Securities Appellate Tribunal vide order dated May 15, 2019 and the penalty was set aside noting that the violation was technical in nature. The matter stands closed.

9. Two show cause notices have been issued against our by Drug Inspector, Food and Drug Administration, Thane, for alleged violations of supplying certain products to a certain distributor who did not have a storage and distribution license for the period between April 1, 2018 and February 2, 2019 and sale of drug license in the absence responsible persons. Our Promoter has responded to both the notices and the matters are currently pending.

10. Our Promoter has received a notice dated September 23, 2019 from the Inspector of legal Metrology at Poonch, Jammu and Kashmir for certain products of our Promoter for alleged violations of, among others, marking the products as vegetarian or non-vegetarian. Our Promoter responded to the notice on October 22, 2019 denying the allegations. The matter is currently pending.

11. Our Promoter has received a notice dated May 7, 2019 from the Department of Legal Metrology, Madhya Pradesh in relation to certain product for an alleged violation of Rule 8(1) of the Legal Metrology (Packaged Commodity) Rules, 2011, which provides for the area surrounding the quantity declaration to be free from the printer information. The matter is currently pending.

12. Our Promoter has received five notices from the Department of Legal Metrology, Uttar Pradesh for an alleged violation of Section 18(2) of the Legal Metrology Act, 2009 and the the Legal Metrology (Packaged Commodities) Rules, 2011, by not mentioning the net quantity on certain products sold by our Promoter and not keeping the font size of net quantity consistent with the retail sale price in the advertisements of the products of our Promoter. Our Promoter has responded to the notices and these matters are currently pending.

13. Our Promoter has received a notice dated September 17, 2020 from the Office of Senior Inspector, Department of Legal Metrology, Balrampur, Uttar Pradesh, in relation to certain product for an alleged violation of Sections 18(1) and 36(1) of the Legal Metrology Act, 2009 by not mentioning the net quantity declaration. Our Promoter responded to the notice on November 9, 2020. The matter is currently pending.

14. Two show cause notices dated February 17, 2020 and May 21, 2020 and a demand notice dated September 29, 2020 were issued against our Promoter by Telangana State Pollution Control Board pursuant to the order dated October 24, 2017 passed by the National Green Tribunal ("**NGT**") through which NGT modified the ban on certain polluting industries in Medak, Rangareddy, Mahaboobnanagr and order constitution of committee named Patancheru and Bollaram Environment Relief Fund ("**Fund**") for restoration of environment in certain areas. Our Promoter responded vide letters dated March 5, 2020, May 28, 2020 and October 16, 2020. Subsequently, a fresh order dated February 1, 2021 was issued against our Promoter by Telangana State Pollution Control Board for contributing to the Fund against which our Promoter has filed a writ petition before the Hyderabad High Court. Our Promoter has sought interim relief in the matter from the High Court of Hyderabad, Telangana ("**High Court"**) vide order dated April 26, 2021 and the High Court in its prima facie opinion held that only industrial units situated in Patancheru and Bollaram Industrial area and Our Promoter is functioning from Digwal Village, Kohir Mandal, Sanga Reddy District. The matter is currently pending.

15. A petition was filed by Akzo Nobel India Limited (previously known as Imperial Chemical Industries India Limited) ("**Petitioner**") against Employees State Insurance Corporation, Regional Office, Chennai, ("**ESIC**") contending that the Petitioner is not liable to pay any contribution regarding the claim, as per the inspection notice issued by ESIC dated December 18, 1991 and subsequent order dated June 22, 1988. The petition was allowed and the impugned orders were set aside by the Hon'ble Employees Insurance Court. Subsequently, certain assets of the Petitioner were transferred to our Promoter and our Promoter received a notice to produce certain documents in relation to the assets which were transferred to our Promoter and vide order dated January 23, 2018, ESIC directed the Petitioner to pay an amount of ₹ 26,541 which was complied with by the Petitioner.

Litigation involving Group Companies

Show Cause Notices from Regulatory or Statutory Authorities

Against our Group Companies

1. SEBI issued a show cause notice dated September 6, 2019 ("**SCN**") and subsequently a supplementary show cause notice dated October 9, 2020 ("**Supplementary SCN**") against Piramal Investment Advisory Services Private Limited ("**PIASPL**") and its directors (collectively, "the **Noticees**") under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, in the matter of Piramal Investment Opportunities Fund ("**PIOF**"). In relation to inspection for the period September 23, 2013 to January 5, 2015, the SCN and the Supplementary SCN sought *inter-alia* an inquiry to ascertain imposition of penalty under Section 15HB of the SEBI Act which provides for penalty for contravention where no separate penalty has been provided, alleging non-compliance with the Know Your Client ("**KYC**") requirements, continuing interest of the sponsor in an Alternative Investment Fund and maintenance of records by PIASPL, the sponsor of PIOF. PIASPL and its directors have has filed a response with SEBI denying all the allegations contained in the SCN and the Supplementary SCN. Further, in order to put an end to the matter opting for settlement under Securities and Exchange Board of India (Settlement proceeding) Regulations, 2018, the Noticees while neither admitting nor denying the findings of fact and conclusions of law, have filed a settlement application which is currently pending for disposal.

Against the Company

1. A show cause notice dated June 22, 2018 was issued by NHB against our Company alleging non-compliance by our Company with respect to clause 3(i)(c) of Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, for not obtaining NHB's approval for change in management. Our Company vide its letter dated July 12, 2018 clarified that there was no change in management as one of the directors who had resigned was designated as a key managerial personnel of our Company and our Company had inadvertently not obtained NHB's prior approval for appointment of certain directors post the amalgamation of Piramal Finance Limited with our Company. Subsequently, NHB, vide letter dated August 10, 2018 levied a penalty of ₹ 5,900 on our Company.

2. A supervisory letter dated March 6, 2019 was issued by NHB to our Company in relation to the inspection conducted by NHB for the position of our Company as on March 31, 2018, held during October 8, 2018 and October 23, 2018 ("**Supervisory Letter**"). Our Company responded to the Supervisory Letter vide its letter dated April 4, 2019, providing for, among others, report of the NHB was placed before our Board, action taken on the issues listed in the Supervisory Letter and providing the documents requested in the Supervisory Letter. Pursuant to our response, NHB issued a show cause notice dated June 19, 2019 against our Company ("**SCN**") alleging non-disclosure of certain information for commercial real estate and commercial real estate – residential housing portfolios in the balance sheet for the financial year ended March 31, 2018 in terms of the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. In its response dated July 3, 2019, ("**Reply**") our Company, requesting for waiver of the penalty proposed to be levied by NHB, clarified that the annual financial statements of our Company for the financial year ended March 31, 2018 included the provision created on both CRE and CRE (RH) portfolio and it would not have been feasible for the Company to separately account for the CRE and CRE (RH) provisions in the balance sheet for the financial year ended March 31, 2018 as the financial statements were already circulated to the stakeholders of our Company. Post the Reply, there has been no communication from NHB.

3. Pursuant to the inspection conducted, a supervisory letter dated February 3, 2020 ("**NHB Letter**") was issued by NHB to our Company alleging, among others, recognition of income on loans which were re-negotiated or restructured, non-disclosure on depreciation in investments and non-maintenance of loan account statement for wholesale lending. Our Company responded to the NHB Letter vide its letter dated February 27, 2020. Pursuant to our response, a show cause notice dated April 23, 2020 was issued by NHB against our Company alleging breach of loan to value norms ("**LTV Norms**") in certain cases for the financial year ended March 31, 2019. In its response dated May 8, 2020, our Company ("**Reply**"), requesting for waiver of the penalty proposed to be levied by NHB, clarified, among others, that the breach of LTV Norms in those cases was inadvertent and our Company had immediately taken corrective measures. Our Company further clarified that it already had strong internal control measures in place for LTV limits including the audit by external auditors in the current system, and that our Company was further migrating to a new system named "Pennant" to minimise the scope for manual errors. Post the Reply, there has been no communication from NHB.

4. A follow-up letter dated April 10, 2020 was issued to our Company by NHB ("**Follow-up Letter**") for, among others, submission of statutory auditor certificate for certain loans and clarification for difference in

accounting treatment between Ind AS and IGAAP. Our Company through replies dated July 31, 2020 and August 1, 2020, provided the requested documents and clarification sought vide the Follow-up Letter. Pursuant to our replies, NHB has issued a show cause notice dated September 1, 2020, ("**September SCN**") alleging, among others, non-compliance with the provisions of the NHB Directions in relation to the breach of loan to value norms ("**LTV Norms**") in certain cases and improper classification, re-schedulement and re-negotiation of certain accounts. In its response dated September 30, 2020, our Company, requesting for waiver of the penalty proposed to be levied by NHB, clarified, among others, that (a) breach of LTV norms in certain accounts was due to accrual of interest which was temporary in nature and such accounts were squared off after receipt of the instalments from the borrowers and that our Company already had strong internal control measures in place for LTV limits including the audit by external auditors in the current system, and that our Company was further migrating to a new system named "Pennant" for better controls; (b) modifications (including re-negotiation and re-schedulement) in some accounts were necessary due to external reasons which were beyond the control of borrowing agencies and such modifications were in accordance with the approved credit policy of our Company and were approved by our Board; and (c) residential project loans (including land purchase) were classified as "housing" in terms of the NHB Directions and where approvals of local authorities were pending, only such loans were re-classified as non-housing.

Subsequently, vide letter dated December 4, 2020, NHB requested for a certificate from the statutory auditors of our Company in relation to the accounts included in the September SCN which was provided by our Company vide letter dated December 12, 2020 and NHB conducted further inspection pertaining to the 102 accounts mentioned in the September SCN.

Further, NHB issued a follow up letter dated March 15, 2021 ("**March 15 Letter**") to our Company and requested for certain documents such as auditor's certificates for, among others, complying with the provisions of RBI guidelines on securitization transactions and recovery of entire arrears due in certain loan accounts,. Our Company, vide letter dated March 31, 2021, responded to the March 15 Letter. Further, a structured meeting was held between our Company and NHB in relation to the inspections held for FY ended March 31, 2019 and FY ended March 31, 2020 and our Company, vide letter dated June 11, 2021, responded to the clarifications sought by NHB.

Against the Promoter

For details, see "*Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during last five years preceding the date of this Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action*" on page 230.

Summary of Reservations or Qualifications or Adverse Remarks of Auditors in Fiscals 2021, 2020, 2019, 2018 and 2017 and their Impact on the Financial Statements and Financial Position of the Company and the Corrective Steps taken and proposed to be taken by the Company for each of the said reservations or Qualifications or Adverse Remarks

NIL

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company (including PFL and PCL) in the last five years.

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Our Board of Directors, through its resolution dated February 25, 2020 have authorized the Issue for an amount aggregating up to the Shelf Limit.

The Shareholders by way of resolution passed under Section 180(1)(c) of the Companies Act, 2013 in its extraordinary general meeting held on June 11, 2018, approved the borrowing limits of up to ₹ 65,00,000 lakhs over and above free reserves and equity share capital. The Issue is within the borrowing limit approved by the shareholders.

This Shelf Prospectus has been approved by the Committee of Directors (Administration, Authorization & Finance) at its meeting held on June 30, 2021. 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 any Tranche Issue, which issue is being made as decided by the Board of Directors.

Prohibition by SEBI

Our Company or persons in control of our Company and/or our Promoter and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Identification as wilful defaulter

Our Company or any of our Directors or our Promoter have not been identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI or any other governmental authority. Our Company or our Promoter are not in default of payment of interest or repayment of principal amount in respect of debt securities issued by them to the public, if any, for a period of more than six months.

Disclaimer Clause of NHB

THE COMPANY HELD A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 1, 2017 ISSUED BY THE NATIONAL HOUSING BANK (NHB) UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987 HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMETS OR REPRESENTATIONS MADE OR OPINION EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 12, 2020 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987 WHICH WAS ISSUED IN LIEU OF THE CERTIFICATE OF REGISTRATION DATED DECEMBER 1, 2017 ISSUED BY NHB. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMETS OR REPRESENTATIONS MADE OR OPINION EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

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 MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY

ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THIS SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2021, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE COMPANY NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE TRANCHE I PROSPECTUS READ TOGETHER WITH THE SHELF PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE SHELF PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE I ISSUE OR RELATING TO THIS TRANCHE 1 ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE 1 ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE I ISSUE WILL BE GIVEN.**

3. **WE CONFIRM THAT THE TRANCHE I PROSPECTUS READ TOGETHER WITH THE SHELF PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED**.

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, AS AMENDED, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992, AS AMENDED, AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

Further, no comments/complaints were received on the Draft Shelf Prospectus filed by the Company on March 31, 2021 with BSE Limited, being the Designated Stock Exchange.

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 a lumpsum fee amounting to ₹ 7,50,000 and annual charges of ₹ 2,50,000 (plus the applicable taxes) for the services as agreed in terms of the offer letter dated October 15, 2020.

(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 prospectus and the applicable laws, has been obtained;

(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 our Company or any other person, are registered / disclosed;

(d) The Debenture Trustee shall have the power to either independently appoint, or direct our 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 our 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;

(f) Our Company has agreed that the Issue proceeds shall be kept in the public issue account with a scheduled commercial bank and shall not be utilised by the Company until the Debenture Trust Deed and the relevant security documents are executed and until the listing and trading approval in respect of the NCDs is obtained by our Company; and

(g) 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.

Other confirmations

The Debenture Trustee undertakes that the securities shall be considered as secured only if the charged asset is registered with sub-registrar and registrar of companies or CERSAI or depository, etc., as applicable, or is independently verifiable by them.

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.

IDBI TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE MARCH 30, 2021, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS 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.

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 OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT

MEMORANDUM/ INFORMATION MEMORANDUM 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 OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM.

F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE IT's APPROVAL LETTER DATED APRIL 09, 2021, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS 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 OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS, VIDE ITS LETTERS REF.: NSE/LIST/D/2021/0039 DATED APRIL 09, 2021 AND NSE/LIST/C/2021/0435 DATED JUNE 28, 2021 EXTENDING THE VALIDITY OF THE IN-PRINCIPAL APPROVAL, 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 SCRUTINIZED 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.

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 websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
Edelweiss Financial Services Limited	www.edelweissfin.com
JM Financial Limited	www.jmfl.com
Trust Investment Advisors Private Limited	www.trustgroup.in

Listing

An Application will be made to the Stock Exchanges simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the 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 six Working Days from the date of closure of this Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of: (a) our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (i) CRISIL Limited in relation to use of the contents of the industry report, (k) the Debenture Trustee, to act in their respective capacities, have been obtained and will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC.

The consent of the Statutory Auditors of our Company, B S R & Co. LLP, Chartered Accountants, Mumbai, for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Information under IGAAP; and (c) examination reports on Reformatted Financial Information under Ind AS in the form and context in which they appear in this Shelf Prospectus along with the statement of possible tax benefits, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Shelf Prospectus.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Shelf Prospectus:

Vide letter dated June 30, 2021, the Statutory Auditors of our Company, have given their consent to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Shelf

Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current statutory auditor and to include the report on Reformatted Financial Information under IGAAP dated March 30, 2021 and the report on Reformatted Financial Information under Ind AS dated March 30, 2021 and (ii) the statement of possible tax benefits issued by our Statutory Auditors dated March 30, 2021, our Company has not obtained any other expert opinion with respect to this Shelf Prospectus.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus 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 Debt 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. If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the ASBA Accounts of the Applicants within six Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with 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 has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/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 the Registrar will follow the guidelines prescribed by SEBI in this regard, including circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 issued by SEBI, UPI Mechanism Circular and Debt ASBA Circular.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the BSE and NSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website and forwarded to SEBI for record purpose.

Filing of this Shelf Prospectus and relevant Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of this Shelf Prospectus and the relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Issue related expenses

The expenses for this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the UPI Mechanism Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

This Issue will not be underwritten.

Reservation

No portion of this Issue has been reserved.

Previous public issue

Our Company has not made any public issues of securities since its incorporation.

Utilisation details of previous issues by our Company

Our Company has issued non-convertible debentures by way of various private placements, for which, our Company has utilised the proceeds from such issuances for, among others, its various financing activities, to repay its existing loans and for its business operations, for further details of such non-convertible debentures, see "*Disclosures on Existing Financial Indebtedness*" beginning on page 150.

Our Company undertook a rights issue of ₹ 30,000 lakhs to PFL on September 8, 2017 in order to commence, strengthen and scale-up the housing finance business of our Company. For further details, see "*Capital Structure*" beginning on page 59.

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

Please see "*Our Business - Lending policies and procedures*" on page 117 of this Shelf Prospectus.

B. ***Loans given by our Company***

As of March 31, 2021, there are no loans given by our Company that are outstanding towards associates, entities / persons related to the Board, senior management, Promoter or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

C. ***Types of loans***

Denomination of loans outstanding by ticket size as on March 31, 2021:

Sr No	Ticket Size	AUM (In ₹ lakhs)	% of AUM
1.	Up to 1 crore	2,69,274	8.3%
2.	1- 5 crore	1,16,109	3.6%
3.	5-25 crore	80,802	2.5%
4.	25-100 crore	5,10,711	15.8%
5.	> 100 crore	22,58,460	69.8%
	Total	**32,35,356**	**100%**

Denomination of retail loans outstanding by LTV as on March 31, 2021:

LTV band	Outstanding amount (In ₹ lakhs)	%
Less than 40%	28,512	6.4%
Between 40-50%	28,655	6.5%
Between 50-60%	42,839	9.7%
Between 60-70%	86,472	19.5%
Between 70-80%	1,66,006	37.5%
More than 80%	81,207	18.3%
NA	9,437	2.1%
Total	**4,43,127**	**100%**

** NA - Unsecured Loans (Consumer Durable, Personal Loan, Micro Finance)*
Note: LTV calculation is based on market value

Denomination of Wholesale loans outstanding by LTV as on March 31, 2021:

For wholesale lending, in ordinary course of business, LTV is not applicable.

Geographical classification of borrowers as on March 31, 2021:

Sr No	States	AUM (In ₹ lakhs)	% of AUM
1	Maharashtra	16,89,300	52%
2	Karnataka	6,27,101	19%
3	Delhi	3,94,122	12%
4	Tamil Nadu	3,27,675	10%
5	Gujarat	81,953	3%
6	Telangana	63,742	2%
7	West Bengal	13,526	0%
8	Rajasthan	9,335	0%
9	Uttar Pradesh	5,901	0%
10	Madhya Pradesh	5,557	0%
11	Chandigarh	3,845	0%
12	Haryana	3,630	0%
13	Andhra Pradesh	2,718	0%
14	Punjab	1,814	0%
15	Kerala	1,268	0%
16	Chhattisgarh	1,070	0%
17	Bihar	962	0%
18	Orissa	741	0%
19	Uttrakhand	677	0%
20	Jharkhand	342	0%
21	Pondicherry	45	0%
22	Tripura	27	0%
23	Himachal Pradesh	5	0%

Types of loans according to sectoral exposure as on March 31, 2021 is as follows:

S. No	Segment- wise breakup of AUM	AUM (In ₹ lakhs)	Percentage of AUM
1	**Retail**		
A.	Retail loan	4,43,127	13.7%
2	**Wholesale**		
A.	Real Estate	25,10,008	77.5%
B.	Renewables	2,15,143	6.6%
C.	Logistics	21,734	0.7%
D.	Auto	21,027	0.6%
E.	Hospitality	10,474	0.3%
F.	Education	7,723	0.2%
G.	Packaging	3,031	0.1%
H.	Manufacturing	1,482	0.0%
I.	Pharma	1,605	0.0%
Total		**32,35, 356**	**100%**

D. ***Aggregated exposure to top 20 borrowers (client groups) with respect to concentration of advances as on March 31, 2021***

	Amount
Total Advances to twenty largest borrowers (in ₹ lakh)*	16,58,770
Percentage of Advances to twenty largest borrowers to Total Advances **(**in %**)**	51.27%

**Includes loans and advances and interest accrued thereon.*

E. ***Aggregated exposure to top 20 borrowers (client groups) with respect to concentration of exposures as on March 31, 2021***

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ lakh)*	18,33,859
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers **(**in %**)**	48.82%

** Includes loans and advances, interest accrued thereon and off-balance sheet exposure.*

F. ***Details of loans overdue and classified as non – performing in accordance with the RBI guidelines***

Movement of gross NPAs	Amount (in ₹ lakh)
(a) Opening balance as on April 1, 2020	73,701
(b) Additions during the year	47,469
(c) Reductions during the year	9,383
(d) Closing balance as on March 31, 2021	1,11,787

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Movement of provisions for NPAs	Amount (in ₹ lakh)
(a) Opening balance as on April 1, 2020	26,246
(b) Provisions made during the year	29,185
(c) Write-off / write -back of excess provisions	1,590
(d) closing balance as on March 31, 2021	53,841

G. ***Segment –wise gross NPA as on March 31, 2021***

S. No	Segment- wise breakup of gross NPA	Amount (In lakhs)	(%)
1	**Retail**		
a	Retail loan	5,917	5.29%
2	**Wholesale**		
a	Real Estate	71,897	64.32%
b	Auto	17,267	15.45%
c	Education	7,723	6.91%
d	Logistics	7,500	6.71%
e	Manufacturing	1,482	1.33%
Total		**1,11,787**	**100%**

H. ***Classification of loans & advances as on March 31, 2021***

S. No	Type of loans	Amount (₹ in lakh)	Percentage
1	Secured	32,25,919	99.71%
2	Unsecured	9,437	0.29%
Total AUM		**32,35,356**	**100%**

I. ***Promoter Shareholding***

Please see, "*Capital Structure*" beginning on page 59 for details with respect to Promoter shareholding in our Company as on the date of this Shelf Prospectus.

J. ***Residual maturity profile of assets and liabilities as on March 31, 2021***

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	
Bucket	**1-14days**	**Over 14days to 1m**	**Over 1m to 2m**	**Over 2m to 3m**	**Over 3m to 6m**	**Over 6m to 1 yr**	**Over 1 yr to 3yrs**	**Over 3yrs to 5yrs**	**Over 5yrs to 7yrs**	**Over 7yrs to 10yrs**	**Over 10yrs and above**	**Total** In ₹ lakhs
Outflow	71.79	695.87	396.78	1,331	2356.56	4,902.56	13,014.76	12,222.04	3,840.82	926.65	22,704.96	62,463.77
Cumulative Outflow --- (A)	71.79	767.65	1,164.43	2,495.43	4,851.99	9,754.55	22,769.31	34,991.35	38,832.16	39,758.81	62,463.77	-
Inflow	4,043.778	2,670.668	138.123	606.607	2,044.573	4,074.154	22,271.591	16,647.303	3,680.201	1,889.970	16,601.544	74,668.54
Cumulative Inflow	4,043.778	6,714.47	6,852.59	7,459.20	9,503.77	13,577.93	35,849.52	52,496.82	56,177.02	58,066.99	74,668.54	-

	1	2	3	4	5	6	7	8	9	10	11	
Bucket	**1-14days**	**Over 14days to 1m**	**Over 1m to 2m**	**Over 2m to 3m**	**Over 3m to 6m**	**Over 6m to 1 yr**	**Over 1 yr to 3yrs**	**Over 3yrs to 5yrs**	**Over 5yrs to 7yrs**	**Over 7yrs to 10yrs**	**Over 10yrs and above**	**Total** **In ₹ lakhs**
Mismatch	3,971.99	1,974.82	-258.66	-724.39	-311.99	-828.40	9256.83	4,425.27	-160.62	963.32	-6103.42	12,204.77
Mismatch % of Liability	5532.79%	283.79%	-65.19%	-54.42%	-13.24%	-16.90%	71.13%	36.2%	-4.18%	103.96%	-26.88%	-
Cumulative Mismatch ---(B)	3,971.99	5,946.82	5,688.16	4,963.77	4,651.78	3,823.38	13,080.21	17,505.48	17,344.86	18,308.18	12,204.77	-
Cumulative Mismatch % (B/A)	5533.17%	774.68%	488.49%	198.91%	95.87%	39.20%	57.45%	50.03%	44.67%	46.05%	19.54%	-

K. ***Onward lending to borrowers forming part of the "group" as defined by RBI***

There is no onward lending to borrowers forming part of the "group" as defined by RBI.

Utilisation details of previous issues by the group companies

Except as disclosed below, none of our group companies have undertaken any public issue or rights issue of securities in the immediately preceding last five Financial years:

1. ***Piramal Securities Limited***

S. No.	Mode of issuance	Date of Allotment	No. of equity shares	Amount (₹ lakh)	Utilization
1.	Rights Issue	September 17, 2018	50,00,000	500	Working capital purposes
2.	Rights Issue	January 21, 2019	50,00,000	500	Working capital purposes
3.	Rights Issue	May 27, 2019	50,00,000	500	Working capital purposes
4.	Rights Issue	August 23, 2019	50,00,000	500	Working capital purposes
5.	Rights Issue	December 24, 2019	70,00,000	700	Working capital purposes

2. ***PHL Fininvest Private Limited***

S. No.	Mode of issuance	Date of Allotment	No. of equity shares	Amount (₹ lakh)	Utilization
1.	Rights Issue	August 28, 2018	13,57,03,623	99,999.99	Onward lending and business operations
2.	Rights Issue	September 14, 2018	6,78,51,811	49,999.99	Onward lending and business operations

Auditors' remarks

The Statutory Auditors, confirm that there have been no reservations or qualifications or adverse remarks in the Financial Statements of our Company in the last four financial years immediately preceding the date of this Shelf Prospectus.

For details in relation to emphasis of matter, see "*Financial Information*" on page 276.

Trading

Debt securities issued by our Company, which are listed on BSE's 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 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 any other person in a fictitious name shall be liable for action under section 447.*"

Dividend

Our Company has no stated specific dividend policy. Our Company has not declared or paid any dividend in FY 2021. Except for the interim dividend of an aggregate of ₹ 49,668 lakhs declared and paid by our Company for Fiscal 2020, our Company has not declared or paid any dividend since its incorporation.

Revaluation of assets

Our Company has not revalued its assets since its incorporation.

Mechanism for redressal of investor grievances

Link Intime India Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The Registrar Agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar for a period of at least eight years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the Consortium 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 Applicant, or (b) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, amount blocked on Application. All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them. All grievances arising out of Applications for the NCDs made through Designated Intermediaries may be addressed directly to the Stock Exchange. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Link Intime India Private Limited
Address: C-101, 247 Park, LBS Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: (91 22) 4918 6200
Fax: (91 22) 4918 6195
Email: piramal.ncd@linkintime.co.in

Investor grievance email: piramal.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
Compliance officer: Mr. B.N. Ramkrishnan
SEBI Registration No.: INR000004058

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Bipin Singh is the Company Secretary and Compliance Officer of our Company for this Issue. The contact details of Compliance Officer of our Company are as follows:

4th Floor, Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai, Maharashtra- 400013
Tel: (91 22) 3046 5903
Fax: (91 22) 6151 3444
Email: Bipin.singh@piramal.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 or refund orders.

Change in Auditors of our Company since its incorporation

Except as disclosed below, there has been no changes in the statutory auditor of our Company:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)
B S R & Co. LLP	14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center Western Express Highway, Goregaon (East), Mumbai 400 063	Appointed with effect from April 1, 2017	-

REGULATIONS AND POLICIES

The following is a summary of relevant regulations and policies prescribed by the Government and other regulatory bodies that are applicable to our Company's business. Taxation statutes such as the IT Act, the applicable goods and services tax statutes, labour regulations and 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 bye-laws 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, and the judicial and administrative interpretations thereof, which is subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Shelf 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.

Laws in relation to housing finance companies

The National Housing Bank Act 1987 ("NHB Act")

The NHB Act was enacted to establish the National Housing Bank ("**NHB"**) to operate as the principal agency for the promotion of housing finance companies ("**HFCs**"), both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of housing finance institutions;
- making loans and advances or rendering any other form of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing;
- providing guidelines to HFCs to ensure their growth on sound lines; and
- providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the terms of the NHB Act, the NHB may, on being directed so to do by the RBI, cause an inspection of the books of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an institution. Also, the NHB is empowered to direct and collect the credit information from any HFC at any time in order to efficiently discharge its function.

The NHB may, at any time on its own or on being directed so to by the RBI, inspect any HFC in order to verify the correctness or completeness of any statement, information or particulars provided to the NHB, or for the purpose of obtaining any information or particulars which the HFC has failed to provide after being called upon to do so. If any HFC fails to comply with any direction given by the NHB, the NHB may take appropriate actions against the HFC.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended, pursuant to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and its reserve fund to be maintained; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

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

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("Reserve Bank HFC Directions")

The Reserve Bank HFC Directions define the term 'housing finance company' as a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

(a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets); and

(b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals.

In terms of the Reserve Bank HFC Directions, every HFC is required to meet the requirement of net owned funds of ₹ 2,000 lakhs for commencing housing finance as one of its principal business or carrying on the business of housing finance as one of its principal business. Provided that a housing finance company holding a certificate of registration and having net owned fund of less than ₹ 2,000 lakhs, may continue to carry on the business of housing finance, if such company achieves net owned fund of ₹ 1,500 lakhs by March 31, 2022 and ₹ 2,000 lakhs by March 31, 2023. Further, for HFCs whose net owned fund currently stands below ₹ 2,000 lakhs, are required to submit a statutory auditor's certificate to RBI within a period of one month evidencing compliance with the prescribed levels as at the end of the relevant period and with the failure to reach the minimum requirement leading to cancellation of registration as an HFC with allowance for conversion to a NBFC- Investment and Credit Companies.

Capital Requirement

As per the Reserve Bank HFC Directions, every HFC is required to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital. Currently HFCs are required to comply with a CRAR, consisting of tier I and tier II capital, of at least 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10%. Further, the total tier II capital at any point of time, should not exceed 100% of tier I capital.

Accounting Standards

HFCs that are required to implement Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in terms of the Reserve Bank HFC Directions. Other HFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of the directions provided under the Reserve Bank HFC Directions.

Income Recognition and Provisioning Requirements

The Reserve Bank HFC Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS. Further, the Reserve Bank HFC Directions require the board of directors of every HFC to frame investment policy for the company and shall implement the same. The criteria to classify the investments into current and long-term investments shall be spelt out by the board of the such HFCs ex-ante in the investment policy and the investments in securities shall be classified into current and long term, at the time of making each investment.

Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against standard assets, sub-standard assets, doubtful assets and loss assets.

Regulatory Restrictions

A HFC cannot lend against its own shares. Further, no HFC shall grant housing loans to individuals up to (a) ₹ 30 lakhs with LTV ratio exceeding 90%; (b) above ₹ 30 lakhs and up to ₹ 75 lakhs exceeding 80%; and (c) above ₹ 75 lakhs with LTV ratio exceeding 75%. Further, the Reserve Bank HFC Directions provide for the definition of LTV ratio.

Acceptance/renewal of public deposits

No housing finance company shall accept or renew public deposit unless the HFC has obtained minimum investment grade rating for fixed deposits from any one of the approved credit rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms.

Acquisition / Transfer of Control

In terms of the Reserve Bank HFC Directions, prior written permission of Reserve Bank of India shall be required for the following any takeover or acquisition of control of an HFC, which may or may not result in change of management, any change in the shareholding of an HFC accepting/ holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by/to a foreign investor or any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 26% or more of the paid-up equity capital of the HFC. Provided that, prior approval would not be required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares/ reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

Corporate Governance

In terms of the Reserve Bank HFC Directions, the corporate governance norms shall be applicable to all public deposit accepting / holding HFCs and every non-public deposit accepting HFC with assets size of ₹ 5,000 lakhs and above, as per the last audited balance sheet ("**Applicable HFCs**"). The Applicable HFCs are required to constitute audit committee, nomination and remuneration committee, asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Further, the Reserve Bank HFC Directions provide for appointment of a chief risk officer ("**CRO**") for HFCs with an asset size of ₹ 5,00,000 lakhs with clearly specified role and responsibilities. The CRO, who shall be a senior official in the hierarchy of an HFC and shall possess adequate professional qualification / experience in the area of risk management, is required to function independently so as to ensure highest standards of risk management.

Further, all HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the 'fit and proper' criteria of the directors at the time of appointment, and on a continuing basis. The policy on the 'fit and proper' criteria shall be on the lines of the guidelines contained in the Reserve Bank HFC Directions.

*Guidelines on private placement of NCDs ("**Guidelines**")*

A HFC can issue non-convertible debentures ("**Debentures**") for deployment of funds for creation of own assets. However, no HFC shall issue non-convertible debentures to facilitate resource requests of or utilization by group entities/ parent company/ associates. The NCDs proposed to be issued by a HFC shall not be issued for maturities of less than 12 months from the date of the issue. Further, exercise date of option (put/call), if any, attached to the Debentures shall not fall within the period of one year from the date of issue. Further, eligible HFCs shall obtain credit rating for the for the issue of Debentures from one of the credit rating agencies, viz., the Credit Rating Information Services of India Limited or the Investment Information and Credit Rating Agency of India Limited or the Credit Analysis and Research Limited or the FITCH Ratings India Private Limited or Brickwork Ratings India Private Limited or such other agencies registered with SEBI or such other credit rating agencies as may be specified by RBI.

In terms of the Guidelines, there shall be a limit of 200 subscribers for every financial year, for issuance of Debentures with a maximum subscription of less than ₹100 lakhs, and such subscription shall be fully secured and there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹100 lakhs and the option to create security in favour of subscribers to Debentures will be with the issuers of such Debentures. Further, the minimum subscription per investor shall be ₹ 0.2 lakhs.

The issues under the Guidelines are to be completed within a period of 30 days from the date of issue opening. The Guidelines require the offer document of the issue to be made within a maximum period of 6 months from the date of the board resolution authorizing the issue and also require a board approved policy for resource planning which covers the planning horizon and the periodicity of the private placement of non-convertible debentures.

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 quarter 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.

*Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the "**PSL Master Directions**")*

The priority sector lending ("**PSL**") guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners' banks, licensed to operate in India.

The PSL Master Directions govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 20 lakhs per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5,2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies 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.

*Guidelines on Risk-based Internal Audit (“RBIA”) System for HFCs (“**RBIA Guidelines**”)*

The RBIA for all deposit-taking HFCs and non-deposit taking HFCs with an asset size of ₹ 5000 crore and above (“**Applicable HFCs**”), was mandated by the RBI through its notification dated June 11, 2021 bearing reference number RBI/2021-22/53 DoS.CO. PPG.SEC/03/11.01.005/2021-22. Under the RBIA Guidelines, Applicable HFCs are required to implement the RBIA framework by June 30, 2022.

The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable HFCs. Under the RBIA Guidelines, the board of directors of the Applicable HFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function not to be outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable HFCs should be conducted at least on an annual basis

Refinance Scheme for Housing Finance Companies 2015, as amended (Refinance Scheme)

Pursuant to the Refinance Scheme and the clarification provided by the NHB by way of the circular NHB (ND)/ROD/HFC/Refinance Circular 1/2015-16 and the refinance booklet dated September 11, 2018 issued by NHB, HFCs registered with the NHB if they fulfil the following criteria, will be eligible to draw refinance from NHB:

(a) HFC should be registered with NHB to carry out housing finance activity in the country;

(b) The HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers;

(c) At least 51% of the total tangible assets less cash & bank balance should be utilized for individual housing loans;

(d) The HFC should have a net owned fund (“**NOF**”) of not less than ₹1,000 lakhs. NOF will carry the same meaning as defined in the NHB Directions;

(e) The HFC should comply with the provisions of the NHB Act and NHB Directions, as amended from time to time;

(f) The Net Non-Performing Assets (“**NNPA**”) of the HFC should not be more than 3.50% of the Net Advances. NPA shall carry the same meaning as defined in the NHB Directions. NNPA means ‘NPA less provision’. **Net Advances** shall mean ‘Advances less provision’. ‘Advances’ shall, apart from housing loans, include mortgage loans, lease transactions, hire purchase assets, bills of exchange, inter-corporate deposits and unquoted debentures; and

Owing to the COVID-19 pandemic, the RBI has provided a special liquidity facility of ₹ 10,00,000 lakhs to the NHB in order to enable it to infuse liquidity into the housing sector through HFCs at more affordable rates and to meet the credit needs of the sector. Accordingly, the NHB has launched the Special Refinance Facility (“**SRF**”) scheme. The objective of the scheme is to provide short term refinance support to HFCs which will partially mitigate their liquidity risk and improve the much-needed liquidity into the overall housing finance system. The total amount allocated under this scheme shall be ₹ 10,00,000 lakhs. A HFC would be eligible for the SRF if (i) its Max Net Non-Performing Assets should not be more than 7.5%; (ii) its ratio of individual housing loans to total assets should be a minimum of 51% as under the liberalized refinance scheme of the NHB; and (iii) the HFC should have extended moratorium to its customers and this should have adversely impacted at least 15% of the cash flows of the HFC during the period of moratorium.

In 2021, RBI again, provided a special liquidity facility of ₹ 10,00,000 lakhs to the NHB. Accordingly, NHB launched Special Refinance Facility-2021 (“**SRF-2021**”) scheme. The objective of the scheme is to sustain the growth momentum, in light of recent surge of Covid-19 cases. A HFC would be eligible for SRF-2021 if (i) it availed financial assistance under Special Refinance Facility/Additional Special Refinance Facility Scheme; (ii) its Max Net Non-Performing Assets should not be more than 7.5% and (iii) its ratio of individual housing loans to total assets should be a minimum of 51% as under the liberalized refinance scheme of the NHB.

The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of an HFC. If at any time NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security as may be acceptable to NHB to cover such deficiency.

Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated June 7, 2019 ("Prudential Framework")

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 ("**Review Period**"), to provide for ground rules for finalization and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender.

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.

Guidelines for Asset Liability Management System for HFCs dated October 11, 2010, as amended ("ALM Guidelines")

The ALM Guidelines lay down broad guidelines in respect of systems for the management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for the management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted, consisting of the HFCs senior management including the chief executive officer, for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFCs budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

Special Liquidity Scheme by RBI dated July 1, 2020

RBI *vide* circular dated July 1, 2020 informed that the government of India approved providing non-banking financial companies and HFCs with a scheme to improve their liquidity position. A HFC would be eligible for the scheme if (i) it is registered with the NHB; (ii) capital to risk weighted assets ratio / capital adequacy ratio should not be below the regulatory minimum, i.e. 15% and 12% respectively as on March 31, 2019; (iii) NNPA should not be more than 6% as on March 31, 2019; (iv) should have made net profit in at least one of the last two preceding financial years (i.e. 2017-18 and 2018-19); (v) should not have been reported under special mention accounts-1 or special mention accounts-2 category by any bank for their borrowings during last one year prior to August 1, 2018; (vi) should be rated investment grade by a SEBI registered rating agency; (vii) comply with the requirement of the special purpose vehicle ("**SPV**") for an appropriate level of collateral from the entity, which, however, was optional and to be decided by the SPV. An SPV set up as per this scheme would purchase short term papers from eligible non-banking financial companies/HFCs, who are to use the proceeds solely for the purpose of extinguishing existing liabilities with instruments as commercial papers and non-convertible debentures with a residual maturity of not more than three months and are rated as investment grade. The facility would not be available for any paper issued after September 30, 2020 and recover all dues by December 31, 2020.

Model Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs) ("Code of Conduct")

The Code of Conduct was issued by the NHB with the objective of safeguarding the interest of the housing finance industry and public at large. The Code of Conduct applies to any person or legal entity involved in marketing and distribution of any loan or other financial products or services of HFCs. The DSAs or DMAs or/and their employees and representatives are required to abide by the Code of Conduct prior to undertaking any direct marketing operation and distribution on behalf of the HFC. Under the Code of Conduct, HFCs shall not engage DSAs or DMAs who do not have any valid registration certificate from the Department of Telecommunication, Government of India as telemarketers. As per the Code of Conduct, the DSAs and DMAs can contact a prospect by telephone between 09:30 hours and 19:00 hours. The DSAs and DMAs or/and their employees and representatives are required to respect a prospect's privacy and his/her interest may normally be discussed only with the prospect and with any other individual/family member such as prospect's accountant/secretary/ spouse only when authorized to do so by the prospect. The DSAs and DMAs shall not mislead the prospect on any product or service offered by a HFC, shall not falsely represent themselves as a HFCs employees and shall not make any false commitment on behalf of a HFC. The Code of Conduct specifies that the terms and conditions governing the contract between the HFC and the service provider should be carefully defined in written agreements and vetted by HFCs legal counsel on their legal effect and enforceability.

KYC and AML

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, pursuant to the amendment of the NHB Act by the Finance (No.2) Act, 2019, certain powers for regulation of HFCs were conferred upon RBI pursuant to which the Master Direction – Know Your Customer (KYC) Directions, 2016 are applicable on the HFC.

Guidelines on Wilful Defaulters dated December 31, 2015 ("Wilful Defaulters Guidelines")

Pursuant to the advice of the RBI and recommendations of the Puri Committee Report, the NHB under the Wilful Defaulters Guidelines has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs. Every instance above the ₹ 25 lakhs limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all credit information companies ("**CIC**") on a monthly basis or more frequent basis, latest by 15th of the subsequent month. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Norms for Excessive Interest Rates

The NHB pursuant to its circular on Excessive Interest Charged by Housing Finance Companies on Housing Loans dated June 2, 2009 has advised all HFCs to revisit internal policies in determining interest rates, fees and other charges. According to this notification, the board of each HFC is required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to the disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code to ensure transparency in communications with borrowers.

Auditor's Report (National Housing Bank) Directions, 2016

The NHB pursuant to its circular dated July 2, 2018 issued the Housing Finance Companies – Auditor’s Report (National Housing Bank) Directions, 2016 which mandates that in addition to the report made by the auditor under the Companies Act, 2013 the auditor performing an audit in connection with HFCs shall also make a separate report to the board of directors of the company containing details of non-compliances and unfavorable statements, indicating such facts together with reasons thereof. Furthermore, 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 housing finance company to the Department of Regulation & Supervision, NHB, New Delhi.

Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017

Pursuant to the revised regulatory Framework dated October 22, 2020, RBI has extended the application of the Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017 to HFCs. Systemically important NBFCs and HFCs are required to enhance security of their information technology and information security framework as per the security enhancement requirements mentioned therein. Information technology strategy committee and an information technology steering committee are required to be constituted along with formulation of an information technology policy and an information security policy. A cyber-security policy should also be implemented to combat cyber threats along with a cyber crisis management plan for cyber intrusions and attacks. All types of unusual security incidents as specified therein are to be reported to RBI in the prescribed format. An annual risk assessment must be undertaken for the assessment of threats and vulnerabilities of the information technology assets. An internal information systems audit has also been prescribed for providing an insight on the effectiveness of controls to ensure confidentiality, integrity and availability of infrastructure. Further, a business continuity planning policy approved by the Board of Directors is prescribed to tackle disaster recovery in unforeseen natural or man-made disasters.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

Pursuant to the Reserve Bank HFC Directions, RBI has extended application of the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 to HFCs. As prescribed, quarterly case-wise reports on frauds outstanding are to be submitted with the regional office of the RBI within 15 days of each quarter.

In order to have uniformity in reporting, frauds have been classified as under mainly based on the provisions of the Indian Penal Code:

1. Misappropriation and criminal breach of trust;

2. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;

3. Unauthorized credit facilities extended for reward or for illegal gratification;

4. Negligence and cash shortages;

5. Cheating and forgery;

6. Irregularities in foreign exchange transactions; and

7. Any other type of fraud not coming under the specific heads as above.

Systemically important NBFCs and now HFCs are required to put in place a system for reporting frauds and to fix accountability with staff with respect to delays in reporting fraud cases to the RBI. All cases of fraud of ₹100,000 and above are to be reported to RBI, and if the fraud is ₹100 lakhs or above, the report is to be sent in the prescribed format within three weeks from the date of detection of the fraud. Further, fraud by unscrupulous borrowers are also required to be reported. As prescribed cases of attempted fraud involving ₹25 lakhs or more are required to be placed before the audit committee with information about the fraud. Systemically important NBFCs and now HFCs are required to submit quarterly reports on frauds outstanding to the Department of Non-Banking Supervision of the RBI and are also required to furnish case-wise progress report on frauds involving ₹100,000 and above. Further, annual as well as quarterly review of frauds is required to be placed before the Board of Directors and frauds of ₹100,000 and above must be promptly reported to the Board of Directors. Further, all frauds involving an amount if ₹100 lakhs or above are to be monitored and reviewed by the Audit Committee.

RBI Guidelines for Appointment of Statutory Central Auditors ("SCAs"))/Statutory Auditors ("SAs") of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 ("RBI Auditors Guidelines")

The RBI Auditors Guidelines are applicable to commercial banks (excluding regional rural banks), urban co-operative banks and NBFCs (including HFCs) for FY 2021-22 and onwards in respect of appointment/ reappointment of SCAs/ SAs. As the RBI Auditors Guidelines shall be implemented for the first time for urban co-operative banks and NBFCs from FY 2021-22, they shall have the flexibility to adopt the guidelines from second half of FY 2021-22 in order to ensure that there is no disruption.

While NBFCs, including HFCs, do not have to take prior approval of RBI for appointment of SCAs/ SAs, all NBFCs, including HFCs, need to inform RBI about the appointment of SCAs/ SAs for each year by way of a certificate within one month of such appointment. Further, the RBI Auditors Guidelines provide for, inter alia, the minimum and maximum number of SCAs/ SAs per entity, eligibility criteria for auditors, tenure and rotation, independence of auditors and professional standards of SCAs/ SAs. RBI Auditors Guidelines also provide for entities with asset size of ₹15,00,000 lakhs and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms partnership firms/Limited Liability Partnerships (LLPs). All other Entities should appoint a minimum of one audit firm for conducting statutory audit. It shall be ensured that joint auditors of the Entity do not have any common partners and they are not under the same network of audit firms.

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.

The ECLGS provides collateral-free, additional credit at capped interest rates to firms in 26 stressed sectors identified by the KV Kamath panel. The scheme also extended the deadline of loan moratorium from December, 2020 to March, 2021. The stressed sectors identified by the panel include aviation, power, construction, steel, roads and real estate.

Under the scheme the tenor of additional credit is five years, including one-year moratorium on principal repayment available till March 31, 2021. The scheme does not have a ceiling on annual turnover, but firms were required to have credit outstanding above ₹ 5,000 lakhs and up to ₹ 50,000 lakhs as on February 29, 2020 to avail of the scheme.

Laws related to money laundering

The Prevention of Money Laundering Act 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for the confiscation of property derived from and involved in money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, are required to maintain records of all transactions, including the value and nature of such transactions, provide information of such transactions to the director defined under the PMLA, and verify and maintain the records of the identity of all of its clients, in such a manner as may be prescribed. The PMLA also provides for a power of summons, searches and seizures to the authorities under the PMLA. In terms of the PMLA, whosoever directly or indirectly attempts to indulge, knowingly assists, knowingly is a party to or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

Laws in relation to securing and recovering debts

The SARFAESI Act

The SARFAESI Act regulates the securitisation 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 the case of default.

The SARFAESI Act also provides for the acquisition of financial assets by a securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitisation 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.

Further, the SARFAESI Act was amended under ESIRDA. The amendments include: (i) secured creditors can take assistance of the district magistrate to complete the process of recovery of debt within 30 days of filing of an affidavit; (ii) on commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of the borrower, priority to secured creditors in payment of debt is subject to the provisions of the Insolvency and Bankruptcy Code, 2016; (iii) creation of a central database to integrate recording of rights over any property registered under various registration systems; (iv) exemption from levy of any stamp duty on transactions for transfer of financial assets of banks or financial institutions in favour of asset reconstruction companies; (v) no requirement for classification of secured debt as non-performing asset in cases of funds raised through issue of debt securities; (vi) granting power to the Reserve Bank of India to carry out audit and inspection of asset reconstruction companies from time to time; (vii) substitution of the term "qualified institutional buyers" with the term "qualified buyers" in order to include non-institutional investors as well; and (viii) with respect to the prior approval of the RBI for any substantial change in management of an asset reconstruction company, including changes affecting the sponsorship in the company by way of transfer of shares within the meaning of the expression 'substantial change in management'.

Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("DRT Act")

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for ma king application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. The DRT Act further clarifies that on or after the commencement of the IBC in cases where insolvency and bankruptcy proceedings re pending in respect of secured assets of the borrower, the distribution of proceeds from the sale of secured assets shall be subject to the order of priority a s provided therein.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("**ESIRDA**") which was introduced on August 16, 2016, amended the DRT Act. The amendments to the DRT Act pursuant to ESIRDA include, amongst others, (i) providing further details of procedures that tribunals need to follow in case of debt recovery proceedings; (ii) granting of power to recovery officers to take possession of the property over which security interest is created or any other property of the defendant as well as appoint a receiver and sell the same; (iii) priority being given to secured creditors in payment of debt in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of a borrower subject to the provisions of the Insolvency and Bankruptcy Code, 2016; and (iv) depositing of 50 per cent of the amount of debt due as determined by the DRTs, for filing an appeal against any order of the recovery officer.

Insolvency and Bankruptcy Code, 2016, as amended (the "Bankruptcy Code")

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

RBI's COVID-19 related measures for HFCs

On March 27, 2020, the monetary policy committee of the RBI, in its statement, noted the adverse impact of COVID-19 and released regulatory packages on March 27, 2020 and April 17, 2020 ("**COVID Package**"). The RBI permitted all the lending institutions (including HFCs) to grant a moratorium on repayment of instalments of term loans and working capital loans falling due between March 1, 2020 to May 31, 2020 for accounts which were classified as 'standard' as on February 29, 2020. However, the interest on such instalments continued to accrue on the outstanding portion of the term loans and such accounts did not qualify for asset classification downgrade due to the moratorium. Subject to certain conditions, the HFCs were required to maintain general provisions of at least 10% of the total outstanding accounts in a phased manner until June 30, 2020 for accounts to which moratorium benefit was extended. NBFCs (including HFCs) which were required to comply with Ind AS, had to make impairment provisions as per their expected credit loss models.

On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. For details, see "*Our Business*" and "*Industry Overview*" beginning on pages 108 and 79, respectively.

The RBI Resolution Framework for Covid-19 related Stress dated August 6, 2020 provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation.

The RBI Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers.

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ("**ICA")**, and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

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 finalized 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

Laws relating to employment

Shops and Establishments legislation in various states

The provisions of various shops and establishments legislation, 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

Our Company is subject to various labor laws that regulate the conditions of work and employment, work hours, safety, protection, working condition, employment terms and welfare of laborers and/or employees. Our Company is, *inter alia*, subject to the applicable shops and establishments legislations, the Employees State Insurance Act, 1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, the Maternity

Benefit Act, 1961, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Equal Remuneration Act, 1976.

Laws relating to intellectual property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter alia* govern the law in relation to intellectual property, including 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 legislation and other applicable statutes.

Implementation of Indian Accounting Standards (Ind AS)

Pursuant to the NHB circular dated April 16, 2018, every HFC shall follow the provisions of paragraph 24 of the NHB Directions on Accounting Standards, in terms of the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India to implement the Indian Accounting Standards.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
1	Ind AS 1	Presentation of Financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.
			Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
			Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	**Change in Accounting Policies:** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.

2	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments
3	Ind AS 19	Accounting for Employee benefits	Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re- measurements. Changes due to service cost and net interest cost/ income need to be

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
4	Ind AS 24	Related parties	Under Indian GAAP, the scope of related parties is limited	Under Ind AS, the scope of related parties is extensive.
5	Ind AS 27	Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109
6	Ind AS 37	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
7	Ind AS 102	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation.	Under Ind AS, the share based Payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
8	Ind AS 32/ 107/ 109	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss. Currently, the de-recognition of financial assets under securitization/assignment transactions are governed by RBI guidelines for NBFCs	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				Ind AS 109 prescribes transfer of risk and rewards of ownership for de-recognition of financial assets
9	Ind AS 32/ 107/ 109	Financial Instruments Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.
10.	Ind AS 32/ 107/ 109	Presentation and classification of Financial liabilities	Financial instruments are classified based on legal form-redeemable preference shares will be classified as equity. Preference dividends are always recognised similar to equity dividend and are never treated as interest expense.	Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments. Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the preference dividend shall be treated as an interest expense.
11.	Ind AS 110	Consolidated financial statements	Control is: Ownership directly or indirectly through subsidiaries of more than one half of the voting power of an company control of the composition of the board of directors of the company, so to obtain economic benefits from its activities	Control is: Control is based on whether an investor has: 1) Power over the investee 2) Exposure or rights to variable return from its involvement with the investee and the ability to use its power over the investee to affect amount of return
12.	Ind AS 110	Consolidated financial statements	Minority interest are presented in the consolidated financial statements separately from liabilities and equity of the parent company	Non controlling interest are presented in the consolidated financial statements within equity, separately from equity of the owners of the parent
13.	Ind AS 103	Business combination	Amalgamation in nature of purchase are account for by recording the identifiable assets and liabilities of the acquiree either at fair value or at book value Amalgamation in nature of merger are accounted under pooling of interest method. Identified assets and liabilities acquired by purchase of shares which are not amalgamation are recorded at carrying value in consolidated financial statements.	All the business combination other than those between entities under common control are accounted using the purchase method. Business combination transaction between entities under common control should be accounted for using 'pooling of interest' method

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association. Pursuant to Schedule I of the Companies Act, 2013, the main provisions of the Articles of Association are detailed below.

Share Capital

Article 3 provides that the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further, subject to receiving consent of the requisite number of shareholders, as required under the Act, the Board is empowered to classify the shares as equity shares or preference shares (whether cumulative or non- cumulative and whether convertible or non- convertible) or class of shares from time to time, whether with or without any guarantee or with or without any preferential, differential, deferred, qualified or special rights, privileges or conditions attached thereto, as the Board may consider appropriate from time to time. Additionally, subject to the provisions of the Act, the Board shall have right to change the terms of any class of shares, subject to receiving consent of the requisite number of shareholders of that class or any other class as required under the Act.

Article 4 provides that the Board may issue and allot fully paid-up or partly paid-up Shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

Article 5 provides that the Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:

(a) Equity share capital:

- (i) with voting rights; and/or
- (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

Article 6 provides that every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide or as may be otherwise permitted under the Act, the following: -

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of such charges, if any that may be fixed by the Board for each certificate after the first.

Further, every certificate shall specify the shares to which it relates and the amount paid-up thereon. It shall be optional for the company to affix the seal of the company on share certificates, subject to applicable provisions under the Act. Subject to Applicable Law, in respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to the first named shareholder shall be deemed to be sufficient delivery to all such holders.

Article 9 provides that the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Article 11 provides that if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act or, if permitted by the Act, with the sanction of the Board. Further, every such separate meeting of shareholders, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

Article 13 provides that subject to the provisions of the Act, the Board shall have the power to issue or re- issue preference shares of one or more classes and other securities which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Likewise, subject as aforesaid, the Board shall also have the power to issue shares with differential rights.

Article 14 provides that the Board (or if the Act so provides, the Company in general meeting, as the case maybe) may, subject to the provisions of the Act and the Rules, issue further shares to –

(a) Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or

(b) Employees under any scheme of employees' stock option; or

(c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

Further, the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. And except as required by any Applicable Law, the Company shall not be bound to recognize any share held upon any trust, and further, the company shall also not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Lien

Article 15 provides that the Company shall have first and paramount lien upon all the Shares (other than fully paid up Shares) registered in the name of such Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Share shall be created except on the condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares; The registration of a transfer of Shares shall not operate as a waiver of the Company's lien if any, on such Shares, except to the extent specifically waived or permitted by the Board. The Board may at any time declare any Shares wholly or in part to be exempt from the provisions of this Article. Provided that fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys unpaid in respect of such shares.

Article 16 provides that the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days (or such other number of days as may be decided by the Board, subject to applicable provisions of the Act) after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise

Article 17 provides that to give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof, the purchaser shall be registered as the holder of the shares comprised in any such transfer, the receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

Article 18 provides that the proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on Shares

Article 21 provides that the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Further each member shall, subject to receiving at least fourteen days' or such other number of days as may be decided by the Board, subject to applicable provisions of the Act, notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. Such notice may also include a notice for forfeiture, if such amount is unpaid after a period of 14 days. The Board may, from time to time, at its discretion, and on such terms that it may, at its discretion, decide, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. A call may be revoked or postponed at the discretion of the Board.

Article 22 provides that a call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed or at such other time as may be specified by the Board, and may be required to be paid by instalments.

Article 23 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 24 provides that if a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 25 provides that any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 26 provides that the Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class, for the purpose of this Article.

Neither any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the company from thereafter proceeding to enforce its right of forfeiture of such shares in accordance with the provisions contained in this Article.

The provisions of aforesaid articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transfer of Shares

Article 27 provides that the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members thereof.

Article 28 provides that the securities or interest of any member in the Company shall be freely transferable. Save as otherwise expressly provided in the Act or Rules and notwithstanding anything to the contrary contained herein, the Board may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds:

(a) that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest of the Company or to the public interest;

(b) that the transfer of the security is prohibited by any order of any court, tribunal or other competent authority under any law for the time being in force;

(c) any transfer of Shares on which the Company has a lien and on which calls are unpaid; and

(d) Any other justifiable ground as the Board may think fit in the interest of the Company.

Provided that the Board may approve registration of transfer even though the transferor may be either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.

Article 29 provides that in case of shares held in physical form, and in addition to the grounds specified above, the Board may decline to recognize any instrument of transfer unless –

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

Transmission of Shares

Article 31 provides that on the death of the sole holder or any one or more of joint-holders, the nominee(s) of such deceased holder or joint holder and in the absence of such nomination, the legal representative of such deceased holder or joint holder, or the survivor(s) shall, be the only person(s) recognized by the Company as having any title to the share but the Board may require such evidence of death and other indemnity / declaration as it may deem fit. Nothing in clause (I) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 32 provides that any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share; or

(b) To make such transfer of the share as the deceased or insolvent member could have made.

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

Article 33 provides that if the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 34 provides that a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; However, where such dividend or other rights have already been exercised earlier by the erstwhile member(s) whose name appeared in the register of members then, the Board shall be entitled to decide at its discretion that such new member(s) shall not be entitled to such dividends and other rights already exercised by the erstwhile member(s) and no further claim shall lie against the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days or such other period as the Board may decide, the Board shall be entitled to withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company, unless the Act or the Rules otherwise provide, in which case, the Board may determine such fee at it may deem fit.

The provisions of aforesaid articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Forfeiture of Shares

Article 35 provides that if a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Article 37 provides that if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Article 39 provides that when any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Article 40 provides that the forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

Article 41 provides that a forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 42 provides that a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

Article 43 provides that a duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; The Company may receive the consideration, if any, given for the share on any sale, re- allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of; The transferee shall thereupon be registered as the holder of the share; and The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Joint Holders

Article 52 states that where there are joint holders (not more than four, including the first holder) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall, subject to Applicable Law, be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) The Company shall be entitled to deliver share certificate or to pay dividend declared on such shares or to issue notice (which term shall be deemed to include all relevant documents) only to the person whose name stands first in the register of members, being one of the joint-holders of such share, and any such certificate delivered or dividend paid or notice served on or sent to such person shall be deemed to be received by all the joint-holders. Notwithstanding anything to the contrary that may be stated in this sub- Article, where the Company delivers such certificate or services such notice or pays such dividend to any of the joint holders of such share, the same shall also be deemed to have been received by all the joint holders of such share.

(e) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(f) The provisions of this Article relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

Proceedings at General Meetings

Article 58 provides that no business shall be transacted at any General Meeting unless a quorum of members is present in accordance with the provisions of the Act. If quorum is not present with-in half-an-hour from the time appointed for holding a meeting of the Company, the meeting shall stand adjourned to a day, date, time and place, as the Board may determine. No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the chair is vacant. The Quorum for a General Meeting shall be as provided in the Act.

Article 59 provides that the Chairperson of the Company shall preside as Chairperson at every General Meeting of the Company.

Article 60 provides that if there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting and if no Director has been so designated by the Board, the directors present shall elect one of themselves to be Chairperson of the meeting.

Article 61 provides that if, at any meeting, no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, on a show of hands or by poll or electronically, choose one of themselves to be Chairperson of the meeting. Where the decision of the meeting on election of the chairperson to be decided on a show of hands, any director or other person approved by the Board may preside over the meeting for this purpose. Where such decision is proposed to be taken by a poll or electronically, the person elected as the chairperson on show of hands or if no such election takes place, then any director or other person approved by the Board may preside over the meeting for this purpose.

Article 62 provides that on any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Article 63 provides that the Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner in accordance with the applicable provisions of the Act, and the pages of the minutes of such meeting shall be consecutively numbered. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

(a) is, or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) Is detrimental to the interests of the Company.

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Article 64 provides that the books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays or at such other times and on such other days as may be determined by the Board.

(b) Upon undertaking such inspection, extracts may be taken therefrom or copies thereof may be required by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above. Such copies of minutes may also be provided electronically.

Adjournment of Meeting

Article 65 provides that the Chairperson may, *suo motu,* adjourn the meeting from time to time and from place to place, in accordance with the applicable provisions of the Act. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

Voting Rights

Article 66 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares and subject to the provision of the Act and the Rules –

(a) on a show of hands, every member present in person shall have one vote; and

(b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

Article 67 provides that a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 68 provides that in the case of joint holders, the vote of the senior shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other jointholders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 69 provides that a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his legal guardian.

Article 70 provides that any business other than that upon which a poll has been demanded at the meeting may be proceeded with, pending the taking of the poll.

Article 71 provides that no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Article 72 provides that a member is not prohibited from exercising his voting on the ground that he is not a shareholder as per the records of the Company for any specified period preceding the date on which the vote is taken.

Article 73 provides that no objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting, or soon thereafter subject to the satisfaction of the Chairperson, at which the vote objected to is given or tendered, and every such vote not disallowed shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Article 74 provides that any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Board of Directors

Article 78 provides that unless otherwise determined by the Company in general meeting and subject to the provisions of the Act, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

Article 79 provides that subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer or Whole-time Director of the Company.

Article 80 provides that the remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) In connection with the business of the Company.

Article 81 provides that all cheques, promissory notes, drafts, *hundis,* bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 82 provides that subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Article 83 provides that the Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 84 provides that if the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. Subject to the provisions of the Act, 'Casual Vacancy` shall mean and include (1) Resignation by the Director; (2) Disqualification of the Director; (3) Death of the Director; (4) Insolvency of the Director; (5) Removal of a Director; (5) Such other event / happening causing vacation in the office of a Director, thereby creating a casual vacancy on the Board, as the Board may deem fit. The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

Proceedings of the Board

Article 95 provides that save as otherwise expressly provided in the Act, any bonds, debentures, debenture- stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall in their discretion decide.

Article 96 provides that save as otherwise expressly provided in the Act, any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, whether fully or partly, and with any privileges and conditions whether as to redemption, surrender, or otherwise. Unless otherwise permitted by the Act, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Article 97 provides that the Board shall be entitled to appoint a chief executive officer, manager, company secretary and/or chief financial officer for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board is also entitled to appoint one or more chief executive officers for its multiple businesses. A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and chief executive officer, company secretary or chief financial officer shall be satisfied by its being done by or to the same person acting both as director and as, chief executive officer, company secretary or chief financial officer, where such director is also appointed as chief executive officer, company secretary or chief financial officer. The Company may have a chairperson who is also its managing director or a chief executive officer.

Registers

Article 98 provides that the Company shall keep and maintain all statutory registers as required under the Act, for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. Subject to the provisions of the Act, the registers and copies of annual returns shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, or for such other period as may be determined by the Board, at the registered office of the Company or at any other place as may be approved by shareholders in accordance with the Act, by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to the provisions of the Act, upon such inspection being completed, extracts may be taken from the documents inspected or copies thereof may be required by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Article 99 provides that the Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis,* as is applicable to the register of members.

Dividends and Reserve

Article 101 provides that the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. The Company in general meeting may declare a lower dividend than that recommended by the Board.

Article 102 provides that subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Article 103 provides that the Board may, and shall if required under the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve, and dividend may also be paid from out of such profits.

Article 104 provides that subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in proportion to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which t-he dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 105 provides that the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Article 106 provides that any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person whose names stands first in the case of joint holders. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Article 107 provides that any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Article 108 provides that no dividend shall bear interest against the Company.

Article 109 provides that the waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Winding Up

Article 111 provides that subject to the applicable provisions of the Act and the Rules made thereunder –

(a) If the Company shall be wound up in accordance with the provisions of the Act, the liquidator may, with the sanction of requisite resolution by the members of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

Article 112 provides that subject to the provisions of any Applicable Law, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary or officer (and such other person as the Board may approve), may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company (and such other person as the Board may approve), shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former directors and key managerial personnel or any other officer of the Company for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

Article 113 provides that wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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 which are or may be deemed material shall be attached to the copy of the Shelf Prospectus to be delivered to the RoC. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 a.m. to 5:00 p.m. on any Working Day during which this Issue is open for public subscription under the respective Tranche Prospectus.

A. ***Material Contracts***

1. Issue Agreement dated March 25, 2021 between our Company and the Lead Managers.

2. Registrar Agreement dated March 30, 2021 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated March 30, 2021 executed between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Tripartite agreement between our Company, Registrar to the Issue and CDSL dated March 22, 2021.

6. Tripartite agreement between our Company, Registrar to the issue and NSDL dated October 9, 2017.

B. ***Material Documents***

1. Certificate of incorporation of our Company dated February 13, 2017 issued by Registrar of Companies, Central Registration Centre.

2. Certificates of incorporation of our Company dated October 17, 2017 and June 12, 2018 issued by Registrar of Companies, Maharashtra at Mumbai.

3. Memorandum of Association and Articles of Association of our Company.

4. The certificate of registration dated December 1, 2017, bearing registration number 12.0163.17 by the NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of the NHB Act.

5. The certificate of registration dated February 12, 2020, bearing registration number DOR-00163 by the RBI to carry on the business of a housing finance institution without accepting public deposits under the NHB Act.

6. Credit rating letter dated March 24, 2021, revalidation letter dated June 23, 2021 and credit rating rationale dated March 25, 2021 from CARE Limited assigning a rating of "CARE AA (CWD) (Double A) (Under Credit Watch with Developing Implications)" to the NCDs.

7. Credit rating letter dated March 23, 2021, Revalidation letter dated June 24,2021 and credit rating rationale dated March 29, 2021 from ICRA Limited assigning a rating of "[ICRA] AA (pronounced as ICRA double A) (Outlook: Negative)" to the NCDs.

8. Copy of the resolution passed at a meeting of Board of Directors held on February 25, 2020 authorising this Issue for an amount aggregating up to the Shelf Limit.

9. Copy of resolution passed at a meeting of the Committee of Directors (Administration, Authorization & Finance) held on March 30, 2021 approving the Draft Shelf Prospectus.

10. Copy of resolution passed at a meeting of the Committee of Directors (Administration, Authorization & Finance) held on June 30, 2021 approving this Shelf Prospectus.

11. Resolution passed by our Shareholders, pursuant to Section 180 (1)(c) of the Companies Act, 2013, at the EGM held June 11, 2018, approving the overall borrowing limit of our Company.

12. Consent letter dated March 22, 2021 from CRISIL Limited in respect of permission to use and disclose the contents (along with the extracts of the content) of the industry report titled 'CRISIL Research – NBFC Report 2020 released in Mumbai in December 2020' for the section on 'Industry Overview' in this Shelf Prospectus.

13. Consents of our Directors, Lead Managers to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer Debenture Trustee to the Issue, Credit Rating Agencies for this Issue, , Legal Advisor to the Issue, and the Registrar to the Issue, to include their names in this Shelf Prospectus in their respective capacity.

14. The consent of the Statutory Auditors of our Company, namely B S R & Co. LLP., for inclusion of: (a) their names as the Statutory Auditors and as "experts" as defined under Section 2(38) of the Companies Act, (b) examination reports on Reformatted Financial Information; and (c) the statement of possible tax benefits available to the debenture holders in the form and context in which they appear in this Shelf Prospectus.

15. The examination report of the Statutory Auditors dated June 30, 2021 in relation to the Reformatted Financial Information under IGAAP included herein.

16. The examination report of the Statutory Auditors dated June 30, 2021 in relation to the Reformatted Financial Information under Ind AS included herein.

17. Statement of possible tax benefits dated March 30, 2021 issued by our Statutory Auditors.

18. Annual reports of our Company for the financial years ended March 31, 2020, 2019, 2018 and 2017.

19. Due diligence certificate dated June 30, 2021 filed by the Lead Managers with SEBI.

20. Due diligence certificate dated March 30, 2021 from the Debenture Trustee to the Issue.

21. In-principle approval dated April 9, 2021 for the Issue issued by BSE by way of its letter bearing reference number DCS/BM/PI-BOND/003/21-22 dated April 9, 2021.

22. In-principle approval dated April 9, 2021 for the Issue issued by NSE by way of its letters bearing reference number NSE/LIST/D/2021/0039 and NSE/LIST/C/2021/0435 dated June 28, 2021 extending the validity of the in-principal approval.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue 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 rules, regulations, guidelines and circulars issued by the Government of India, the rules, regulations, guidelines and circulars issued by the National Housing Bank, 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 Debt Securities) Regulations, 2008, 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 and no statement made in this Shelf Prospectus is contrary to the relevant provisions of any rules, regulations, guidelines and circulars as applicable to this Shelf Prospectus.

Furthermore, we certify that all disclosures and statements in this Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects 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 and that this Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company:

Ajay Piramal
Non-Executive Director and Chairman
DIN: 00028116

Dr. Swati Piramal
Non-Executive Director
DIN: 00067125

Gautam Doshi
Independent Director
DIN: 00004612

Khushru B. Jijina
Managing Director
DIN: 00209953

Suhail Nathani
Independent Director
DIN: 01089938

Anand Piramal
Non-Executive Director
DIN: 00286085

Deepak Satwalekar
Independent Director
DIN: 00009627

Date: June 30, 2021

Place: Mumbai

ANNEXURE A

FINANCIAL INFORMATION

Financial Statements	Page Nos.
Reformatted Financial Information under Ind AS	F-1 to F-91A
Reformatted Financial Information under IGAAP	F-92 to F-107

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED FINANCIAL INFORMATION UNDER IND AS AT AND FOR THE YEARS ENDED 31 MARCH 2021, 31 MARCH 2020, 31 MARCH 2019 AND 31 MARCH 2018, IN CONNECTION WITH THE PROPOSED PUBLIC ISSUE BY PIRAMAL CAPITAL & HOUSING FINANCE LIMITED OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1000 EACH ("NCDs") AGGREGATING UP TO RS. 2,00,000 LAKHS THROUGH ONE OR MORE TRANCHES ("ISSUE")

The Board of Directors
Piramal Capital & Housing Finance Limited
4th Floor, Piramal Tower
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400 013

Dear Sirs,

1. We have examined the attached Reformatted Financial Information prepared by Piramal Capital & Housing Finance Limited (the "Company") in accordance 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 (referred to as 'Ind AS'), comprising the Reformatted Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020, 31 March 2019 and 31 March 2018, the Reformatted Statement of Profit and Loss (including other comprehensive income), the Reformatted Statement of Changes in Equity and the Reformatted Cash Flow Statement for the years ended 31 March 2021, 31 March 2020, 31 March 2019 and 31 March 2018 and the Summary of Significant Accounting Policies (collectively, referred to as the **"Reformatted Financial Information"**), annexed to this report for the purpose of inclusion in the Shelf Prospectus/ the Tranche Prospectus ("Offering Documents") prepared by the Company in connection with its Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1000 each ("NCDs") aggregating up to Rs. 2,00,000 lakhs through one or more tranches (the "Issue"), as approved by the Board of Directors of the Company, by taking into consideration the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (**the "Act"**);

   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (**the "Regulations"**); and

   c) The Guidance Note on Reports or Certificates for Special Purposes and 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"**).

Management's Responsibility

2. The Company's Board of Directors is responsible for the preparation of the Reformatted Financial Information for the purpose of inclusion in the Offering Documents to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") and Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), in connection with the Issue. The Reformatted Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1B to the Reformatted Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

Management's Responsibility *(Continued)*

3. The Reformatted Financial Information has been extracted by the management from the audited financial statements of the Company as at and for the years ended at 31 March 2019 and 31 March 2018 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 the Board of Directors of the Company on 26 April 2019.

4. The Reformatted Financial Information have been extracted by the management from the audited financial statements of the Company as at and for the year ended 31 March 2021 and 31 March 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 the Board of Directors of the Company on 13 May 2021 and 11 May 2020 respectively.

Auditor's Responsibility

5. 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 15 March 2021 & addendum to engagement letter dated 30 June 2021 in connection with the Issue of the Company;
   b) 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 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, the Regulations and the Guidance Note in connection with the Issue.
6. For the purpose of our examination, we have relied on Auditors' reports issued by us dated 24 May 2021 and 11 May 2020 on the financial statements of the Company as at and for the year ended 31 March 2021 and 31 March 2020 respectively and Auditors' reports issued by us dated 26 April 2019 on the financial statements of the Company as at and for the year ended 31 March 2019 and 31 March 2018.
7. Our audit report dated 26 April 2019 on the financial statements for the year ended 31 March 2019 issued by us included the following Emphasis of Matter paragraph:

   Emphasis of Matter

   We draw your attention to Note 39 of the Standalone Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 – Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards (' Ind AS') 103.

Auditor's Responsibility *(Continued)*

Our opinion is not modified in respect of the above matter.

8. Our audit report dated 11 May 2020 on the financial statements for the year ended 31 March 2020 issued by us included the following Emphasis of Matter paragraph:

   Emphasis of Matters

   a) We draw your attention to Note 39 of the Standalone Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 – Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards (' Ind AS') 103.

   b) As described in Note 44.3 to the Standalone Financial Statements, pursuant to the Reserve Bank of India ('RBI') directions on 'COVID-19 Regulatory Package – Asset Classification and Provisioning' issued on 17 April 2020, the Company has recognised expected credit loss (including management overlays) on its investments and loans to customers on account of impact of COVID-19 pandemic based on its assessment of the information available and the guidance issued by the Reserve Bank of India on granting of three months moratorium and the resultant asset classification relaxations to accounts classified as standard as on 29 February 2020. Further, the underlying forecasts and assumptions applied by the Company in the determination of ECL provision are subject to uncertainties which are often outside of the Company's control. The extent to which the COVID-19 pandemic will impact the Company's current estimate of expected credit losses is dependent on future developments, which are highly uncertain at this point.

   Our opinion is not modified in respect of the above matters.

9. Our audit report dated 24 May 2021 on financial statements for the year ended 31 March 2021 issued by us included the following Emphasis of Matter paragraph:

   Emphasis of Matter

   a) We draw your attention to Note 39 of the Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 - Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards (Ind AS) 103.

   Our opinion is not modified in respect of the above matter.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

11. Based on our examination and in accordance with the Act, the Regulations and the Guidance Note, we report that the Reformatted Financial Information for the years ended 31 March 2018 and 31 March 2019 are accurately extracted from the audited financial statements of the Company for the year ended 31 March 2019.

12. Based on our examination and in accordance with the Act, the Regulations and the Guidance Note, we report that the Reformatted Financial Information for the years ended 31 March 2020 and 31 March 2021 are accurately extracted from the audited financial statement of the Company for the years ended 31 March 2020 and 31 March 2021.

13. Based on our examination and according to the information and explanations given to us, we further report that:

    a) the Reformatted Financial Information have to be read in conjunction with the notes given in Annexure V;

    b) the Reformatted Financial Information have been prepared in accordance with the Act, the Regulations and the Guidance Note.

    c) the Reformatted Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the audit reports on the audited financial statements mentioned in paragraph 3 & 4 above.

    d) at the Company's request, we have also examined the following financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on 30 June 2021 for the year ended 31 March 2021, 31 March 2020, 31 March 2019 and 31 March 2018;

        a) Statement of accounting ratio, as appearing in Annexure VI;

        b) Statement of dividend paid, as appearing in Annexure VII; and

        c) Statement of capitalization, as appearing in Annexure VIII.

14. According to the information and explanations given to us, in our opinion the above financial information as disclosed in the Annexures to this report has been prepared in accordance with the requirements of the Act, the Regulations and the Guidance Note.

15. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

16. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

17. Our report is intended solely for use of the Board of Directors for inclusion in the Offering Documents to be filed with SEBI, BSE, NSE and RoC, in connection with the proposed Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN: 21113156AAAADP4423

Bengaluru
30 June 2021

Piramal Capital & Housing Finance Limited

(formerly known as Piramal Housing Finance Limited)

Reformatted Statement of Assets and Liablities

March 31, 2021

(Currency : Rs in lakhs)

		Note	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	ASSETS					
1	**Financial assets:**					
(a)	Cash and cash equivalents	*3*	3,55,849	3,86,460	41,231	1,55,338
(b)	Bank balances other than (a) above	*4*	77,318	39,510	2,405	-
(c)	Loans	*5*	24,67,586	26,83,251	30,83,732	19,38,208
(d)	Investments	*6*	11,35,175	8,06,337	9,52,926	12,59,211
(e)	Other financial assets	*7*	81,759	41,204	80,537	3,671
2	**Non- financial assets:**					
(a)	Current tax assets (net)	*8*	79,626	52,561	6,325	1,998
(b)	Deferred tax assets (net)	*9*	-	-	3,359	29,776
(c)	Right-of-use assets	*11*	4,116	5,071	-	-
(d)	Property, Plant and Equipment	*11*	2,408	3,372	3,196	1,378
(e)	Intangible assets under development	*11*	753	2,803	2,330	1,690
(f)	Goodwill	*11*	10,25,681	10,25,681	10,25,681	10,21,429
(g)	Other intangible assets	*11*	3,554	79	69	29
(h)	Asset held for sale		-	-	-	1,591
(h)	Other non-financial assets	*10*	31,843	32,441	10,457	1,285
	Total Assets		**52,65,668**	50,78,770	52,12,248	44,15,604
	LIABILITIES AND EQUITY					
	Liabilities					
1	**Financial liabilities:**					
	Payables					
(a)	Trade payables					
	(i) Total outstanding dues of micro and small enterprises	*12*	9	39	-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises	*12*	9,275	14,729	8,026	2,440
(b)	Debt securities	*13*	10,40,599	5,59,476	5,90,594	5,95,526
(c)	Borrowings (other than debt securities)	*14*	16,30,023	21,66,926	24,40,954	18,74,220
(d)	Deposits	*15*	2,66,600	1,59,654	1,50,000	75,000
(e)	Subordinated debt liabilities	*16*	49,493	49,399	49,313	49,236
(f)	Other financial liabilities	*17*	10,262	11,239	5,369	6,312
2	**Non- financial liabilities:**					
(a)	Current tax liabilities (net)	*18*	78	78	78	409
(b)	Provisions	*19*	9,791	18,788	10,271	2,071
(c)	Deferred tax liabilities (net)	*9*	97,909	52,336	-	-
(d)	Other non- financial liabilities	*20*	2,965	951	4,557	1,459
	Equity					
(a)	Equity share capital	*21*	19,28,372	19,28,372	18,04,452	-
(b)	Other equity	*22*	2,20,292	1,16,783	1,48,634	18,08,931
	Total Liabilities and Equity		**52,65,668**	50,78,770	52,12,248	44,15,604

Significant accounting policies	*2*

The notes referred to above form an integral part of the financial statements.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Reformatted Statement of Profit and Loss
for the year ended March 31, 2021

(Currency : Rs in lakhs)

	Note	**For the year ended March 31, 2021**	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations					
Interest income	*23*	5,07,029	5,56,954	5,46,464	4,246
Rental income		156	167	74	-
Fees and commission income	*24*	505	2,127	4,372	-
Others	*25*	475	1,153	2,032	374
Total Revenue from operations		**5,08,165**	5,60,401	5,52,942	4,620
Other income	*26*	625	1,860	4,244	2,169
Total Income		**5,08,790**	5,62,261	5,57,186	6,789
Expenses					
Finance costs	*27*	2,82,821	3,15,006	2,76,082	1,594
Fees and commission expenses	*28*	11,094	17,842	7,714	35
Net loss on fair value changes	*29*	11,872	5,103	855	-
Net loss on derecognition of financial instruments under amortised cost category		14,391	-	-	-
Impairment on financial instruments	*31*	(8,024)	1,17,569	12,977	-
Employee benefits expenses	*30*	13,507	20,892	19,571	2,030
Depreciation, amortisation and impairment	-	2,922	3,271	681	86
Other expenses	*32*	26,184	22,193	18,116	2,775
Total Expenses		**3,54,767**	5,01,875	3,35,995	6,520
Profit before exceptional items and tax		1,54,023	60,386	2,21,191	269
Exceptional items		-	-	-	-
Profit before tax		**1,54,023**	60,386	2,21,191	269
Less: Tax Expenses					
Current tax		5,028	-	50,460	-
Prior year tax		-	954	-	-
Tax effect- on account of new tax regime being opted		-	37,286	-	-
Deferred tax		45,551	18,899	26,473	(4,206)
		50,579	57,139	76,933	(4,206)
Profit for the year		**1,03,444**	3,246	1,44,258	4,475
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of the defined benefit plan		282	(5)	159	-
Income tax relating to items that will not be reclassified to profit or loss		(71)	1	(55)	-
Items that will be reclassified to profit or loss					
Remeasurement gain/(loss) on hedge accounting		(196)	(1,937)	-	-
Income tax relating to items that will be reclassified to profit or loss		50	488	-	-
Net other comprehensive income		**65**	(1,453)	(103)	-
Total comprehensive income for the year		**1,03,509**	1,793	1,44,155	4,475
Earnings per equity share (Basic and Diluted) (Rs.)	*34*	*0.54*	*0.02*	*0.80*	*1.93*
Significant accounting policies	*2*				

The notes referred to above form an integral part of the financial statements.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Reformatted Statement of changes in equity
for the year ended March 31, 2021

(Currency : Rs in lakhs)

A. Equity Share Capital:

Particulars	**Amount**
Balance as at April 1, 2017	1,500
Add: Issued during the year	30,000
Less: Shares cancelled on amalgamation (refer note 39)	(31,500)
Balance as at March 31, 2018	-
Add: Issued during the year	18,04,452
Balance as at March 31, 2019	**18,04,452**
Add: Issued during the year	1,23,920
Balance as at March 31, 2020	**19,28,372**
Add: Issued during the year	-
Balance as at March 31, 2021	**19,28,372**

B. Other Equity:

Particulars	**Reserves and Surplus**					**Other Comprehensive**	**Total**
	Equity Share Capital Suspense	**Statutory Reserve**	**Capital Reserve**	**Securities Premium**	**Retained Earnings**	**Cash flow hedging reserve**	
Balance as at April 1, 2017	-	-	-	-	1	-	1
Add: Profit during the year	-	-	-	-	4,475	-	4,475
Add: On account of Amalgamation (refer note 39)	18,04,452	-	3	-	-	-	18,04,455
Balance as at March 31, 2018	18,04,452	-	3	-	4,476	-	18,08,931
Add/(Less): Transfer during the year	(18,04,452)	28,852	-	-	-	-	(17,75,600)
Add: Profit during the year	-	-	-	-	1,44,258	-	1,44,258
Less: Other Comprehensive Income (net of tax)	-	-	-	-	(104)	-	(104)
Less: Transfer to statutory reserve fund	-	-	-	-	(28,852)	-	(28,852)
Balance as at March 31, 2019	**-**	**28,852**	**3**	**-**	**1,19,779**	**-**	**1,48,634**
Add/(Less): Transfer during the year	-	610	-	16,080	-	(1,449)	15,240
Add: Reversal of lease equalisation balance	-		-	-	144	-	144
Add: Profit during the year	-	-	-	-	3,048	-	3,048
Less: Other comprehensive income (net of tax)	-	-	-	-	(4)	-	(4)
Less: Dividend paid (including DDT)	-	-	-	-	(49,668)	-	(49,668)
Less: Transfer to statutory reserve fund	-	-	-	-	(610)	-	(610)
Balance as at March 31, 2020	**-**	**29,462**	**3**	**16,080**	**72,688**	**(1,449)**	**1,16,783**
Add/(Less): Transfer during the year	-	20,689	-	-	-	(147)	20,542
Add: Profit during the year	-	-	-	-	1,03,444	-	1,03,444
Add: Other comprehensive income (net of tax)	-	-	-	-	211	-	211
Less: Transfer to statutory reserve fund	-	-	-	-	(20,689)	-	(20,689)
Balance as at March 31, 2021	**-**	**50,151**	**3**	**16,080**	**1,55,655**	**(1,596)**	**2,20,292**

The notes referred to above form an integral part of the financial statements.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Reformatted Cash Flow Statement
for the year ended March 31, 2021

(Currency : Rs in lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**				
	Profit before tax	1,54,023	60,386	2,21,191	269
	Short term capital gain on mutual fund	(476)	(1,153)	(2,032)	(374)
	Interest income from fixed deposits	(3,174)	(7,136)	(4,498)	(58)
	(Gain)/Loss on fair valuation	11,872	11,872	855	-
	Lease rent payment	(2,000)	(2,377)	-	-
	Allowance for expected credit loss on loans and loan commitments	(8,024)	1,17,569	12,977	(2,167)
	Finance cost on lease payment	684	685	-	-
	Provision for lease equalisation reserve	-	-	92	14
	Change in provision for gratuity and compensated absence	(910)	387	447	172
	Loss on financial assets	14,391	-	-	-
	Write off of intangible assets under development	-	400	-	-
	Loss on sale of fixed assets	72	-	-	-
	Depreciation and amortisation	2,922	3,271	681	86
	Operating cash flow before working capital changes	1,69,380	1,83,904	2,29,713	(2,059)
	(Increase) / Decrease in Loans	2,22,489	3,14,116	(11,57,078)	(79,825)
	(Increase)/ Decrease in Asset held for sale	-	-	1,591	(296)
	(Increase)/ Decrease in Investments	(1,71,732)	1,11,639	3,08,899	(25,351)
	(Increase) / Decrease in other financials assets	(42,254)	39,831	(78,209)	7
	Decrease / (Increase) in other Non financials assets	598	(21,984)	(8,344)	276
	(Decrease)/ Increase in Trade Payables	(5,484)	6,742	5,586	379
	(Decrease) / Increase in other financials liabilities	(942)	574	(1,035)	259
	Increase / (Decrease) in other non financials liabilities	2,015	(3,606)	3,098	193
	Cash used in operations	**1,74,070**	6,31,217	(6,95,779)	(1,06,416)
	Less: Income taxes paid	(32,093)	(47,190)	(55,118)	(245)
	Net cash from/ (used in) operating activities (a)	**1,41,977**	5,84,027	(7,50,897)	(1,06,661)
B	**Cash flow from investing activities**				
	Fixed assets purchased	(1,772)	(2,217)	(8,268)	(1,018)
	Investments in mutual funds	(7,27,500)	(43,92,000)	(69,56,301)	-
	Redemptions from mutual funds	5,37,975	43,93,153	69,61,034	374
	Interest income from fixed deposits	3,090	6,637	5,851	58
	Investment in fixed deposits	(12,84,142)	(2,69,994)	(2,405)	-
	Redemption from in fixed deposits	12,46,334	2,32,889	-	1,500
	Net cash flow used in investing activities (b)	**(2,26,015)**	(31,532)	(89)	914
C	**Cash flow from financing activities**				
	Borrowings taken during the year	19,60,290	32,82,770	67,29,784	1,77,268
	Borrowings repaid during the year	(19,06,863)	(35,27,112)	(60,92,905)	(84,907)
	Dividend Paid	-	(49,669)	-	30,000
	Issue of equity shares	-	1,40,000	-	-
	Net cash flow (used in)/from financing activities (c)	**53,427**	(1,54,011)	6,36,879	1,22,361
	Net increase in cash and cash equivalents (a+b+c)	**(30,611)**	3,98,485	(1,14,107)	16,614
	Cash and cash equivalents as at beginning of the year	**3,86,460**	41,231	1,55,338	100
	Add: Cash and cash equivalent transferred under Scheme of merger	-	-	-	1,38,624
	Cash and cash equivalents as at end of the year (refer note 3)	**3,55,849**	3,86,460	41,231	1,55,338

The notes referred to above form an integral part of the financial statements.

Piramal Capital & Housing Finance Limited

(formerly known as Piramal Housing Finance Limited)

Notes to Accounts on Reformatted Financial Statements

for the year ended March 31, 2021

(Currency : Rs in lakhs)

1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (‘the Company’) was incorporated under the Companies Act, 2013 on 10 February 2017 with its registered office in Mumbai to carry on the business of housing finance in India.
The Company was registered as a non-deposit taking housing finance company with the National Housing Bank ("NHB") on 28 August 2017.

The Company was converted into a public limited company w.e.f. 17 October 2017 and consequently the name of the Company was changed from Piramal Housing Finance Private Limited to Piramal Housing Finance Limited w.e.f. the date of the certificate of Registrar of Companies ('ROC'), Mumbai.

The Company has acquired Piramal Finance Limited and Piramal Capital Limited with effect from 31 March 2018 being the appointed date. The primary activities of the acquired Companies involve lending / investing.

The name of Company was changed from Piramal Housing Finance Limited to Piramal Capital & Housing Finance Limited w.e.f. 12 Jun 2018.

The Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE), India, and/or the National Stock Exchange (NSE), India.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter (“Ind AS”) on the historical cost basis except for certain fnancial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the “Act”) and the guidelines issued by the National Housing Bank (“NHB”) to the extent applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
Company’s financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of Accounting

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Indian Accounting Standards (“Ind AS”) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.
1. Impairment of financial assets – Note 44
2. Fair Valuation of financial assets and liabilities - Note 42
3. Measurement of defined benefit obligations; key actuarial assumptions – Note 41 and
4.Impairment of Goodwill – Note 49

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant and Equipment are as stated below:

Office Equipment	5 years
Furniture and fixtures	10 years
Computers Servers and Network	6 years
Computer - End user device	3 years
Leasehold Improvements	Amortised on SLM over lease tenure

ii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.
Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets are amortized on a straight line basis over their finite useful lives over the following period:

Computer Software	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual fixed assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

iii) Impairment of non financial assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iv) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

iv) Financial instruments *(Continued)*

Financial assets

Classification

Financial assets that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.
The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.
If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

iv) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

Wholesale lending:

The Company applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Company has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has recently started its operations and it's too early to observe actual defaults and corresponding recovery in its portfolio. Accordingly, the Company has used surrogate data from a reputed credit bureau agency for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

2. SIGNIFICANT ACCOUNTING POLICIES

iv) Financial instruments *(Continued)*

Financial liabilities and equity instruments

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

iv) Financial instruments *(Continued)*

<u>Foreign exchange gains and losses</u>
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

<u>Derecognition of financial liabilities</u>
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

<u>Embedded derivatives</u>
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

<u>Embedded foreign currency derivatives</u>
Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

v) Assets held for sale

Assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

Notes to Accounts on Reformatted Financial Statements *(Continued)*
for the year ended March 31, 2021

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

vi) Employee Benefits

Employee benefits include provident fund, compensated absences and long term service awards. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

vii) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

viii) Revenue recognition

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis. Arranger fees income is accounted for on accrual basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably). The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

xi) Leases

Operating Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

xii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

xiii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xiv) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Earnings per share

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
3	**Cash and cash equivalents**				
	Cash on hand	1	1	-	1
	Balances with banks in current accounts	3,00,848	1,24,582	41,031	26,437
	Cheques, drafts on hand	-	1,56,877	-	-
	Fixed deposits (with maturity less than 3 months)	55,000	1,05,000	200	1,28,900
	Total	**3,55,849**	3,86,460	41,231	1,55,338
4	**Bank balances other than (a) above**				
	Earmarked balances with banks*	77,318	39,510	2,405	-
	Total	**77,318**	39,510	2,405	-

*(Deposits with banks to the extent of Rs. 77,318 lakhs (31st March 2020 - Rs.22,105 lakhs) held as security against the borrowings and guarantees)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
5	**Loans**				
	Loans within India				
	Term loan to borrowers - at amortised cost				
	- Secured by tangible assets, considered good	21,11,871	24,49,499	30,70,471	19,40,115
	Less: Allowance for impairment loss (expected credit loss allowance)	(55,658)	(88,660)	(39,498)	(32,046)
	Term loan to borrowers - at FVTPL				
	- Secured by tangible assets, considered good	87,072	59,425	29,295	22,382
	Term loan to borrowers - at amortised cost to related party				
	- Unsecured, considered good	1,40,115	1,39,500	-	-
	Term loan to borrowers - at amortised cost				
	- Unsecured, considered good	77,398	52,834	-	1,998
	Less: Allowance for impairment loss (expected credit loss allowance)	(3,580)	(2,524)	-	(9)
	Term loan to borrowers - at amortised cost				
	- Significant increase in Credit Risk	83,183	54,172	20,741	5,926
	Less: Allowance for impairment loss (expected credit loss allowance)	(17,982)	(15,453)	(2,486)	(158)
	Term loan to borrowers - at amortised cost				
	- Credit impaired	87,317	53,036	13,956	7,819
	Less: Allowance for impairment loss (expected credit loss allowance)	(42,150)	(18,578)	(8,747)	(7,819)
	Total	**24,67,586**	26,83,251	30,83,732	19,38,208

Note:
During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

6 Investments

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investments within India				
Measured at Amortised Cost				
Quoted Investments (at fully paid)				
Redeemable Non Convertible Debentures	51,811	53,481	72,642	1,03,078
Total	**51,811**	53,481	72,642	1,03,078
Measured at Amortised Cost				
Unquoted Investments (at fully paid)				
Redeemable Non Convertible Debentures	5,94,980	6,06,101	8,80,903	11,48,958
Less: Allowance for impairment loss (expected credit loss allowance)	(56,453)	(50,828)	(15,877)	(21,192)
Total	**5,38,527**	5,55,273	8,65,026	11,27,766
Instruments at Fair Value through Profit & Loss				
Project Receivables	1,75,960	1,65,830	-	-
Investment in AIF	1,49,061	-	-	-
Redeemable Non Convertible Debentures	29,809	31,753	15,258	25,666
Total	**3,54,830**	1,97,583	15,258	25,666
Instruments at Fair Value through Profit & Loss				
Quoted Investments (at fully paid)				
Investment in Mutual Funds	1,90,007	-	-	2,701
Total	**1,90,007**	**-**	**-**	2,701
Total Investments	**11,35,175**	8,06,337	9,52,926	12,59,211
Aggregated book value of quoted investments	**2,41,818**	53,481	87,900	1,31,445
Aggregated market value of quoted investments	**2,41,818**	53,481	87,900	1,31,445
Aggregated book value of unquoted investments	**9,49,810**	8,03,684	8,80,903	11,48,958

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
7	**Other financial assets**				
	Interest receivable	626	542	43	1,395
	Security deposits	74,003	38,865	79,809	555
	Other receivable	7,129	-	667	976
	Forward Contract Receivable (refer note 45)	-	1,784	-	-
	To related parties				
	Unsecured, considered good				
	Piramal Securities Limited	-	-	18	-
	PHL Fininvest Private Limited	-	13	-	-
	Piramal Enterprises Limited	-	-	-	745
	Total other financial asset	**81,759**	41,204	80,537	3,671

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
8	**Current tax assets (Net)**				
	Advance Tax (net of Provision of Rs. 1,50,973/-, 31 March 2020 Rs.145,945/-, 31 March 2019 Rs.94,531/-)	79,626	52,561	6,325	1,998
	Total current tax assets (net)	**79,626**	52,561	6,325	1,998

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

9 Deferred tax

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (net)	1,73,635	-	3,359	29,776
Deferred tax liabilities (net)	(2,71,544)	(52,336)	-	-
	(97,909)	(52,336)	3,359	29,776

	Opening balance as at March 31, 2020	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Closing balance as at March 31, 2021**
Movement in deferred tax assets:				
Depreciation on property, plant and equipment	142	777	-	919
Depreciation on intangible assets	(1,31,646)	(875)	-	(1,32,521)
Non deductibility of goodwill for purposes of computing business income	-	(1,26,538)	-	(1,26,538)
Deductible temporary difference on account of capital gains basis for unamortized goodwill	-	1,15,026	-	1,15,026
Preliminary Expenses	28	(14)	-	14
Provision for compensated absence	202	1	-	203
Provision for Gratuity	292	(372)	71	(9)
Provision on loans and investments as per ECL	47,942	(2,020)	-	45,923
Unabsorbed depreciation	30,646	(30,646)	-	0
(Gain)/loss on fair valuation	1,285	2,988	-	4,273
Net fair value changes on foreign currency loan	488	49	-	537
Deferrement of interest income due to EIR	3,394	754	-	4,148
Deferrement of interest expense due to EIR	(6,008)	(5,301)	-	(11,309)
Unamortised Processing fees paid to Piramal Enterprises Limited	(463)	331	-	(131)
Stamp duty on Amalgamation allowable u/s 35DD	439	(219)	-	219
Expenses that are allowed on payment basis	831	-	-	831
Lease Liabilites	1,368	(154)	-	1,214
Right of Use assets	(1,276)	240	-	(1,036)
Loss on derognition of assets	-	328	-	328
	(52,336)	**(45,644)**	**71**	**(97,909)**

Lease Liabilites	**Opening balance as at March 31, 2019**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Closing balance as at March 31, 2020**
Right of Use assets				
Movement in deferred tax assets:				
Depreciation on property, plant and equipment	86	56	-	142
Depreciation on intangible assets	(1,24,204)	(7,442)	-	(1,31,646)
Preliminary Expenses	58	(30)	-	28
Provision for compensated absence	233	(31)	-	202
Provision for Gratuity	318	(25)	(1)	292
Provision on loans and investments as per ECL	25,476	22,466	-	47,942
Business Loss	4,998	(4,998)	-	-
Unabsorbed depreciation	44,672	(14,026)	-	30,646
Lease straightlining	50	(50)	-	-
(Gain)/loss on fair valuation	(43)	1,328	-	1,285
Net fair value changes on foreign currency loan	0	488	-	488
Deferrement of interest income due to EIR	5,566	(2,172)	-	3,394
Deferrement of interest expense due to EIR	(4,120)	(1,888)	-	(6,008)
Unamortised Processing fees paid to Piramal Enterprises Limited	(1,104)	641	-	(463)
Stamp duty on Amalgamation allowable u/s 35DD	914	(475)	-	439
MAT Credit Entilement	50,460	(50,460)	-	0
Expenses that are allowed on payment basis	-	831		831
Lease Liabilites	-	1,368	-	1,368
Right of Use assets	-	(1,276)	-	(1,276)
	3,359	**(55,695)**	**(1)**	**(52,336)**

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018

Particulars	**Opening balance as at March 31, 2018**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Closing balance as at March 31, 2019**
Movement in deferred tax assets:				
Depreciation on property, plant and equipment	16	70	-	86
Depreciation on intangible assets	(44,500)	(79,704)	-	(1,24,204)
Preliminary Expenses	92	(34)	-	58
Provision for compensated absence	124	109	-	233
Provision for Gratuity	207	56	55	318
Provision on loans and investments as per ECL	20,939	4,537	-	25,476
Business Loss	44,550	(39,552)	-	4,998
Unabsorbed depreciation	443	44,229	-	44,672
Lease straightlining	13	37	-	50
Gain on fair valuation	(342)	299	-	(43)
Net fair value changes on foreign currency loan	(414)	414	-	0
Deferrement of interest income due to EIR	9,956	(4,391)	-	5,566
Deferrement of interest expense due to EIR	(1,308)	(2,813)	-	(4,120)
Unamortised Processing fees paid to Piramal Enterprises Limited	-	(1,104)	-	(1,104)
Stamp duty on Amalgamation allowable u/s 35DD	-	914	-	914
MAT Credit Entilement	-	50,460	-	50,460
	29,776	**(26,473)**	**55**	**3,359**

Particulars	**Opening balance as at April 1, 2017**	**Recognised in profit or loss**	**Acquisition through business combination**	**Closing balance as at March 31, 2018**
Movement in deferred tax assets:				
Depreciation on property, plant and equipment	(1)	(26)	43	16
Depreciation on intangible assets	-	(44,500)	-	(44,500)
Preliminary Expenses	-	92	-	92
Provision for compensated absence	-	22	102	124
Provision for gratuity	-	29	178	207
Provision on loans and investments as per ECL	-	(761)	21,700	20,939
Business Loss	-	44,550	-	44,550
Unabsorbed depreciation	-	443	-	443
Lease straightlining	-	-	13	13
Gain on fair valuation	-	(342)	-	(342)
Net fair value changes on foreign currency loan	-	(1,181)	767	(414)
Deferrement of interest income due to EIR	-	7,797	2,159	9,956
Deferrement of interest expense due to EIR	-	(1,917)	609	(1,308)
	(1)	**4,206**	**25,571**	**29,776**

10	**Other non-financial assets**	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Capital advance	-	-	828	-
	Goods and service tax credit receivable	12,742	7,448	3,572	219
	Prepaid expenses	681	334	370	346
	Advance for expenses	1,562	3,297	10	78
	Advance processing fees paid	16,858	21,362	5,677	642
	Total other non-financial assets	**31,843**	32,441	10,457	1,285

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

11 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2020	Additions during the year	Deduction/ write offs	As at March 31, 2021 (A)	Opening As at April 1, 2020	Charge for the year	Deduction/ write offs	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)
Tangible Assets									
Land & Building	30	-	-	30	-	-	-	-	30
Office Equipment	680	2	-	682	225	134	-	359	323
Computer	711	63	-	773	399	180	-	579	194
Computer Server	371	-	-	372	112	65	-	177	195
Furniture	303	-	-	303	69	30	-	100	204
Motor Car	239	-	-	239	43	31	-	73	166
Leasehold Improvements	2,929	-	100	2,829	1,043	517	27	1,533	1,296
Right to Use Assets	6,836	950	662	7,124	1,765	1,657	414	3,009	4,116
Total (I)	12,099	1,016	761	12,352	3,656	2,613	441	5,829	6,524
Intangible Asset									
Goodwill on amalgamation	10,25,681		-	10,25,681	-	-	-	-	10,25,681
Computer software	101	3,783	-	3,884	22	309	-	331	3,553.79
Total (II)	10,25,781	3,783	-	10,29,565	22	309	-	331	10,29,235
Intangibles under development (III)	2,803	1,790	3,840	753	-	-	-	-	753
Tangibles under development (III)	-	-		-					-
Grand Total (I+II+III)	10,40,684	6,589	4,601	10,42,671	3,678	2,922	441	6,159	10,36,512

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2019	Additions during the year	Deduction/ write	As at March 31, 2020 (A)	Opening As at April 1, 2019	Charge for the year	Deduction/ write offs	As at March 31, 2020 (B)	As at March 31, 2020 (A-B)
Tangible Assets									
Land & Building	30	-	-	30	-	-	-	-	30
Office Equipment	512	168	-	680	98	127	-	225	455
Computer	571	158	16	711	171	237	9	399	312
Computer Server	298	73	-	371	52	60	-	112	259
Furniture	297	6	-	303	39	30	-	69	234
Motor Car	239	-	-	239	19	24	-	43	197
Leasehold Improvements	2,007	921	-	2,929	381	663	-	1,043	1,886
Right to Use Assets	-	8,562	1,726	6,836	-	2,115	349	1,765	5,071
Total (I)	3,956	9,887	1,742	12,099	760	3,254	358	3,656	8,444
Intangible Asset									
Goodwill on amalgamation	10,25,681		-	10,25,681	-	-	-	-	10,25,681
Computer software	75	26	-	101	6	16	-	22	79
Total (II)	10,25,755	26	-	10,25,781	6	16	-	22	10,25,760
Intangibles under development (III)	2,330	873	400	2,803	-	-	-	-	2,803
Grand Total (I+II+III)	10,32,041	10,786	2,142	10,40,684	766	3,270	358	3,678	10,37,006

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

11 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2018	Additions during the year	Deduction/ write	As at March 31, 2019 (A)	Opening As at April 1, 2018	Charge for the year	Deduction/ write offs	As at March 31, 2019 (B)	As at March 31, 2019 (A-B)
Tangible Assets									
Land and Building	**30**	**-**	**-**	**30**	**-**	**-**	**-**	**-**	**30**
Office Equipment	**180**	**332**	**-**	**512**	**12**	**86**	**-**	**98**	**414**
Computer	**266**	**316**	**10**	**572**	**28**	**145**	**2**	**171**	**400**
Computer Server	**142**	**156**	**-**	**298**	**10**	**42**	**-**	**52**	**246**
Furniture	**286**	**11**	**-**	**297**	**10**	**29**	**-**	**39**	**258**
Motor Car	**-**	**239**	**-**	**239**	**-**	**19**	**-**	**19**	**221**
Leasehold Improvements	**560**	**1,447**	**-**	**2,007**	**26**	**355**	**-**	**381**	**1,627**
Total (I)	**1,464**	**2,502**	**10**	**3,956**	**86**	**675**	**2**	**760**	**3,196**
Intangible Asset									
Goodwill on amalgamation	**10,21,429**	**4,252**	**-**	**10,25,681**	**-**	**-**	**-**	**-**	**10,25,681**
Computer software	**29**	**45**	**-**	**75**	**-**	**6**	**-**	**6**	**69**
Total (II)	**10,21,458**	**4,297**	**-**	**10,25,755**	**-**	**6**	**-**	**6**	**10,25,749**
Intangibles under development (III)	**1,690**	**640**	**-**	**2,330**	**-**	**-**	**-**	**-**	**2,330**
Grand Total (I+II+III)	**10,24,612**	**7,439**	**10**	**10,32,042**	**86**	**681**	**2**	**766**	**10,31,276**

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2017	Additions during the year	Deductions	As at March 31, 2018 (A)	Opening As at April 1, 2017	Charge for the year	Deductions	As at March 31, 2018 (B)	As at March 31, 2018 (A-B)
Tangible Assets									
Land and Building	-	30	-	30	-	-	-	-	30
Office Equipment	1	179	-	180	-	12	-	12	168
Computer	7	259	-	266	-	28	-	28	238
Computer Server	-	142	-	142	-	10	-	10	131
Furniture	-	286	-	286	-	10	-	10	275
Leasehold Improvements	-	560	-	560	-	26	-	26	534
Total (I)	**8**	**1,456**	**-**	**1,464**	**-**	**86**	**-**	**86**	**1,378**
Intangible Asset									
Goodwill on amalgamation	-	10,21,429	-	10,21,429	-	-	-	-	10,21,429
Computer software	-	29	-	29	-	-	-	-	29
Total (II)	**-**	**10,21,458**	**-**	**10,21,458**	**-**	**-**	**-**	**-**	**10,21,458**
Intangibles under development (III)	**-**	**1,690**	**-**	**1,690**	**-**	**-**	**-**	**-**	**1,690**
Grand Total (I+II+III)	**8**	**10,24,604**	**-**	**10,24,612**	**-**	**86**	**-**	**86**	**10,24,526**

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
12	**Trade payables**				
(i)	Total outstanding dues of micro enterprises and small enterprises	9.02	39	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	8,826.87	10,900	2,753	1,258
(iii)	Trade payables to related parties (refer note 40)	448.02	3,829	5,273	1,182
	Total	**9,284**	14,768	8,026	2,440
13	**Debt Securities**				
	Debt securities in India				
	Measured at amortised cost				
	Redeemable Non Convertible Debentures (secured)	10,40,599	5,59,476	5,90,594	5,95,526
	Total	**10,40,599**	5,59,476	5,90,594	5,95,526
14	**Borrowings (Other than Debt Securities)**				
	Borrowings in India				
	Measured at amortised cost				
	Term Loans (secured)				
	-From banks	14,47,435	15,41,212	16,66,049	11,44,776
	-FCNR Loan	54,755	56,794	-	48,836
	-From others	74,928	2,04,525	50,074	24,989
	Working capital demand loan/short term borrowings (secured)				
	-From banks	50,007	2,44,395	2,26,103	68,759
	-From others	-	1,20,000	-	-
	Commercial Paper (unsecured)	2,898	-	4,98,728	5,86,860
	Total	**16,30,023**	21,66,926	24,40,954	18,74,220
15	**Deposits**				
	Deposits in India				
	Measured at amortised cost				
	Intercorporate deposit from related party (Unsecured)	2,66,600	1,59,654	-	75,000
	Intercorporate deposit from Others (Secured)	-	-	1,50,000	-
	Total	**2,66,600**	1,59,654	1,50,000	75,000
16	**Subordinated Liabilities**				
	Subordinated Liabilities in India				
	Measured at amortised cost				
	Redeemable Non Convertible Debentures (unsecured)	49,493	49,399	49,313	49,236
	Total	**49,493**	49,399	49,313	49,236

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

13. Borrowings

A. Redeemable Non Convertible Debentures (secured)

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
10,000 (payable on maturity) 9.35% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1093 days from the date of allotment. ; with put option	-	-	-	**1,00,000.00**	19-Jul-19	NA
250 (payable annually) 8.50% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1093 days from the date of allotment.	-	-	2,500	**2,500**	22-Nov-19	NA
3,000 (payable annually) 9.57% Secured Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1001 days from the date of allotment.	-	-	-	**30,000**	08-Mar-19	NA
3,500 (payable annually) 9.25% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 728 days from the date of allotment.	-	-	-	**35,000**	10-Aug-18	NA
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment.	500	500	500	**500**	08-Mar-24	NA
2,000 (payable on maturity) 8.85% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1152 days from the date of allotment	-	20,000	20,000	**20,000**	25-May-20	NA
1,500 (payable annually) 9.05% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 ; with 50% partly paid and issued	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1093 days from the date of allotment ; with a put option	-	-	10,000	**75,000**	09-Aug-19	NA
4400 (payable on maturity) 8.85% Secured, Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1154 days from the date of allotment	-	44,000	44,000	**44,000**	03-Jun-20	NA
500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 729 days from the date of allotment	-	-	5,000	**5,000**	19-Apr-19	NA
250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	2,500	2,500	2,500	**2,500**	03-May-24	NA
500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 729 days from the date of allotment	-	-	5,000	**5,000**	07-Jun-19	NA
500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 729 days from the date of allotment	-	-	5,000	**5,000**	07-Jun-19	NA
250 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 729 days from the date of allotment	-	-	2,500	**2,500**	07-Jun-19	NA
150 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 729 days from the date of allotment	-	-	1,500	**1,500**	07-Jun-19	NA
500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 728 days from the date of allotment	-	-	5,000	**5,000**	14-Jun-19	NA
950 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	9,500	9,500	**9,500**	14-Jul-20	NA
500 (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 725 days from the date of allotment	-	-	-	**5,000**	09-Aug-19	NA
1750 (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 725 days from the date of allotment	-	-	-	**17,500**	09-Aug-19	NA
5250 (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each of face value Rs1000000	**First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property**	**The NCD's are repayable after 725 days from the date of allotment**	**-**	**-**	**20,000**	**52,500**	**09-Aug-19**	**NA**
500 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	5,000	5,000	**5,000**	04-Aug-20	NA
500 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	5,000	5,000	**5,000**	04-Aug-20	NA

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

250 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	2,500	2,500	**2,500**	04-Aug-20	NA
5000 (payable annually) 8.07% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1096 days from the deemed date of allotment	-	50,000	50,000	**50,000**	25-Sep-20	NA
1250 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1096 days from the date of allotment	-	12,500	12,500	**12,500**	29-Sep-20	NA
5000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	50,000	**50,000**	20-Sep-27	19-Sep-25
150 (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1094 days from the date of allotment	-	1,500	1,500	**1,500**	06-Nov-20	NA
1000 (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1094 days from the date of allotment	-	10,000	10,000	**10,000**	06-Nov-20	NA
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	3,500	3,500	3,500	-	03-Oct-25	NA
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	2,500	2,500	2,500	-	02-Nov-23	NA
5000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	50,000	-	19-Dec-28	18-Dec-26
8125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	65,000	65,000	65,000	-	15-Apr-22	NA
625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	5,000	5,000	10,000	-	21-Apr-22	NA
500 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years and three months from the date of allotment	-	-	5,000	-	21-Apr-22	NA

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

2000 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months and fourteen days from the date of allotment	-	-	20,000	-	06-May-22	NA
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after eight years from the date of allotment	50,000	50,000	50,000	-	11-Mar-27	NA
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after Nine years from the date of allotment	50,000	50,000	50,000	-	10-Mar-28	NA
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after Ten years from the date of allotment	50,000	50,000	50,000	-	09-Mar-29	NA
900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 53 months from the date of allotment	9,000	9,000	-	-	08-Nov-23	NA
900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 65 months from the date of allotment	9,000	9,000	-	-	08-Nov-24	NA
1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	-	15,000	-	-	16-Sep-22	NA
1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	15,000	15,000	-	-	16-Sep-22	NA
2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	25,000	-	-	-	12-May-23	NA
2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	25,000	-	-	-	12-May-23	NA
3250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	32,500	-	-	-	31-May-23	NA
1000 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	10,000	-	-	-	14-Jan-22	NA
5000 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	50,000	-	-	-	31-Jul-23	31-Jul-21
5000 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	50,000	-	-	-	31-Jan-22	NA
400 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	4,000	-	-	-	04-Feb-22	NA
1500 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	15,000	-	-	-	17-Feb-22	NA
500 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	5,000	-	-	-	21-Feb-22	NA
1500 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	15,000	-	-	-	22-Mar-22	NA
1500 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	15,000	-	-	-	04-Mar-22	NA
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	5,000	-	-	-	01-Nov-30	NA
1750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	17,500	-	-	-	19-May-22	NA
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	1,50,000	-	-	-	19-Mar-26	19-Jun-25
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	37,500	-	-	-	19-Mar-26	19-Jun-25

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

1750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	17,500	-	-	-	19-Mar-26	19-Jun-25
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	1,50,000	-	-	-	12-Mar-26	12-Jun-25
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	37,500	-	-	-	12-Mar-26	12-Jun-25
750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	7,500	-	-	-	12-Mar-26	12-Jun-25
500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	5,000	-	-	-	12-Mar-26	12-Jun-25
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	5,090	-	-	-	23-Jan-23	NA
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,500	-	-	-	28-Mar-31	NA
						5,54,500		

The rate of interest for the above loans are in the range of 7.85% to 10% per annum

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

14. Borrowings (Other than Debt Securities)

B. 1. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quarterly instalments starting after twelve months from initial drawdown date	-	-	625	**1,875**	31-Jul-19	31-Oct-15
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quarterly instalments starting after twelve months from initial drawdown date	-	-	1,000	**1,250**	20-Feb-20	20-Feb-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quarterly instalments starting after twelve months from initial drawdown date	-	-	750	**750**	04-Mar-20	04-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal half yearly instalments with moratorium period of one year from drawdown date	-	2,500	7,500	**12,500**	17-Jun-20	17-Dec-17
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly instalments commencing from 27 month of drawdown date	12,509	18,750	25,000	**25,000**	15-Mar-22	30-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24 month from the date of drawdown	-	-	25,000	**25,000**	26-Mar-20	26-Apr-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in Fifteen months from drawdown date	-	-	-	**45,000**	28-Feb-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown	-	32,199	60,000	**75,000**	30-Mar-21	31-Dec-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	-	20,000	**20,000**	06-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	50,000	50,000	**50,000**	30-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly instalments Commencing from 24th month from date of drawdown	37,500	75,000	1,25,000	**1,25,000**	09-Mar-22	09-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	1,667	5,000	8,333	**10,000**	26-Apr-21	26-Oct-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	833	2,500	4,167	**5,000**	26-Apr-21	26-Oct-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	20,000	20,000	**20,000**	18-Sep-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly instalments commencing after the moratorium period of two years from the date of drawdown	5,000	12,500	20,000	**20,000**	17-Sep-21	18-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal quarterly instalments commencing from 7 quarter of date of drawdown	-	10,000	30,000	**30,000**	25-Sep-20	21-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown	6,273	8,333	10,000	**10,000**	27-Jun-22	30-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from the date of drawdown	-	-	-	**30,000**	29-Sep-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly instalments Commencing from 24th month of date of drawdown	25,000	25,000	25,000	**25,000**	09-Mar-22	09-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown	1,616	6,616	12,500	**12,500**	02-Aug-21	02-May-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly instalments commencing from 15th month from date of drawdown	-	1,250	3,750	**5,000**	18-Aug-20	16-Nov-18

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	19,403	31,250	43,750	**50,000**	28-Aug-22	28-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24 months from the drawdown date	-	8,331	20,000	**20,000**	31-Aug-20	31-Aug-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly instalments starting from 21st month from drawdown date	9,699	39,699	75,000	**75,000**	24-Sep-21	26-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in two years from drawdown date	-	-	-	**25,000**	29-Sep-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in four equal quarterly installments commencing from 27th month from the drawdown date	-	-	-	**7,500**	31-Aug-20	30-Nov-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from the date of drawdown	-	-	-	**22,000**	28-Jun-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	7,237	11,250	13,125	**15,000**	30-Sep-22	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve monthly instalments, first 11 of 20.83 crore each and the 12th instalment of 20.87 crore post holiday period of 24 months from drawdown date	-	12,500	25,000	**25,000**	18-Sep-20	18-Oct-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	10,000	10,000	**10,000**	18-Sep-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	3,173	3,750	4,375	**5,000**	30-Sep-22	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	3,440	10,940	15,000	**15,000**	06-Oct-21	06-Jul-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly instalments commencing after a moratorium of 2 years from the date of drawdown	10,888	10,000	10,000	10,000	17-Sep-21	18-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown	-	-	5,000	5,000	30-Nov-20	31-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown	-	12,500	15,000	15,000	30-Nov-20	31-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	1,720	4,720	7,500	7,500	21-Dec-21	21-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	3,440	9,440	15,000	15,000	27-Dec-21	27-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in four equal quarterly instalments commencing from 13th month of drawdown date	-	-	18,750	25,000	28-Dec-19	28-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen equal quarterly instalments commencing from 13th month of drawdown date	22,645	37,500	46,875	50,000	28-Dec-22	28-Nov-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing after moratorium of 24 months from the date of drawdown	-	8,233	10,000	10,000	30-Nov-20	31-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown.	12,349	27,349	37,500	37,500	11-Feb-22	11-Nov-19

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	8,645	12,632	16,842	20,000	28-Feb-23	31-Aug-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	16,124	25,000	30,000	30,000	31-Mar-22	30-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	-	16,500	25-Jun-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	-	16,500	25-Jun-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	-	-	20,000	15-Apr-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing post moratorium period of 2 years from the drawdown date	2,291	5,000	5,000	5,000	28-Feb-21	31-Mar-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from drawdown date	-	-	-	10,000	11-Sep-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from drawdown date	-	-	-	10,000	19-Sep-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight quarterly instalments commencing after a moratorium period of 12 months from the date of first disbursement	-	18,750	30,000	30,000	26-Mar-21	28-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly instalments	3,750	6,250	8,750	-	20-Apr-22	20-Oct-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in two years from drawdown date	-	20,000	20,000	-	26-Jun-20	26-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	25,000	-	30-Jan-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	30,000	30,000	30,000	-	10-Aug-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	10,000	-	21-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	10,000	-	25-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	10,000	-	27-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	7,500	-	24-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	1,33,334	1,66,667	2,00,000	-	31-Oct-23	31-Jul-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	29,111	37,499	50,000	-	26-May-22	26-Aug-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	12,488	16,250	20,000	-	27-Mar-23	27-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 10 months from 21 month of each drawdown date	21,141	34,687	46,874	-	29-Dec-22	29-Jan-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 equal semi annual instalment after 12 months from drawdown date	14,293	20,000	20,000	-	31-Dec-22	30-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	40,500	-	07-Jul-20	NA

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 months from drawdown date	8,281	16,600	25,000	-	31-Dec-21	29-Feb-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 47 equal monthly instalment of Rs. 10.41 Crs and Rs. 10.73Crs on 48th instalment after drawdown	22,183	35,729	48,958	-	02-Feb-23	02-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	-	15,900	-	04-Mar-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	-	25,000	-	19-Feb-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	10,000	-	09-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	10,000	-	10-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	10,000	-	11-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of Principle to be repaid in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown	29,979	30,000	30,000	-	31-Mar-24	30-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 4 year from drawdown date	6,078	9,411	10,000	-	26-Mar-23	26-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	20,000	-	25-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	-	25,000	-	26-Jun-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 13 months from drawdown date	-	-	25,000	-	28-Apr-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 13 months from drawdown date	-	-	10,000	-	29-Apr-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 84 months from drawdown date	67,500	67,500	-	-	17-May-26	17-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	23,000	-	-	28-Jun-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 472 days from drawdown date	-	25,000	-	-	05-Oct-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 472 days from drawdown date	-	20,000	-	-	05-Oct-20	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	23,000	-	-	08-Jan-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	39,935	50,000	-	-	24-Sep-24	24-Jun-20

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months in 9 equal half yearly installments commencing after initial moratorium of 6 months	23,081	30,000	-	-	19-Sep-24	19-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	11,500	-	-	28-May-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	42,107	50,000	-	-	30-Sep-24	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	39,319	40,000	-	-	26-Dec-24	26-Mar-21
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 194 months from drawdown date	7,694	18,415	-	-	31-Aug-35	11-Oct-19
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 362 months from drawdown date	13,539	33,475	-	-	20-Jul-49	20-Nov-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 85 months from drawdown date	49,988	50,000	-	-	31-Jan-27	31-Jan-27
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	17,500	-	-	06-Jul-21	06-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	2,400	-	-	20-Jan-22	20-Jan-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	15,900	-	-	03-Sep-21	03-Sep-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	25,000	25,000	-	-	04-Mar-22	04-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	5,000	5,000	-	-	13-Mar-25	13-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	30,000	30,000	-	-	16-Sep-21	16-Sep-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 85 months from drawdown date	20,874	20,000	-	-	31-Mar-27	17-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	2,50,000	-	-	-	04-Apr-27	04-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	50,000	-	-	-	04-Apr-27	04-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	50,000	-	-	-	03-Apr-25	04-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	49,999	-	-	-	03-Apr-25	03-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	23,000	-	-	-	20-May-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	10,000	-	-	-	31-Aug-25	30-Nov-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	6,500	-	-	-	18-May-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	5,000	-	-	-	11-Dec-25	11-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	11,000	-	-	-	23-Jun-22	NA

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments.	35,000	-	-	-	28-Dec-25	28-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	16,700	-	-	-	11-Jul-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments.	75,000	-	-	-	30-Mar-26	30-Jun-21
					11,51,375.00		
					-		

The rate of interest for the above loans are in the range of 7.35% to 12.50% per annum

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

14. Borrowings (Other than Debt Securities)

B.2. Foreign Currency Non Repatriable Loans:

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
First pari-passu charge on the standard assets including receivables present and future	Repayable in 65 months from drawdown date	26,132	26,132	-	-	08-Nov-24	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable in 53 months from drawdown date	26,132	26,132	-	-	08-Nov-23	NA
First pari-passu charge on the movable assets including receivables present and future	Repayable in two years from drawdown date	-	-	-	**25,000.00**	18-Jun-18	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable in two years from drawdown date	-	-	-	**25,000.00**	15-Jun-18	NA

The rate of interest for the above loans is 9.30% per annum

B.3. Term Loan from others:

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation created over secured assets	Repayable in five equal quarterly instalments commencing 24 Month from the date of first disbursement	-	-	10,000	**25,000**	29-Jul-19	29-Jul-18
First pari-passu charge by way of hypothecation created over secured assets	Repayable in 378 days from drawdown date	-	-	20,000	-	04-Oct-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book	Repayment at end of 10th month Rs. 30 crs, 11th month Rs. 50crs and 12 month Rs.120 crs	-	-	20,000	-	19-Feb-20	19-Dec-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 30 months from drawdown date	41,950	1,41,402	-	-	15-Feb-22	15-Oct-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 240 months from drawdown date	25,139	57,710	-	-	20-Jun-39	20-Nov-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book	Repayable in 365 days from drawdown date	-	5,000	-	-	30-Jul-20	NA

The rate of interest for the above loans are in the range of 8.9% to 10.50% per annum

B.4. Working Capital Demand Loan/short term borrowings (secured) from bank:

Nature of Security	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	30,000	30,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	5,000	5,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	10,000	5,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	-	-	-	5,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	20,000	20,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	3,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	10,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	10,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	7,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	1,400	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	800	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	10,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	1,350	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	15,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	1,00,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	-	1,500	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	20,000	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	10,000	-	-

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	10,000	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	1,480	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	7,500	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	2,417	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	7,500	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	5,000	5,000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	20,000	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	1,20,000	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	1,60,000	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	4,999	-	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	25,000	-	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	20,000	-	-	-

65,000.00
-

The rate of interest for the above loans are in the range of 7.40% to 9.00% per annum

B.5. Working Capital Demand Loan/short term borrowings (secured)- from others:

Nature of Security	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book	-	1,20,000	-	-

The rate of interest for the above loans is 10,50% per annum

B.6. Commercial Paper

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date
Commercial Paper	Repayable within 365 days from date of disbursement	3,000	-	4,98,728	**4,98,157**	Various

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

15. Intercorporate Deposit :
Intercorporate deposit from related party (Unsecured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
Intercorporate Deposit	Repayable in Eighteen months from drawdown date	2,66,600	1,60,000	-	**75,000**	30-Sep-21	NA

The rate of interest for the above loans is 7.60% per annum

Intercorporate deposit from Others (Secured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 months from drawdown date	-	-	50,000	-	10-Jun-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 months from drawdown date	-	-	50,000	-	12-Jun-19	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 months from drawdown date	-	-	50,000	-	29-May-19	NA

16. Subordinated Liabilities :
Redeemable Non Convertible Debentures (unsecured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Maturity Due Date	First Instalment payment date
5,000 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	The NCD's are repayable after 10 years from the date of allotment	50,000	50,000	50,000	**50,000**	08-Mar-27	NA

The rate of interest for the above loans is 9.55% per annum

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
17	**Other financial liabilities**				
	Lease liability	4,824	5,438	142	50
	Payable to employees	4,859	5,801	5,227	4,638
	Forward Contract Payable (refer note 45)	579	-	-	1,624
	Total	**10,262**	11,239	5,369	6,312
18	**Current tax liabilities**				
	Net provision for tax (net of advance tax of Rs. 3,484/-, 31 March 2019 Rs.3,484/-)	78	78	78	409
	Total	**78**	78	78	409
19	**Provisions**				
	Provision for Employee Benefits				
	Gratuity (refer Note 41)	(38)	1,158	911	591
	Compensated absence	806	802	667	381
	Allowance for impairment on commitments (refer note 37 (b) and 44.3(b))	9,023	16,828	8,693	1,099
	Total provisions	**9,791**	18,788	10,271	2,071
20	**Other non- financial liabilities**				1,960
	Statutory dues payable	1,132	948	2,809	575
	Advance received	1,833	3	1,748	884
	Total	**2,965**	951	4,557	1,459

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

21 Equity Share Capital

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Authorized share capital:				
Opening balance:	25,00,000	25,00,000	5,70,200	30,000
'25,000,000,000 (31 March 2019: 25,000,000,000) equity shares of INR 10 each				
Additions during the year	-	-	19,29,800	40,000
Add: Pursuant to the scheme of Merger (Refer Note 39)	-	-	-	5,00,200
Total	**25,00,000**	25,00,000	25,00,000	5,70,200

Note- The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up capital:				
Opening balance	19,28,372	18,04,452	-	1,500
Add: issued during the year	-	1,23,920	18,04,452	30,000
Less: Cancelled during the year on account of merger	-	-	-	(31,500)
Total	19,28,372	19,28,372	18,04,452	-

(i) There is capital infusion by the holding company of Rs. 50,000 lakhs and Rs.90,000 lakhs on 29 July 2019 and 31 March 2020 respectively. The Company has issued 454,545,454 number of equity share of Rs.10 each at a premium of Rs.1 per share, issue price being Rs.11 per share on 29 July 2019. Further, the Company has issued 784,655,623 number of equity share of Rs.10 each at a premium of Rs.1.47 per share, issue price being Rs.11.47 per share on 31 March 2020 for consideration other than cash.
(ii) 18,04,452 equity share of INR 10 each issued as fully paid for consideration other than cash on account of amalgamation. (refer note 39)

Particulars of shareholder holding more than 5% shares

Name of the shareholder	**March 31, 2021**	March 31, 2020	March 31, 2019	March 31, 2018
Piramal Enterprises Limited (100% holding company)	19,28,372	19,28,372	18,04,452	-

Rights, preferences and restrictions attached to shares

Equity shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share. There are no restriction on payment of dividend to equity shareholders. Upon winding up of the company, the holders of equity share will be entitled to receive balance 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.

22 Other equity

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity share capital suspense (refer note 22.1)	-	-	-	18,04,452
Capital Reserve (refer note 22.2)	3	3	3	3
Securities Premium (refer note 22.3)	16,080	16,080	-	-
Cash flow hedging reserve (refer note 22.4)	(1,596)	(1,449)	-	-
Statutory reserve fund (refer note 22.5)	50,150	29,461	28,852	-
Retained earnings (refer note 22.6)	1,55,655	72,688	1,19,779	4,476
Total	**2,20,292**	1,16,783	1,48,634	18,08,931

Notes forming part of reformatted statement of assets and liabilites
as at March 31, 2021

(Currency : Rs in lakhs)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2019**	As at March 31, 2018
22.1	**Equity share capital suspense**				
	Opening balance	-	-	18,04,452	-
	Addition/(Deduction) during the year (refer note 39)	-	-	(18,04,452)	18,04,452
	Closing Balance	**-**	**-**	**-**	18,04,452
22.2	**Capital reserve**				
	Opening balance (refer note 39)	3	3	3	-
	Addition during the year	-	-	-	3
	Closing Balance	**3**	3	3	3
22.3	**Securities Premium**				
	Opening balance	16,080	-	-	-
	Addition during the year	-	16,080	-	-
	Closing Balance	**16,080**	16,080	**-**	**-**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

22.4	**Cash flow hedging reserve**				
	Opening Balance	(1,449)	-	-	-
	Addition during the year (refer note 45)	(147)	(1,449)	-	-
	Closing Balance	**(1,596)**	(1,449)	-	-

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings as described within note 14. For hedging foreign currency risk, the Company uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. interest payments).

22.5	**Statutory reserve fund**				
	Reserve fund U/s 29C of the NHB Act, 1987				
	Opening Balance	29,461	28,852	-	-
	Addition during the year	20,689	610	28,852	-
	Closing Balance	**50,150**	29,461	28,852	-

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended 31 March 2021, the Company has transferred an amount of Rs. 20,689 lakhs (31 March 2020 Rs. 609 lakhs, 31 March 2019 Rs. 28,852 lakhs), being 20% of profit after tax.

22.6	**Retained earnings**				
	Opening Balance	72,688	1,19,778	4,476	1
	Add: Reversal of lease equalisation balance	0	144		
	Net profit for the year	1,03,444	3,048	1,44,258	4,475
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	211	(4)	(104)	-
	Less: Dividend paid (including DDT)	-	(49,668)	-	-
	Less: Transfer to statutory reserve fund	(20,689)	(610)	(28,852)	-
	Closing Balance	**1,55,655**	72,688	1,19,778	4,476

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

Notes forming part of reformatted statement of profit and loss
for the year ended March 31, 2021

(Currency : Rs in lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations				
23	**Interest income**				
	Interest income on financial assets measured at amortised cost:				
	- on investments	90,609	1,15,079	1,36,130	526
	- on loans and advances	3,64,342	4,15,225	3,98,771	3,647
	Interest income- on investments mandatorily measured at FVTPL	48,905	19,514	7,065	17
	Interest income on Fixed deposits	3,173	7,136	4,498	56
	Total Interest income	**5,07,029**	5,56,954	5,46,464	4,246
24	**Fees and commission Income**				
	- processing / arranger fees	505	2,127	4,372	-
	Total Fees and commission Income	**505**	2,127	4,372	-
25	**Net gain on fair value changes- Unrealised**				
	Gain on investments measured at FVTPL		-	-	-
	Gain on fair value of investment in mutual fund		-		
	Total gain on fair value changes		-	-	-
25	**Others**				
	Short term capital gain on mutual fund	475	1,153	2,032	374
	Total others	**475**	1,153	2,032	374
	Total	**5,08,010**	5,60,234	5,52,868	4,620
26	**Other income**				
	Other non-operating income	625	1,860	4,244	2
	Total other income	**625**	1,860	4,244	2,169
	Expenses				
27	**Finance cost**				
	Interest expense on financial liabilities measured at amortised cost:				
	Interest on deposits	17,044	20,726	21,348	-
	Interest on borrowings	1,99,515	2,34,927	1,99,037	1,594
	Interest on debt securities	61,393	54,565	50,845	-
	Interest on subordinated liabilities	4,869	4,788	4,852	-
		2,82,821	3,15,006	2,76,082	1,594
28	**Fees and commission expense**				
	Other borrowing cost	11,094	17,842	7,714	35
		11,094	17,842	7,714	35

Notes forming part of reformatted statement of profit and loss
for the year ended March 31, 2021

(Currency : Rs in lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	Year ended March 31, 2018
29	**Net loss on fair value changes**				
	Loss on loans and investments measured at FVTPL	11,872	5,103	855	-
	Loss on fair value of investment in mutual fund		-	-	-
		11,872	5,103	855	-
30	**Employee benefits expense**				
	Salaries and wages	12,403	19,197	18,001	1,711
	Contribution to provident and other funds	575	716	515	49
	Provision for leave encashment	130	197	317	88
	Staff welfare expenses	86	485	535	98
	Provision for gratuity	313	297	203	84
		13,507	20,892	19,571	2,030
31 (a)	**Net loss on derecognition of financial instruments- under amortised cost category**				
	Loss on derecognition of financial assets	14,391	198	-	-
		14,391	198	-	-
31 (b)	**Impairment on financial instruments**				
	On Financial instruments measured at Amortised Cost				
	Loans	(5,845)	74,483	10,698	-
	Investments	5,626	34,951	(5,314)	-
	Commitments	(7,805)	8,135	7,594	-
		(8,024)	1,17,569	12,977	-
32	**Other expenses**				
	Corporate social responsibility expenses (refer note 49)	1,761	4,600	2,610	-
	Contribution to electoral trust	-	1,000	-	-
	Rent (refer note 35)	476	441	2,299	285
	Rates and taxes, excluding taxes on income	-	-	-	20
	Travelling and conveyance	76	793	629	83
	Legal and professional fees	13,794	8,100	6,613	393
	Royalty	3,994	2,286	2,419	-
	Electricity expense	155	276	199	36
	Repairs and maintenance	755	1,179	973	6
	Business promotion and advertisement expenses	1,233	1,261	709	849
	Postage and communication	147	229	160	14
	Printing and stationery	59	99	153	30
	Other expenses	3,596	1,818	1,179	1,049
	Payments to auditors	-			
	- as auditor	59	57	40	10
	- for other services	76	47	132	-
	- for reimbursement of expenses	3	7	1	-
		26,184	22,193	18,116	2,775

(Currency : Rs in lakhs)

33 Income Taxes

a. Recognised in the statement of profit and loss

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax				
In respect of the current year	**5,028**	-	50,460	-
In respect of the previous years	-	954	-	-
Deferred Tax				
In respect of the current year	**45,551**	18,899	26,473	(4,206)
Tax effect- on account of new tax regime being opted	-	37,286	-	-
Total	**50,579**	57,139	76,933	(4,206)

b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	Rs. in lakhs				Effective tax rate reconciliation			
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	**Year ended March 31, 2021**	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	1,54,023	60,386	2,21,191	269				
Income tax expense calculated at 25.168% (previous year at 34.944%)	38,768	15,199	77,293	93	25.17%	25.17%	34.94%	34.61%
<u>Tax effect:</u>								
Effect of expenses that are not deductible in determining taxable profit -								
Donation	947	1,410	912.00	-	0.61%	2.33%	0.41%	0.00%
Interest on TDS	12	-	-	-	0.01%	0.00%	0.00%	0.00%
-Amalgamation related expenses		-	(1,218.00)	-	0.00%	0.00%	-0.55%	0.00%
Impact of change in method of deferred tax from profit or loss approach to balance sheet approach	-	-	-	(4,259)	0.00%	0.00%	0.00%	-1583.27%
Section 43B disallowance of AY 2018-19	-	-	(1,008)	-	0.00%	0.00%	-0.46%	0.00%
Effect of Loan book Transfer	-	-	954	-	0.00%	0.00%	0.43%	0.00%
Effect of difference in amortised cost and carrying amount of loan portfolio	(589)	2,340	-	-	-0.38%	3.88%	0.00%	0.00%
Tax provision for prior years	-	954	-	-	0.00%	1.58%	0.00%	0.00%
Effect of change in deferred tax rate on opening balance (at 25.168% from 34.944%)	-	(13,174)	-	-	0.00%	-21.82%	0.00%	0.00%
MAT credit written off	-	50,461	-	-	0.00%	83.56%	0.00%	0.00%
Non deductibility of goodwill for purposes of computing business income	1,26,538	-	-	-	82.16%	0.00%	0.00%	
Deductible temporary difference on account of capital gains basis for unamortized goodwill	(1,15,026)	-	-	-	-74.68%	0.00%	0.00%	
Reclass to Other comprehensive income for remeasurement of defined benefit obligation	(71)	-	-	-	-0.05%			
Other	-	-	-	(40.00)	0.00%			-14.87%
Income tax expense recognised in the statement of profit and loss	**50,579**	57,189	76,933	(4,206)	**32.84%**	94.71%	34.78%	-1563.53%
Effective Tax Rate	**32.84%**	94.71%	34.78%	-1563.53%				

Note:
The tax rate used for the reconciliations above is the corporate tax rate of 25.168% (as per new tax regime) for the year 2020-21 and 25.168% (as per new tax regime) for the year 2019-20 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

(Currency : Rs in lakhs)

34 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act 2013.

The computation of earnings per share is set out below:

Description	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net profit/ loss attributable to equity shareholders	**1,03,444**	3,246	1,44,258	4,475
Weighted average number of equity shares outstanding during the year for calculation of EPS	**19,28,37,18,397**	18,35,34,17,273	18,04,45,17,320	23,20,67,171
Basic and Diluted EPS of face value of INR 10	**0.54**	0.02	0.80	1.93

The basic and diluted EPS is same as there are no potential dilutive equity shares.

35 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

Right-of-use assets

Right-of-use assets related to lease properties

Land & Buildings	**As at March 31, 2021**	As at March 31, 2020
Particulars		
Opening Balance	5,071	8,562
Depreciation charge for the year	1,657	2,115
Addition to right-of-use assets	950	-
Derecognition of right-of-use assets	248	1,376
Closing Balance	**4,116**	5,071

Amount recognised in statement of profit and loss - Lease under Ind AS - 116

	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	685	629
Income from sub-leasing right-of-use assets presented in 'Other Revenue'	-	-
Expenses Related to short-term lease	278	22
Expenses related to leases of low-value assets, excluding short-term lease of low-value assets	-	-

Amount recognised in the statement of cash flow

	As at March 31, 2021	As at March 31, 2020
Total Cashflow for lease	2,001	2,377

Contractual maturities of lease liabilities on an undiscounted basis

	As at March 31, 2021	As at March 31, 2020
Less than 1 year	1,290	1,210
1-3 years	2,374	2,264
3-5 years	628	1,155
More than 5 years	532	808

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with company including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8	39	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	1	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	247	240	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	4	4	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

Notes to Accounts on Reformatted Financial Statements

for the year ended March 31, 2021

(Currency : Rs in lakhs)

37(a) Contingent liabilities

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Claim against the Company not acknowledged as debt				
Dues towards Income Tax for AY 2012-2013				13
Dues towards Income Tax for AY 2014-2015	**34**	34	45	45
Dues towards Income Tax for AY 2015-2016	**-**	-	58	61
Dues towards Income Tax for AY 2017-2018	**5,534**	5,534	-	-
Dues towards Income Tax for AY 2018-2019	**511**	511	-	-
Dues towards Income Tax for AY 2019-2020	**510**	510	-	-
Dues towards Income Tax for AY 2020-2021	**1,268**	1,268	-	-
Letter of Comfort issued by the Company	**-**	75	44,917	1,01,946.00

The Company is of the view that the above demands may not devolve on the Company and hence no provision has been made.

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

The Company has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results

The Company has given letter of comfort to unrelated parties in relation to to borrowing from banks. The term of the contract contains a minimum compensation payment to unrelated parties in the event of default.

37(b) Capital commitment

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Undisbursed loan commitments	-	1,35,410	86,465	37,528
Total	-	1,35,410	86,465	37,528

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Compa

38(a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Company.

38(b) Significant transactions during the year

(i) During the year, the Company has acquired a portion of lending portfolio comprising of loan portfolio of Rs. 38,842 lakhs (31 March 2020 -Rs. 189,708 lakhs, 31 March 2019- Rs.220,772 lakhs, 31 March 2018- Rs.Nil lakhs) from its parent company, Piramal Enterprises Limited and acquired a portion of loan portfolio of Rs. 4,86,547 lakhs (31 March 2020 -Rs 193,788 lakhs, 31 March 2019- Rs.Nil lakhs, 31 March 2018- Rs.Nil lakhs) from its fellow subsidiary PHL Fininvest Private Limited.
Further, the Company has transfered a portion of loan portfolio of Rs. 3,76,223 lakhs (31 March 2020 -Rs 516,430 lakhs, 31 March 2019- Rs.941,420 lakhs, 31 March 2018- Rs.Nil lakhs) to PHL Fininvest Private Limited and of Rs Nil lakhs (31 March 2020 -Rs 79,370 lakhs, 31 March 2019- Rs.Nil lakhs, 31 March 2018- Rs.Nil lakhs) to its fellow subsidiary Piramal Fund Management Private Limited.

(ii) During the year ended 31 Mar 2020, the Company has taken inter-corporate deposit from its holding company Piramal Enterprises Limited of Rs. 90,000 lakhs which has been repaid by way of allotment of 784,655,623 equity shares of Rs 10 each.

(iii) During the year, the Administrator of Dewan Housing Finance Corporation Limited ('DHFL') vide Letter of Intent ('LOI') dated 22nd January, 2021, has intimated that the Committee of Creditors of DHFL have declared Piramal Capital & Housing Finance Limited ('PCHFL'), wholly owned subsidiary of the Company, as the Successful Resolution Applicant in relation to the Corporate Insolvency Resolution Process of DHFL under the Insolvency & Bankruptcy Code, 2016 and identified the resolution plan submitted by PCHFL, as the Successful Resolution Plan. PCHFL has received fit and proper approval from the Reserve Bank of India dated 16th February, 2021 and approval from Competition Commission of India for the acquisition of DHFL dated 12th April, 2021. An application has been submitted to NCLT for the approval of the resolution plan. The implementation of the resolution plan is subject to the terms of the LOI and other applicable regulatory approvals.

(iv) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, announced a scheme for COVID-19 Relief for grant of exgratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium as per RBI regulatory package was availed or not. The Company has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme, amounting to Rs. 188 lakhs. The Company has filed its claim for the ex-gratia with State Bank of India as per the Scheme and has received an amount of Rs. 188 lakhs as on March 31, 2021.

(v) RBI circular dated April 7, 2021 advised all lending institutions to 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 01, 2020 to August 31, 2020 in conformity with the Supreme Court judgement dated March 23, 2021 ("Supreme Court judgement"). Further, the circular stated that in order to ensure that the Supreme Court 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 ("IBA") in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial results for the year ended March 31, 2021. As per the IBA clarification, the Company has estimated the said amount and recognised a reversal in its Statement of Profit and Loss Account for the year ended March 31, 2021.

Notes to Accounts on Reformatted Financial Statements

for the year ended March 31, 2021

(Currency : Rs in lakhs)

39 Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited

1 The Board of Directors of Piramal Capital Limited (PCL) and the board of Directors of and Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date"). The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT,sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the “Effective Date”).

In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :

a) The amalgamation has been accounted for under the “Purchase Method” as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies is being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash).

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity shares of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in PCL pre amalgamation.

iii) Pending allotment, the face value of such shares has been shown as “Equity Share Suspense”. The said shares have been allotted on the Effective Date.

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date have been transferred to the Transferee Company at their respective fair values as determined by an independent Valuer. The balance amount of Rs 1,021,428 lakhs has been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

	Particulars	PFL	PCL	Total
I.	**Consideration paid for acquisition**	**18,04,252**	**200**	**18,04,452**
II.	**Net assets acquired on Appointed date**	**7,82,824**	**203**	**7,83,027**
III.	**Goodwill (I - II)**	**10,21,428**	**(3)**	**10,21,425**

4 The amalgamation has been accounted under the “Purchase Method” as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

Notes to the Financial Statements (Continued)
for the year ended March 31, 2021

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

List of Related Parties

A. Holding companies

Piramal Enterprises Limited

B. Fellow subsidiaries

Piramal Fund Management Private Limited
PHL Fininvest Private Limited
Piramal Securities Limited
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Pvt. Ltd.
Piramal Pharma Limited

C. Other related parties where common control exists

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited
Gopikrishna Piramal Memorial Hospital
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
Piramal Swasthya Management & Research Institute
Piramal Trusteeship Services Private Limited
Piramal Udgam Data Management Solution

D. Key Management Personnel

Mr. Khushru Jijina

E Non-Executive/Independent Directors

Mr. Deepak Satwalekar
Mr. Suhail Nathani
Mr. Harish Engineer (upto 31 Dec 2019)
Mr. Gautam Doshi

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties

Details of Transactions	Holding Company				Fellow subsidiaries				Other Related Parties				Key Management Personnel				Total			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Rent paid																				
- Piramal Enterprises Limited	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	1,300	1,569	1,299	148	-	-	-	-	1,300	1,569	1,299	148
-Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	-	-	-	15	22	-	-	-	-	-	-	15	22	-
TOTAL	**-**	**1**	**1**	**1**	**-**	**-**	**-**	**-**	**1,300**	**1,584**	**1,320**	**148**	**-**	**-**	**-**	**-**	**1,300**	**1,585**	**1,322**	**149**
Commission paid																				
- Brickex Advisors Private Limited	-	-	-	-		-	-	-		-	1,113	167			-	-	-	-	1,113	167
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,113**	**167**	**-**	**-**	**-**	**-**	**-**	**-**	**1,113**	**167**
Roayalty Paid																				
- Piramal Corporate Services Limited	-	-	-	-	-	-	-	-	3,995	2,285	2,569			-	-	-	3,995	2,285	2,569	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,995**	**2,285**	**2,569**	**-**	**-**	**-**	**-**	**-**	**3,995**	**2,285**	**2,569**	**-**
Donation Given																				
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	-	-	2,503	3,259	1,906	-	-	-	-	-	2,503	3,259	1,906	-
- Piramal Swasthya Management & Research Institute	-	-	-		-	-	-			1,341	704		-	-	-		-	1,341	704	-
- Piramal Udgam Data Management Solution	-	-	-			-	-			-	10			-	-		-	-	10	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,503**	**4,600**	**2,620**	**-**	**-**	**-**	**-**	**-**	**2,503**	**4,600**	**2,620**	**-**
Other Borrowing Cost																				
- Piramal Enterprises Limited	4,586	1,319	793		-	-	-	-	-	-	-	-	-	-			4,586	1,319	793	-
TOTAL	**4,586**	**1,319**	**793**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,586**	**1,319**	**793**	**-**
Arranger Fees for downselling of Assets																				
- Piramal Investment Advisory Services Private Limited	-	-	-	-	-	109	-	-	-	-	-		-	-	-		-	109	-	-
- Piramal Securities Limited	-	-			1,098	-			-	-	-	-	-	-			1,098	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**1,098**	**109**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,098**	**109**	**-**	**-**
Fees Paid																				
- Piramal Trusteeship Services Pvt. Ltd.	-	-	-			-	-		**3**	9	0		-	-	-		3	9	0	-
- Piramal Fund Management Private Limited	-	-			**790**	-	-	-	-	-	-	-	-	-			790	-	-	-
- Piramal Finance Sales & Services Pvt. Ltd.	-	-			**373**	-	-	-	-	-	-	-	-	-			373	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**1,163**	**-**	**-**	**-**	**3**	**9**	**0**	**-**	**-**	**-**	**-**	**-**	**1,166**	**9**	**0**	**-**
Reimbursement of relocation Expenses by Aasan																				
- Aasan Corporate Solutions Private Limited	-	-	-		-	-	-		-	175	-		-	-	-		-	175	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**175**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**175**	**-**	**-**
Reimbursement of expenses																				
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	35	102	-	14	-	-	-	-	35	102	-	14
- Piramal Fund Management Private Limited	-	-	-	-	-	-	-	2	-	-	-	-		-	-	-	-	-	-	2
- Piramal Corporate Services Limited	-	-	-		-	-	-		-	-	6	-		-	-	-	-	-	6	-
- Piramal Trusteeship Services Pvt. Ltd.	-	-	-		-	-	-		-	0	-	-	-	-	-	-	-	0	-	-
- Brickex Advisors Private Limited	-	-	-		-	-	-		2,176	947	-	-	-	-	-	-	2,176	947	-	-
- Piramal Enterprises Limited	15	35	16		-	-	-		-	-	-	-	-	-	-	-	15	35	16	-
- Piramal Pharma Limited	-	-	-	-	3	-			-	-	-	-	-	-	-	-	3	-	-	-
TOTAL	**15**	**35**	**16**	**-**	**3**	**-**	**-**	**2**	**2,211**	**1,049**	**6**	**14**	**-**	**-**	**-**	**-**	**2,230**	**1,084**	**22**	**16**

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties

Details of Transactions	Holding Company				Fellow subsidiaries				Other Related Parties				Key Management Personnel				Total			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Remuneration to KMP																				
- Mr. Khushru Jijina	-	-	-	-	-	-	-	-	-	-	-	-	620	994	1,738	4	620	994	1,738	4
-Sitting Fees paid to Non-Executive/Independent Directors	-	-	-		-	-	-	-	-	-	-		28	17	22		28	17	22	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**648**	**1,011**	**1,760**	**4**	**648**	**1,011**	**1,760**	**4**
Loan to relative of KMP																				
- Mrs. Binaifer Khushru Jijina	-	-	-	-	-	-	-	-	-	-	-	-	-	**800**	-	-	-	800	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**800**	**-**	**-**	**-**	**800**	**-**	**-**
Asset Trnasfer																				
- Piramal Securites Limited	-	-	-	-		-	8	-		-	-	-		-	-	-	-	-	8	-
- Piramal Fund Management Private Limited	-	-	-			-	12			-	-	-		-	-		-	-	12	-
- PHL Fininvest Pvt. Ltd.	-	-	-		-	9	-		-	-	-	-	-	-	-		-	9	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**9**	**20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**20**	**-**
Interest paid																				
- Piramal Enterprises Limited	19,494	4,125	17,909	-	-	-	-	-	-	-	-	-	-	-	-	-	19,494	4,125	17,909	-
- PHL Fininvest Pvt. Ltd.	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-	100	-
TOTAL	**19,494**	**4,125**	**17,909**	**-**	**-**	**-**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,494**	**4,125**	**18,009**	**-**
Interest Received																				
- Piramal Enterprises Limited	570	7,240	760	-	-	-	-	-	-	-	-	-	-	-	-	-	570	7,240	760	-
- PHL Fininvest Pvt. Ltd.	-	-	-		12,545	6,391	164		-	-	-	-	-	-	-		12,545	6,391	164	-
- Mrs. Binaifer Khushru Jijina	-	-	-		-	-	-	-	-	-	-	-	-	22	-		-	22	-	-
TOTAL	**570**	**7,240**	**760**	**-**	**15,810**	**6,391**	**164**	**-**	**-**	**-**	**-**	**-**	**-**	**22**	**-**	**-**	**16,379**	**13,653**	**923**	**-**
Management Fees Received																				
- PHL Fininvest Pvt. Ltd.	-	-	-	-		-	272	-			-	-			-	-	-	-	272	-
TOTAL		**-**	**-**	**-**	**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**272**	**-**
Interim Dividend paid																				
- Piramal Enterprises Limited	-	49,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,669	-	-
TOTAL	**-**	**49,669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**49,669**	**-**	**-**
Lease Rent Income																				
- PHL Fininvest Pvt. Ltd.	-	-	-	-	75	83	-	-	-	-	-	-	-	-	-	-	75	83	-	-
- Piramal Securities Ltd	-	-	-		81	89	74		-	-	-	-	-	-	-		81	89	74	-
TOTAL	**-**	**-**	**-**	**-**	**155**	**172**	**74**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**155**	**172**	**74**	**-**

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company				Fellow subsidiaries				Other Related Parties				Key Management Personnel				Total			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Equity Infusion																				
- Piramal Enterprises Limited	-	1,23,920	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,23,920	-	-
TOTAL	**-**	**1,23,920**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,23,920**	**-**	**-**
Share Premium on issuance of Share																				
- Piramal Enterprises Limited	-	16,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,080	-	-
TOTAL	**-**	**16,080**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,080**	**-**	**-**
ICD repaid																				
- Piramal Enterprises Limited	**2,01,900**	**12,44,500**	11,96,700	-	-	-	-	-	-	-	-	-	-	-	-	-	2,01,900	12,44,500	11,96,700	-
TOTAL	**2,01,900**	**12,44,500**	**11,96,700**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,01,900**	**12,44,500**	**11,96,700**	**-**
ICD taken																				
- Piramal Enterprises Limited	3,08,500	14,04,500	11,21,700	-	-	-	-	-	-	-	-	-	-	-	-	-	3,08,500	14,04,500	11,21,700	-
TOTAL	**3,08,500**	**14,04,500**	**11,21,700**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,08,500**	**14,04,500**	**11,21,700**	**-**
ICD Given																				
- Piramal Enterprises Limited	**1,61,550**	**10,16,750**	1,32,102		-	-	-	-	-	-	-	-	-	-	-		1,61,550	10,16,750	1,32,102	-
- PHL Fininvest Pvt. Ltd.	-	-	-	-	1,27,300	6,08,360	74,000	-	-	-	-	-	-	-	-	-	1,27,300	6,08,360	74,000	-
- Piramal Fund Management Private Limited	-	-	-	-	26,700	-	-	-	-	-	-	-	-	-	-	-	26,700	-	-	-
- Piramal Investment Advisory Services Private Limited	-	-	-	-	26,167	-	-	-	-	-	-	-	-	-	-	-	26,167	-	-	-
- Piramal Asset Management Private Limited	-	-	-	-	900	-	-	-	-	-	-	-	-	-	-	-	900	-	-	-
TOTAL	**1,61,550**	**10,16,750**	**1,32,102**	**-**	**1,81,067**	**6,08,360**	**74,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,42,617**	**16,25,110**	**2,06,102**	**-**
Repayment of ICD Given																				
- Piramal Enterprises Limited	1,61,550	10,16,750	1,32,102		-	-	-	-	-	-	-	-	-	-	-		1,61,550	10,16,750	1,32,102	-
- PHL Fininvest Pvt. Ltd.	-	-	-	-	1,51,525	5,13,060	29,800	-	-	-	-	-	-	-	-	-	1,51,525	5,13,060	29,800	-
- Piramal Fund Management Private Limited	-	-	-	-	26,700	-	-	-	-	-	-	-	-	-	-	-	26,700	-	-	-
- Piramal Investment Advisory Services Private Limited	-	-	-	-	1,327	-	-	-	-	-	-	-	-	-	-	-	1,327	-	-	-
- Piramal Asset Management Private Limited	-	-	-	-	900	-	-	-	-	-	-	-	-	-	-	-	900	-	-	-
TOTAL	**1,61,550**	**10,16,750**	**1,32,102**	**-**	**1,80,452**	**5,13,060**	**29,800**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,42,002**	**15,29,810**	**1,61,902**	**-**
Investment in NCD																				
- Piramal Enterprises Limited		-	36,500	-		-	-	-		-	-	-		-	-	-	-	-	36,500	-
TOTAL	**-**	**-**	**36,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,500**	**-**
Loan portfolio transferred from																				
- Piramal Enterprises Limited	38,842	1,89,708	2,20,772	-	4,86,547	-	-	-	-	-	-	-	-	-	-	-	5,25,389	1,89,708	2,20,772	-
- PHL Fininvest Pvt. Ltd.	-	-	-		-	1,93,788			-	-	-	-	-	-			-	1,93,788	-	-
TOTAL	**38,842**	**1,89,708**	**2,20,772**	**-**	**4,86,547**	**1,93,788**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,25,389**	**3,83,496**	**2,20,772**	**-**

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company				Fellow subsidiaries				Other Related Parties				Key Management Personnel				Total			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Loan portfolio transferred to																				
- PHL Fininvest Pvt. Ltd.	-	-	-	-	3,76,223	5,16,414	9,41,420	-	-	-	-	-	-	-	-	-	3,76,223	5,16,414	9,41,420	-
-Piramal Fund Management Pvt. Ltd.	-	-	-		-	79,370	-		-	-	-		-	-	-		-	79,370	-	-
TOTAL	**-**	**-**	**-**	**-**	**3,76,223**	**5,95,784**	**9,41,420**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,76,223**	**5,95,784**	**9,41,420**	**-**
Redemption of Investment in NCD - PEL																				
- Piramal Enterprises Limited	-	36,414	-		-	-	-	-	-	-	-	-	-	-	-		-	36,414	-	-
TOTAL	**-**	**36,414**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,414**	**-**	**-**
NCD Byback																				
- Piramal Enterprises Limited	15,000.00	-	1,10,347		-	-	-	-	-	-	-	-	-	-	-		15,000	-	1,10,347	-
- PHL Fininvest Pvt. Ltd.		-	-	-		-	15,691	-		-	-	-		-	-	-	-	-	15,691	-
TOTAL	**15,000**	**-**	**1,10,347**	**-**	**-**	**-**	**15,691**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,000**	**-**	**1,26,038**	**-**
CP Buyback from PEL																				
- Piramal Enterprises Limited	-	75,000	-		-	-	-	-	-	-	-	-	-	-	-		-	75,000	-	-
TOTAL	**-**	**75,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**75,000**	**-**	**-**
Security Deposit Refunded																				
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	-	211	-	-	-	-	-	-	-	211	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**211**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**211**	**-**	**-**
Security deposit placed																				
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	-	185	488	80	-	-	-	-	-	185	488	80
- Piramal Enterprises Limited		-	-	1		-	-	-		-	-	-		-	-	-		-	-	1
TOTAL	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**185**	**488**	**80**	**-**	**-**	**-**	**-**	**-**	**185**	**488**	**81**
Share Capital																				
- Piramal Finance Limited– against cash		-	-	-		-	-	-			-	-			-	-	-	-	-	-
- Piramal Enterprises Limited– pursuant to scheme of merger			-	18,04,452		-	-	-			-	-			-	-	-	-	-	-
TOTAL		**-**	**-**	**18,04,452**		**-**	**-**	**-**		**-**	**-**	**-**		**-**	**-**	**-**		**-**	**-**	**-**
Prepaid Expenses																				
- Piramal Enterprises Limited	12	-	-	-	-	-	-	-	-	-	-	-	-	-	16	16	12	-	16	16
- Piramal Pharma Limited	-	-			10	-	-	-	-	-	-	-	-	-			10	-	-	-
TOTAL	**12**	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**16**	**23**	**-**	**16**	**16**
Payable																				
- Piramal Enterprises Limited	2,93,554	1,78,706	3,905	75,898	-	-	-	-	-	-	-	-	-	-	-	-	2,93,554	1,78,706	3,905	75,898
- Aasan Corporate Solutions Private Limited	-	-	-		-	-	-		10	12	-			-	-		10	12	-	-
- PHL Fininvest Pvt. Ltd.	-	-	-	-	680	380	702	-	-	-	-	-	-	-	-	-	680	380	702	-
- Piramal Corporate Services Limited	-	-	-	-	-	-	-	-	276	-	504	281	-	-	-	-	276	-	504	281
- Brickex Advisors Private Limited	-	-	-		-	-	-		9	-	162		-	-	-		9	-	162	-
- Piramal Investment Advisory Services Private Limited	-	-	-		-	108	-		-	-	-	-	-	-	-		-	108	-	-
- Piramal Pharma Limited	-	-			14	-	-	-	-	-	-	-	-	-			14	-	-	-
TOTAL	**2,93,554**	**1,78,706**	**3,905**	**75,898**	**694**	**488**	**702**	**-**	**295**	**12**	**666**	**281**	**-**	**-**	**-**	**-**	**2,94,543**	**1,79,206**	**5,272**	**76,179**
Receivables																				
- Piramal Enterprises Limited	-	-	38,853	745		-	-	-		-	-	-	-	-	-	-	-	-	38,853	745
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	592	592	611	80	-	-	-	-	592	592	611	80
- PHL Fininvest Pvt. Ltd.	-	-	-		1,15,275	1,39,500	44,519		-	-	-		-	-	-		1,15,275	1,39,500	44,519	-
- Piramal Investment Advisory Services Private Limited	-	-			24,840	-			-	-			-	-			24,840	-	-	-
- Piramal Finance Sales & Services Pvt Ltd.	-	-			20	-			-	-			-	-			20	-	-	-
- Brickex Advisors Private Limited	-	-	-		-	-	-		91	153	-		-	-	-		91	153	-	-
TOTAL	**-**	**-**	**38,853**	**745**	**1,40,135**	**1,39,500**	**44,537**	**-**	**684**	**745**	**611**	**80**	**-**	**-**	**-**	**-**	**1,40,818**	**1,40,245**	**84,001**	**825**

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

41 Employee Benefits:

Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2021

The Company has scheme for gratuity as part of post retirement plan. The Company has a defined benefit gratuity plan in India (funded from current year ended March 31, 2021, unfunded for previous year ended March 31, 2020). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a Piramal Capital & Housing Finance Limited Employees Group Gratuity Trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

A. Change in Projected Benefit Obligation

Particulars	**(Funded) Gratuity Year Ended March 31, 2021**	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity Year Ended March 31, 2019	(Non-Funded) Gratuity Year Ended March 31, 2018
Present Value of Benefit Obligation as at beginning of the year	**1,158**	910	591	-
Interest Cost	**76**	70	46	5
Current Service Cost	**237**	224	157	78
Liability transferred in	**-**	-	-	507
Benefits paid	**(69)**	(51)	(42)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**(1)**	82	10	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(172)**	(77)	149	
Present Value of Defined Benefit Obligation as at the end of the year	**1,228**	1,158	910	591

B. Fair value of plan assets

Particulars	**(Funded) Gratuity As at March 31, 2021**	(Non-Funded) Gratuity As at March 31, 2020	(Non-Funded) Gratuity As at March 31, 2020	(Non-Funded) Gratuity As at March 31, 2020
Fair Value of Plan Assets as at beginning of the year	**-**	-	-	-
Interest income	**-**	-	-	-
Contributions by the Employer	**1,158**	-	-	-
Assets transferred in	**-**	-	-	-
Return on Plan Assets, Excluding Interest Income	**109**	-	-	-
Fair value of plan assets as at the end of the year	**1,267**	-	-	-

C. Amount recognised in the Balance Sheet

Particulars	**(Funded) Gratuity Year Ended March 31, 2021**	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity As at March 31, 2019	(Non-Funded) Gratuity As at March 31, 2018
Present Value of Benefit Obligation at the end of the year	**(1,228)**	(1,158)	(910)	(591)
Fair Value of Plan Assets at the end of the year	**1,267**	-	-	-
Funded Status (surplus/ (deficit))	**38**	(1,158)	(910)	(591)
Net (Liability)/Asset Recognized in the Balance Sheet	**38**	(1,158)	(910)	(591)

D. Net interest cost for current year

Particulars	**(Funded) Gratuity Year Ended March 31, 2021**	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity Year Ended March 31, 2019	(Non-Funded) Gratuity Year Ended March 31, 2018
Present Value of Benefit Obligation at the Beginning of the year	**1,158**	910	591	-
(Fair Value of Plan Assets at the Beginning of the year)		-	-	-
Net Liability/(Asset) at the Beginning	**1,158**	910	591	-
Interest Cost	**76**	70	46	5
(Interest Income)	**-**	-	-	-
Net Interest Cost for current year	**76**	70	46	5

E. Expenses recognised in Statement of Profit and Loss

Particulars	**(Funded) Gratuity Year Ended March 31, 2021**	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity Year Ended March 31, 2019	(Non-Funded) Gratuity Year Ended March 31, 2018
Current Service Cost	**237**	224	157	79
Interest Cost	**76**	70	46	5
Total Expenses / (Income) recognised in the Statement of Profit and Loss	**313**	293	203	84

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

Particulars	(Funded) Gratuity Year Ended March 31, 2021	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity Year Ended March 31, 2019	(Non-Funded) Gratuity Year Ended March 31, 2018
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**(173)**	82	10	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	-	(77)	149	-
Actuarial (Gains)/Losses on Obligation due to experience	-	-	-	-
Return on Plan Assets, Excluding Interest Income	**(109)**	-	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the year recognized in OCI	**(282)**	5	159	-

G. Total amount recognized in Other Comprehensive Income consists of:

Particulars	Gratuity Year Ended March 31, 2021	Gratuity Year Ended March 31, 2020	Gratuity Year Ended March 31, 2019	Gratuity Year Ended March 31, 2018
Remeasurement (gains)/losses	-	-	-	-

H. Principal actuarial assumptions used:

Particulars	(Funded) Gratuity Year Ended March 31, 2021	(Non-Funded) Gratuity Year Ended March 31, 2020	(Non-Funded) Gratuity Year Ended March 31, 2019	(Non-Funded) Gratuity Year Ended March 31, 2018
Rate of discounting	**6.57%**	6.56%	7.64%	7.80%
Rate of salary increase	**9.00%**	9.00%	9.00%	9.00%
Rate of employee turnover	**10.00%**	10.00%	10.00%	10.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

H. Balance Sheet Reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening Net Liability	1,158	910	591	-
Expenses Recognized in Statement of Profit or Loss	313	293	204	84
Expenses Recognized in OCI	(282)	5	159	-
Net liability transfer in	-	-	-	507
Benefit Paid	(69)	(51)	(42)	-
(Employer's Contribution)	(1,158)	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**(38)**	1,158	911	591

J. Category of Assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Government of India assets	-	-	-	-
State Government securities	-	-	-	-
Special deposits scheme	-	-	-	-
Debt instruments	-	-	-	-
Corporate bonds	-	-	-	-
Cash and cash equivalents	-	-	-	-
Insurance fund	**1,267**	-	-	-
Asset-backed securities	-	-	-	-
Structured debt	-	-	-	-
Other	-	-	-	-
Total	**1,267**	-	-	-

K. Other Details

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
No of Active Members	**615**	703	867	360
Per Month Salary For Active Members	**380**	431	470	290
Weighted Average Duration of the Projected Benefit Obligation	**8**	9	-	-
Average Expected Future Service (Years)	**8**	8	8	8
Projected Benefit Obligation (PBO)	**1,228**	1,158	910	591
Prescribed Contribution For Next Year (12 Months)	**176**	-	-	-

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

L. Net Interest Cost for Next Year

Particulars	Estimated for the year ended March 31, 2021	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2019
Present Value of Benefit Obligation at the End of the year	**1,228**	1,158	910	591
(Fair Value of Plan Assets at the End of the year)	**(1,267)**	-	-	-
Net Liability/(Asset) at the End of the year	**(38)**	1,158	910	591
Interest Cost	**81**	76	70	46
(Interest Income)	**(83)**	-	-	-
Net Interest Cost for Next Year	**(3)**	76	70	46

M. Expenses Recognized in the Statement of Profit or Loss for Next Year

Particulars	Estimated for the year ended March 31, 2021	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2019
Current Service Cost	**214**	237	224	134
Net Interest Cost	**(3)**	76	70	46
(Expected Contributions by the Employees)	**-**	-	-	-
Expenses Recognized	**212**	314	294	180

N. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1st Following Year	80	74	82	54
2nd Following Year	92	78	67	42
3rd Following Year	309	88	71	42
4th Following Year	129	289	79	44
5th Following Year	78	121	248	46
Sum of Years 6 To 10	413	395	327	296
Sum of Years 11 and above	1,021	1,019	882	413

O. Sensitivity Analysis

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	**1,228**	1,158	910	591
Delta Effect of +1% Change in Rate of Discounting	**(77)**	(77)	(57)	(35)
Delta Effect of -1% Change in Rate of Discounting	**88**	88	64	40
Delta Effect of +1% Change in Rate of Salary Increase	**85**	85	63	39
Delta Effect of -1% Change in Rate of Salary Increase	**(76)**	(76)	(57)	(35)
Delta Effect of +1% Change in Rate of Employee Turnover	**(19)**	(21)	(12)	(6)
Delta Effect of -1% Change in Rate of Employee Turnover	**20**	23	12	6

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

Notes:
Gratuity is payable as per company' scheme as detailed in the report.
Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.
Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

42 Fair Value Disclosures

a)

Categories of Financial Instruments:	March 31, 2021 FVTPL	March 31, 2021 Amortised Cost*	March 31, 2020 FVTPL	March 31, 2020 Amortised Cost*	March 31, 2019 FVTPL	March 31, 2019 Amortised Cost*	March 31, 2018 FVTPL	March 31, 2018 Amortised Cost*
Financial Assets								
Investments	5,44,838	6,46,791	1,97,583	6,08,754	15,258	9,37,668	28,367	12,52,037
Loans	87,072	24,99,884	59,425	26,23,826	41,818	30,41,914	22,938	19,56,834
Cash and Bank Balances #	-	4,33,167	-	4,25,971	-	43,636	-	1,55,338
Other Financial Assets #	-	81,759	-	64,228	-	86,214	-	2,782
	6,31,910	**36,61,600**	2,57,008	37,22,779	57,076	41,09,432	51,305	33,66,991
Financial liabilities								
Borrowings #	-	29,86,715	-	29,35,455	-	32,30,861	-	25,93,982
Trade Payables #	-	9,284	-	14,768	-	8,026	-	2,440
Other Financial Liabilities #	-	10,262	-	11,241	-	7,118	-	7,196
	-	**30,06,261**	-	29,61,465	-	32,46,004	-	26,03,618

b) Fair Value Hierarchy and Method of Valuation

Financial Instruments			**March 31, 2021**			
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	**i.**	**29,810**	**-**	**-**	**29,810**	**29,810**
Investments in Mutual Funds	**ii.**	**1,90,007**	**1,90,007**	**-**	**-**	**1,90,007**
Project Receivables	**i.**	**1,75,960**			**1,75,960**	**1,75,960**
Investment in AIF	**i.**	**1,49,061**			**1,49,061**	**1,49,061**
Loans	**i. & ii.**	**87,072**	**-**	**-**	**87,072**	**87,072**
Measured at Amortised Cost*						
Investments						
Redeemable Non-Convertible Debentures	**ii.**	**6,46,791**	**-**	**-**	**6,57,537**	**6,57,537**
Loans	**ii.**	**24,99,884**	**-**	**-**	**25,08,812**	**25,08,812**
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	**ii.**	**29,86,715**	**-**	**-**	**30,05,410**	**30,05,410**

Financial Instruments			March 31, 2020			
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	31,753	-	-	31,753	31,753
Project Receivables	i.	1,65,830			1,65,830	1,65,830
Loans	i. & ii.	59,425	-	-	59,425	59,425
Measured at Amortised Cost*						
Investments						
Redeemable Non-Convertible Debentures	ii.	6,08,754	-	-	7,18,985	7,18,985
Loans	ii.	26,23,826	-	-	27,61,320	27,61,320
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	ii.	29,35,455	-	-	29,56,553	29,56,553

Financial Instruments			March 31, 2019			
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	15,258	-	-	15,258	15,258
Loans	i. & ii.	41,818	-	-	41,818	41,818
Measured at Amortised Cost*						
Investments						
Redeemable Non-Convertible Debentures	ii.	9,37,668	-	-	9,57,992	9,57,992
Loans	ii.	30,41,914	-	-	30,01,029	30,01,029
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	ii.	32,30,861	-	-	32,30,685	32,30,685

Financial Instruments			March 31, 2018			
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	25,666	-	-	25,666	25,666
Investments in Mutual Funds	ii	2,701	2,701	-	-	2,701
Investment in Alternative Investment Fund						-
Loans	i & iii	22,938	-	-	22,938	22,938
Measured at Amortised Cost						
Investments						
Redeemable Non-Convertible Debentures		12,52,037	-	-	12,54,064	12,54,064
Loans		19,56,834	-	-	19,75,523	19,75,523
Financial Liabilities						
Measured at Amortised Cost						
Borrowings		25,93,982	-	-	25,95,039	25,95,039

(Currency : Rs in lakhs)

42 Fair Value Disclosures *(Continued)*

Notes:

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value & fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs 175,823 (31 March 2020 – Rs 176,041)

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020, March 31, 2019 and March 31, 2018.

Particulars	Investments	Debentures	Loans	Total
As at April 1, 2017	-	-	-	-
Acquisitions	-	-	306	306
Acquisitions - on account of merger	-	25,666	22,632	48,298
As at March 31, 2018	-	25,666	22,938	48,604
Transfer Out	-	13,102	15,124	28,226
Acquisitions	-	3,240	34,313	37,553
(Losses) recognised in profit or loss	-	(546)	(309)	(855)
As at March 31, 2019	-	**15,258**	**41,818**	**57,076**
Transfer Out	-	14,415	-	14,415
Acquisitions	1,68,423	6,249	15,947	1,90,619
(Losses) recognised in profit or loss	(2,593)	(4,169)	1,660	(5,103)
As at March 31, 2020	**1,65,830**	**31,753**	**59,425**	**2,57,007**
Transfer Out	-	-	(36,851)	(36,851)
Acquisitions	1,73,881	(3,463)	63,486	2,33,903
(Losses) recognised in profit or loss	(14,690)	1,520	1,012	(12,157)
As at March 31, 2021	**3,25,021**	**29,810**	**87,072**	**4,41,903**

d) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been 100 basis points higher / lower is given below:

Method	Nature of Instrument	Significant	Increase / Decrease in the unobservable input	Sensitivity Impact	
				Yield Increase	Yield Decrease
Discounted Cash Flow Model as at March 31, 2021	NCD	Discount rate	0.7%	(162)	165
	Investment	Sale Price	5.0%	7,570	(7,550)
	Term Loan	Discount rate	0.7%	(151)	154
	Term Loan	Sale Price	5.0%	3,140	(3,140)
	Term Loan	Equity	10.0%	-	-
Discounted Cash Flow Model as at March 31, 2020	NCD	Discount rate	0.7%	(125)	127
	Investment	Sale Price	5.0%	(8,100)	8,100
	Term Loan	Discount rate	0.7%	(320)	329
	Term Loan	Equity	10.0%	(468)	1,689
Discounted Cash Flow Model as at March 31, 2019	NCD	Discount rate	0.5%	-	-
	Term Loan	Discount rate	0.5%	(1,111)	1,138
	Term Loan	Equity	10.0%	(1,021)	812
Discounted Cash Flow Model as at March 31, 2018	Term Loan	Discount rate	1.0%	(757)	792
	NCD	Discount rate	1.0%	(363)	380
	NCD	Equity	10.0%	(848)	860

(Currency : Rs in lakhs)

43 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 13 offset by cash and bank balances) and total equity of the Company.

The Company being a Non-Deposit taking Housing Finance Company has to maintain a Capital Adequacy Ratio of 12%. The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by NHB.

The capital components of the Company are as given below:	**March 31, 2021**	March 31, 2020	March 31, 2019	March 31, 2018
Total Equity	21,48,664	20,45,155	19,53,085	18,08,931
Borrowings	29,86,715	29,35,455	32,30,861	25,93,982
Total Debt	**29,86,715**	29,35,455	32,30,861	25,93,982
Cash and Cash equivalents	(3,55,849)	(3,86,460)	(41,231)	(1,55,338)
Bank balances other than above	(77,318)	(39,510)	(2,405)	-
Net Debt	**25,53,548**	25,09,485	31,87,225	24,38,644

44 Risk management

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Company's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Company is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators.

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

44.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy in line with NHB guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The company manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Company has the following undrawn credit lines available as at the end of the reporting period.

	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
- Expiring within one year (including bank overdraft)	-	4,02,603	3,86,000	4,91,400
- Expiring beyond one year	-	-	-	-
Undrawn credit lines	-	4,02,603	3,86,000	4,91,400

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2021 and March 31, 2020 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.1 Liquidity Risk *(Continued)*

Maturities of Financial Liabilities	**March 31, 2021**			
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years and above**
Borrowings	9,40,648	12,36,420	11,87,046	4,83,508
Trade Payables	9,284	-	-	-
Other Financial Liabilities*	7,982	2,374	628	532
	9,57,914	**12,38,794**	**11,87,674**	**4,84,040**

Maturities of Financial Liabilities	March 31, 2020			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	14,76,454	10,69,783	8,46,833	2,76,476
Trade Payables	14,768	-	-	-
Other Financial Liabilities*	7,014	2,264	1,155	808
	14,98,236	10,72,047	8,47,988	2,77,284

Maturities of Financial Liabilities	March 31, 2019			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	17,52,345	14,69,188	4,38,661	4,20,585
Trade Payables	8,026	-	-	-
Other Financial Liabilities	6,976	142	-	-
	17,67,347	14,69,330	4,38,661	4,20,585

*This includes lease liabilities

Maturities of Financial Liabilities	March 31, 2018			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	10,44,242	16,61,464	2,10,074	1,36,508
Trade Payables	2,440	-	-	-
Other Financial Liabilities	7,146	50	-	-
	10,53,828	16,61,514	2,10,074	1,36,508

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of Financial Assets	**March 31, 2021**			
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years and above**
Investments	40,657	4,35,022	5,07,388	93,284
Loans	4,07,708	12,88,710	5,22,273	8,65,414
Other Financial Assets	58,798	39,818	-	-
	5,07,163	**17,63,550**	**10,29,661**	**9,58,698**

Maturities of Financial Assets	March 31, 2020			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	1,91,757	3,64,721	7,04,178	-
Loans	5,73,516	15,95,345	12,60,593	7,99,502
Other Financial Assets	21,545	39,387	-	-
	7,86,817	19,99,453	19,64,771	7,99,502

Maturities of Financial Assets	March 31, 2019			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	3,64,848	5,52,794	2,36,218	85,923
Loans	8,26,624	12,91,513	12,60,860	10,54,657
Other Financial Assets	86,214	-	-	-
	12,77,686	18,44,307	14,97,078	11,40,580

Maturities of Financial Assets	March 31, 2018			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	3,90,723	7,62,767	3,88,366	3,10,096
Loans	3,93,314	11,27,589	9,15,064	6,23,136
Trade Receivables	-	-	-	-
Other Financial Assets	2,782	-	-	-
	7,86,819	18,90,356	13,03,430	9,33,232

For the year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 has directed HFC Companies to provide moratorium of 3 months to its customer / borrower on all payments falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard.
Accordingly, the Company has followed the direction issued by RBI and has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 May 2020. The Company has also availed moratoriums on their borrowings in line with these directions. Therefore, the maturities of the financial assets and financial liabilities, to the extent applicable have been impacted as a consequence of this RBI direction.

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.2 Interest Rate Risk

Retail lending:
The Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

Wholesale lending:
The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 18,96,623 (31 March 2020 - Rs.2,326,580 lakhs) (31 March 2019- Rs.2,603,249 lakhs) (31 March 2018- Rs.1,243,133 lakhs) and fixed rate borrowings are Rs. 10,90,091 (31 March 2020 Rs. 608,874 lakhs) (31 March 2019- Rs. 621,416 lakhs) (31 March 2018- Rs. 1,316,871 lakhs)

Impact on the Company's profit before tax if interest rates had been 100 basis points higher / lower is given below:

Sensitivity Analysis on Floating Rate Instruments	For the Year Ended			
	March 31, 2021		March 31, 2020	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(19,072)	19,072	(23,295)	23,295
Sensitivity Analysis on Floating Rate Assets	19,742	(19,742)	21,739	(21,739)

Sensitivity Analysis on Floating Rate Instruments	For the Year Ended			
	March 31, 2020		March 31, 2019	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(23,295)	23,295	(26,032)	26,032
Sensitivity Analysis on Floating Rate Assets	21,739	(21,739)	26,478	(26,478)

Sensitivity Analysis on Floating Rate Instruments	For the Year Ended			
	March 31, 2019		March 31, 2018	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(26,032)	26,032	(12,431)	12,431
Sensitivity Analysis on Floating Rate Assets	26,478	(26,478)	10,339	(10,339)

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.3 Credit Risk

The Company is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Retail lending:
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

Wholesale lending:
The Company's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors:

Sectors	**Exposure as at**			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Real Estate	**77.00%**	73.98%	66.98%	75.47%
Renewables	**6.66%**	6.50%	9.03%	10.47%
Retail	**13.83%**	15.90%	12.87%	3.16%
Others	**2.51%**	3.63%	11.12%	10.90%

Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like:
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Company and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
• Geographic region – the Company monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like :
• Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.

• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Exit – This is an assessment of the liquidity of the loan or investment.
The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	**Description**
I	Extremely good loan
II	Good loan
III	Moderate loan
IV	Weak loan
V	Extremely weak loan

44 Risk management *(Continued)*

44.3 Credit Risk *(Continued)*

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

Provision for Expected Credit Loss

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) at the reporting dates. For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature. These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Company provides for expected credit loss based on the following:

Category - Description	Stage	Basis for Recognition of Expected Credit Loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

For the year ended March 2021, March 31, 2020, March 31, 2019 and March 31, 2018 the Company has developed a PD Matrix after considering some parameters as stated below :
The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

Impact of Covid -19 pandemic on the credit risk

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 2020. Further, in line with the additional Regulatory Package guidelines dated May 23, 2020 the Company granted a second three month moratorium on the payment of principal instalments and/ or interest, as applicable, falling due between June 1, 2020 and August 31, 2020.
For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company’s policy).
The Supreme Court through an interim order dated September 03, 2020 directed that accounts which were not declared non-performing till August 31, 2020 shall not be declared non-performing after August 31, 2020. Pursuant to the Supreme Court's final order and the related RBI notification issued on April 7, 2021, the Company has classified the borrower accounts as Credit impaired (Stage -3) as at March 31, 2021.
The Company has portfolios that may face some head winds due to the emerging economic conditions. The exposures to sectors like hotels, auto-ancillaries may face much larger challenges. However, the exposure to these sectors are fairly limited.

Other sectors like residential and commercial real estate, renewables, logistics etc. where the Company has exposure may have direct or indirect impact. Company ran a scenario analysis using proprietary algorithm based risk models on the portfolio. The scenario took into account the current COVID-19 related impact and was built by risk with inputs from the Chief Economist of the Company.

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the Board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company’s management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2021 aggregates Rs. 184,846 lakhs (as at March 31, 2020, Rs. 192,870 lakhs) which includes potential impact on account of the pandemic.. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.
The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company's performance will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition and other related matters, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone annual financial results and the Company will continue to closely monitor any material changes to future economic conditions.

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

44 Risk management *(Continued)*
44.3 Credit Risk *(Continued)*

Expected Credit Loss as at the Reporting period:

As at March 31, 2021

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net Amount
Good Quality Liquid Assets				-
Assets for which credit risk has not significantly increased from initial recognition	Investments	5,45,372	15,186	5,30,185
	Loans	24,37,148	59,238	23,77,910
Assets for which credit risk has increased significantly but not credit impaired	Investments	96,177	29,576	66,601
	Loans	84,517	17,982	66,535
Assets for which credit risk has increased significantly and credit impaired	Investments	24,484	11,691	12,793
	Loans	87,245	42,150	45,095
Total		**32,74,943**	**1,75,823**	**30,99,119**

As at March 31, 2020

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net Amount
Assets for which credit risk has not significantly increased from initial recognition	Investments	5,40,670	20,884	5,19,786
	Loans	27,99,619	91,183	27,08,437
Assets for which credit risk has increased significantly but not credit impaired	Investments	64,530	22,375	42,155
	Loans	45,429	15,452	29,977
Assets for which credit risk has increased significantly and credit impaired	Investments	20,665	7,569	13,096
	Loans	53,032	18,578	34,454
Total		35,23,945	1,76,041	33,47,904

As at March 31, 2019

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net Amount
Assets for which credit risk has not significantly increased from initial recognition	Investments	8,61,547	12,664	8,48,883
	Loans	30,50,688	39,496	30,11,192
Assets for which credit risk has increased significantly but not credit impaired	Investments	29,995	3,213	26,782
	Loans	19,839	2,486	17,352
Assets for which credit risk has increased significantly and credit impaired	Investments			-
	Loans	14,081	8,747	5,334
Total		39,76,150	66,607	39,09,543

As at March 31, 2018

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net Amount
Assets for which credit risk has not significantly increased from initial recognition	Investments	12,17,065	20,563	11,96,502
	Loans	20,16,572	32,055	19,84,517
Assets for which credit risk has increased significantly but not credit impaired	Investments	-	-	-
	Loans	5,926	158	5,768
Assets for which credit risk has increased significantly and credit impaired	Investments	4,196	629	3,567
	Loans	7,819	7,819	-
Total		32,51,578	61,224	31,90,354

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

44 Risk management (Continued)
44.3 Credit Risk (Continued)

a) Reconciliation of Loss Allowance

For the year ended March 31, 2021

Investments and Loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	1,12,067	37,827	26,147
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(842)	842	-
Transferred to Lifetime ECL credit impaired	(1,130)	(3,789)	4,919
On Account of Rate (Reduction)/Increase	(29,687)	12,688	22,775
On Account of Disbursements	58,011	-	-
On Account of Repayments	(63,995)	(10)	-
Balance at the end of the year	**74,424**	**47,558**	**53,841**

For the year ended March 31, 2020

Investments and Loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	52,160	5,699	8,747
Transferred to 12-month ECL	1,918	(1,918)	-
Transferred to Lifetime ECL not credit impaired	(2,162)	2,162	-
Transferred to Lifetime ECL credit impaired	(159)		159
On Account of Rate (Reduction)/Increase	80,102	32,083	17,241
On Account of Disbursements	19,300	-	-
On Account of Repayments	(39,093)	(199)	-
Balance at the end of the year	**1,12,067**	**37,827**	**26,147**

For the year ended March 31, 2019

Investments and Loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	52,617	158	8,449
Transferred to 12-month ECL	158	(158)	-
Transferred to Lifetime ECL not credit impaired	(840)	840	-
Transferred to Lifetime ECL credit impaired	(65)	-	65
Transferred from PEL	3,023	-	
Transferred to PHL Fin	(15,022)	-	
Charge to Statement of Profit and Loss (refer note 31):			
On Account of Rate (Reduction)/Increase	(213)	4,860	234
On Account of Disbursements	29,755	-	-
On Account of Repayments	(17,254)	-	-
Balance at the end of the year	52,160	5,699	8,747

For the year ended March 31, 2018

Investments and Loans	12 months ECL	Lifetime ECL not	ECL credit impaired
Balance at the beginning of the year	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired - specific provision	-	-	-
Bad debts recovered	-	-	-
Bad debts written off	-	-	-
Charge to Statement of Profit and Loss (refer note 31):	-	-	-
On Account of Rate Increase / (Reduction)	(10,209)	39	6,458
On Account of amalgamation	62,379	119	1,991
On Account of disbursements	1,222	-	-
On Account of repayments	(775)	-	-
Balance at the end of the year	52,617	158	8,449

(Currency : Rs in lakhs)

44 Risk management *(Continued)*
44.3 Credit Risk *(Continued)*

b) Expected Credit Loss on undrawn loan commitments and letter of comfort:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
ECL on undrawn loan commitments and letter of comfort (refer note 19)	9023.040551	16,828	8,693	1,099

c) Description of Collateral held as security and other credit enhancements

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets is higher than 1.

d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Value of Security (at fair value considered for LGD)	57,888	47,550	5,334	-

44.4 Regulatory Risk:

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

44.5 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Company's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Company has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Risks associated with frauds are mitigated through 100% document verification by concurrent auditors and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Company and report directly to Audit and Risk Management Committee of the company.

(Currency : Rs in lakhs)

45 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

There were no hedging instrument as on March 31, 2019

Following table provides quantitative information regarding the hedging instrument as on March 31, 2021:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "Other financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	**(Assets)***					
Cash Flow Hedge							
Foreign currency and Interest rate risk	52,264	579	14-Jun-24	1 : 1	9.30%	2,363	(2,167)

Following table provides quantitative information regarding the hedging instrument as on March 31, 2020:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "Other financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	**(Assets)***					
Cash Flow Hedge							
Foreign currency and Interest rate risk	52,264	1,784	14-Jun-24	1 : 1	9.30%	(1,937)	3,721

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	**(Liabilities)***					
Cash Flow Hedge							
Foreign currency and Interest rate risk	50,000	1,624	Jun'18	1:1	12.57%	-	-

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2021:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	2,363	-	(277)	Finance Cost
			(1,890)	Foreign Exchange (gain)/loss

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2020:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	(1,937)	-	(775)	Finance Cost
			4,497	Foreign Exchange (gain)/loss

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2018:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk				
Interest Rate risk and Foreign Exchange Risk	-	-	-	Finance Cost
			-	Foreign Exchange (gain)/loss

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

Particulars	Movement in Cash flow hedge reserve for the years ended	Movement in Cash flow hedge reserve for the years ended	Movement in Cash flow hedge reserve for the years ended	Movement in Cash flow hedge reserve for the years ended
	31-Mar-21	**31-Mar-20**	**31-Mar-19**	**31-Mar-18**
Opening balance	(1,449)	-	-	-
Effective portion of changes in fair value:				
a) Interest rate and foreign currency risk risk	(2,363)	1,784	-	-
Net amount reclassified to profit or loss:				
a) Interest rate risk	(277)	(775)	-	-
b) Foreign currency risk	(1,890)	4,497	-	-
Tax on movements on reserves during the year	50	488	-	-
Closing balance	(1,596)	(1,449)	-	-

(Currency : Rs in lakhs)

46 Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations/ Assignments	**Year ended March 31, 2021**	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Carrying amount of transferred assets measured at amortised cost	-	4,57,525	-	-
Carrying amount of associated liabilities measured at amortised cost	-	3,57,279	-	-
Fair value of assets	-	3,72,707	-	-
Fair value of associated liabilities	-	2,50,804	-	-
Net position at Fair value	-	1,21,903	-	-

The Company has entered into a securitization transaction with Catalyst Trusteeship Limited (Master Trust 2019 Series - I) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting to Rs 86,676 lakhs (being 30%) of the amount securitised in addition to credit enhancement provided in the form of deposits is Rs 40,400 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.

Accordingly, Loan portfolio assets of Rs 288,919 lakhs are not derecognised and proceeds received of Rs 202,243 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a securitization transaction with IDBI Trusteeship Services Limited (Powerplus Trust Series i) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting of credit enhancement provided in the form of deposits is Rs 5,206 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.

Accordingly, Loan portfolio assets of Rs 27,401 lakhs are not derecognised and proceeds received of Rs 27,401 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a securitization transaction with Catalyst Trusteeship Limited (Marigold Trust 2019) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting to Rs 13,570 lakhs (being 15%) of the amount securitised in addition to credit enhancement provided in the form of deposits is Rs 9,940 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.

Accordingly, Loan portfolio assets of Rs 93,510 lakhs are not derecognised and proceeds received of Rs 79,940 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a assignment transaction with State Bank of India (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting of credit enhancement provided in the form of deposits is Rs 6,800 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.

Accordingly, Loan portfolio assets of Rs 47,695 lakhs are not derecognised and proceeds received of Rs 47,695 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

47 Foreign Currency Expenditure

Particulars	**March 31, 2021**	March 31, 2020	March 31, 2019	March 31, 2018
Annual License fees	-	249	382	-
Borrowing Cost	-	15,013	36	-
Business Promotion	-	5	0	-
Intangible assets under development	-	153	597	-
Professional Fees	256	311	37	-
Legal Fees	93	125	-	-
Reimb. Of Expenses/Traveling Expenses	-	4	-	-
Membership & Subscription	22	43	-	-

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

48 Additional disclosure in terms of RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April, 17, 2020

Particulars	March 31, 2021	March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	11,635	4,215
Respective amount where asset classification benefits is extended	11,635	4,215
Provisions made during the Q4 FY2020	1,164	211
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	-

*Amount outstanding as on 31 March 2021 is Rs.10,716 lakhs

49 Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

As of March 31, 2021 , the estimated cash flows for a period of 5 years in the for the Company were developed using internal forecasts, and a pre-tax discount rate of 17.00% (31 Mar 2020- 17.5%) respectively. The cash flows beyond 5 years have been extrapolated assuming 5% (31 Mar 2020- 5%) growth rates, depending on the cash generating unit and the country of operations. The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.
Based on the above, no impairment was identified as of March 31, 2021 as the recoverable value of the cash generating unit exceeded the carrying values by Rs.98,569 lakhs.

50 Disclosure in respect of IL&FS entities.

Name of facility	Position as on	Amount Outstanding	Of (2), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA.	Provisions required to be made as per IRAC norms.	Provisions actually held
(1)		(2)	(3)	(4)	(5)
IL&FS Solar Power Limited	March 31, 2021	-	-	-	-
IL&FS Solar Power Limited	March 31, 2020	7,500	-	30	132
IL&FS Solar Power Limited	March 31, 2019	7,500	-	30	64

Notes to Accounts on Reformatted Financial Statements
for the year ended March 31, 2021

(Currency : Rs in lakhs)

51 Corporate Social Responsibility Expenditure

Particulars	**March 31, 2021**	March 31, 2020	March 31, 2019	March 31, 2018
Contribution to Piramal Swasthya Management and Research Institute	660	1,341	704	-
Contribution to Piramal Foundation for Education Leadership	1101	3,259	1,906	-
Total	**1,761**	**4,600**	**2,610**	**-**
Amount required to be spent as per Section 135 of the Act	2733	-	-	-
Amount spent during the year				
(i) Construction/acquisition of an asset	-	-	-	-
(i) On purposes other than (i) above	**1761**	4,600	2,610	-
(iii) Set off taken during the year	**972**	-	-	-

52 Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

(Currency : Rs in lakhs)

53 Disclosure on Prudential Floor for ECL in terms of RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

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
Performing assets						
Standard Assets	Stage 1	29,72,409	74,424	28,97,985	22,056	52,368
	Stage 2	1,63,939	45,370	1,18,569	1,131	44,239
Sub-total		31,36,348	1,19,794	30,16,554	23,187	96,607
Non-performing assets (NPA)						
	Stage 2*	15,422	2,189	13,233	2,174	15
Substandard	Stage 3	53,931	19,751	34,180	8,090	11,661
Doubtful - up to 1 year	Stage 3	44,098	23,353	20,745	18,760	4,592
1 to 3 years	Stage 3	9,808	6,788	3,020	6,591	198
More than 3 years	Stage 3	3,949	3,949	-	3,949	-
Sub-total for doubtful		57,856	34,091	23,765	29,300	4,790
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,11,787	53,841	57,945	37,390	16,451
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	7,37,010	9,023	7,27,987	-	9,023
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total	**Stage 1**	**37,09,419**	**83,447**	**36,25,972**	**22,056**	**61,391**
	Stage 2	**1,79,361**	**47,558**	**1,31,803**	**3,304**	**44,254**
	Stage 3	**1,11,787**	**53,841**	**57,945**	**37,390**	**16,451**
	Total	**40,00,567**	**1,84,846**	**38,15,720**	**62,750**	**1,22,096**

*Represents the accounts which are in implementation phase as per One Time Restructing 'OTR'- resolution framework for COVID-19-related Stress based on RBI circular RBI/2020-21/16DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020. These accounts are classified as substandard as per RBI IRACP norms. However for the purpose of financial statements they are classified as "Stage 2 Assets".

54 Quarterly disclosure in terms of RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21

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*	-	95,187	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	72	4,831	-	-	323
Total	**72**	**1,00,018**	**-**	**-**	**323**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(Currency : Rs. in lakhs)

55 Additional disclosure on liquidity risk
In terms of RBI circular DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019

1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	15	28,17,676	NA	90.4%

2 Top 20 large deposits (amount in ₹ lakhs and % of total deposits)
Not Applicable

3 Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

Amount	% of Total Borrowings
24,60,946	82.4%

4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term Loan	14,76,760	47.4%
2	Non-convertible debentures	10,90,091	35.0%
3	Inter-corporate deposits	2,66,600	8.6%
4	Securitisation borrowing	95,609	3.1%
5	External Commercial Borrowing	54,755	1.8%

5 Stock Ratios:

Sr. No.		Particulars	March 31, 2021
(a)	(i)	Commercial papers as a % of total public funds	NA
	(ii)	Commercial papers as a % of total liabilities	0.1%
	(iii)	Commercial papers as a % of total assets	0.1%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA
	(ii)	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NIL
	(iii)	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NIL
(c)	(i)	Other short-term liabilities, if any as a % of total public funds	NA
	(ii)	Other short-term liabilities, if any as a % of total liabilities	23.5%
	(iii)	Other short-term liabilities, if any as a % of total assets	13.9%

6 Institutional set-up for liquidity risk management

a) The ALCO is responsible for the management of the companies funding and liquidity requirements, within the board approved framework and extant regulations.

b) The Company manages liquidity risk by maintaining an appropriate mix of unutilised banking facilities, credit lines as necessary and

by continuously monitoring expected and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

(Currency : Rs. in lakhs)

56 Non-Banking Financial Company disclosures

(i) **Disclosures as required in terms of Annex III of Master Direction – "Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021"**

	Particulars Liabilities side :	Amount outstanding as at March 31, 2021	Amount overdue as at March 31, 2021
1	**Loans and advances availed by the HFC**		
	inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured (refer note 4 below)	**10,40,599**	-
	: Unsecured	**49,493**	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred credits	**-**	-
	(c) Term loans	**14,47,435**	-
	(d) Inter-corporate loans and borrowing (refer note 4 below)	**2,66,600**	-
	(e) Commercial paper	**2,898**	-
	(f) Public deposits*	**-**	-
	(g) Other loans	**1,79,691**	-
	* Please see note 1 below		
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of unsecured debentures	**-**	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	**-**	-
	(c) Other public deposits	**-**	-
	* Please see note 1 below		

	Assets side :	Amount outstanding as at March 31, 2021
3	**Break-up of loans and advances including bills receivables [other than those included in (4) below:]**	
	(Amount gross of provision)	
	(a) Secured (refer note 5 below)	**30,46,043**
	(b) Unsecured	**2,17,513**
4	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

(Currency : Rs. in lakhs)

56 Additional Non-Banking Financial Company - HFC disclosures *(Continued)*

	Assets Side :	Amount outstanding as at March 31, 2021
5	**Break-up of investments :**	
	Current investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds (refer note 5 below)	-
	(iii) Units of mutual funds (refer note 5 below)	**1,90,007**
	(iv) Government securities	-
	(v) Others (please specify)	-
	2. Unquoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds (refer note 5 below)	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (please specify)	-
	Long term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds (refer note 5 below)	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (please specify)	-
	2. Unquoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds (refer note 5 below)	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	
	-Project Receivable	**1,75,960**
	-Investment in AIF	**1,49,061**

6 **Borrower group-wise classification of assets financed as in (3) and (4) above :**

Please see Note 2 below

Category (Amount net of provision)	**As at 31 March 2021**		
	Secured	**Unsecured**	**Total**
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	**1,40,115**	**1,40,115**
(c) Other related parties	-	-	-
2. Other than related parties (refer note 5 below)	**28,73,799**	**73,818**	**29,47,618**
Total	**28,73,799**	**2,13,933**	**30,87,733**

(Currency : Rs. in lakhs)

56 Additional Non-Banking Financial Company - HFC disclosures (Continued)

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Please see note 3 below

Category	As at 31 March 2021	
	Market Value / Break up or fair value or NAV	**Book Value (Net of Provision)**
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group (refer note 2 and 5 below)	-	-
(c) Other related parties	-	-
2. Other than related parties (refer note 2 and 5 below)	5,15,028	5,15,028
Total		

** As per Accounting Standard of ICAI (refer note 3 below)

8 **Other information**

	Particulars	**Amount as at March 31, 2021**
(i)	Gross non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	1,11,787
(ii)	Net non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	57,945
(iii)	Assets acquired in satisfaction of debt	-

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank

57.1 Minimum disclosures

The following additional disclosures have been given in terms of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('the Directions') issued by the National Housing Bank.

57.2 Summary of significant accounting policies

The accounting policies regarding key areas of operations are disclosed as note 2 of the financial statements.

57.3 Disclosures:

57.3.1 Details of Principal Business Criteria

Period	Percentage of total assets towards housing finance*	Percentage of total assets towards housing finance for individuals*
March 31, 2021	34.74%	6.95%

*** Total assets is total of assets side of Balance sheet net of intangible assets**

57.3.2 Capital

Particulars	March 31, 2021
(i) CRAR (%)	32.30%
(ii) CRAR – Tier I Capital (%)	32.06%
(iii) CRAR – Tier II Capital (%)	0.24%
(iv) Amount of subordinated debt raised as Tier- II Capital	-
(v) Amount raised by issue of Perpetual Debt Instruments	-

57.3.3 Reserves Fund u/s 29C of NHB Act, 1987

Particulars	March 31, 2021
Balance at the beginning of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	29,461
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-
c) Total	29,461
Addition / Appropriation / Withdrawal during the year	
Add:	
a) Amount transferred u/s 29C of the NHB Act, 1987	20,689
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-
Less:	
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-
Balance at the end of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	50,150
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-
c) Total	**50,150**

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.3 Disclosures *(continued)*

57.3.4 Investments:

Particulars	March 31, 2021
1. Value of Investments	
(i) Gross value of Investments	
(a) In India	5,15,028
(b) Outside India	-
(ii) Provisions for Depreciation	
(a) In India	-
(b) Outside India	-
(iii) Net value of Investments	
(a) In India	5,15,028
(b) Outside India	-
2. Movement of provisions held towards depreciation on investments	
(i) Opening balance	-
(ii) Add: Provisions made	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-
(iv) Closing balance	-

Note: Loans are given to corporates/builders & they use these loans through SPV route, so NCD is a preferred mode. When we underwrite any loan, we are agnostic towards the underlying instrument & for the ease of management, NCDs are used. All the NCD deals as on March 31, 2021 are in the nature of loan

57.3.5 Derivatives

57.3.5.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)
The Company has not taken any Forward rate agreement / Interest rate swap during the year ended March 31, 2021.

57.3.5.2 Exchange Traded Interest Rate (IR) Derivative
The Company has not taken any exchange traded interest rate (IR) derivatives during the year ended March 31, 2021.

57.3.5.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure
Refer note 2(iv) for hedge accounting policy, note 44 for financial risk management and note 45 for accounting for cash flow hedge.

B. Quantitative Disclosure

Particulars	March 31, 2021
(i) Derivatives (Notional Principal Amount)	52,262
(ii) Marked to Market Positions	
(a) Assets (+)	-
(b) Liability (-)	579
(iii) Credit Exposure	4,647
iv) Unhedged Exposures	-

57.3.6 Securitisation
The Company had not entered into any securitisation transaction during the year ended March 31, 2021

57.3.7 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction
There are no financial assets sold to securitisation/reconstruction company for asset reconstruction

57.3.8 Details of Assignment transactions undertaken by HFCs
The Company had not entered into any assignment transaction during the year ended March 31, 2021

57.3.9 Details of non-performing financial assets purchased / sold
The Company has not purchased / sold any non-performing assets during the year ended March 31, 2021

57.3.10 Percentage of outstanding loans against collateral of gold jewellery to their outstanding total assets
The company has not granted any loan against collateral of gold jewellery during the year ended March 31, 2021

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.3 Disclosures *(continued)*

57.3.11 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

Maturity Pattern	Liabilities				
	Deposits	Borrowings from banks	Market borrowings	Foreign Currency liabilities	Total
1 day to 7 days	-	1,500	-	-	1,500
8 to 14 days	-	40	-	-	40
15 days to 30/31 days	-	18,427	50,379	-	68,806
Over one month to 2 months	-	15,912	229	-	16,141
Over 2 to 3 months	-	96,164	2,196	-	98,360
Over 3 to 6 months	-	1,64,080	17,359	-	1,81,439
Over 6 months to 1 year	-	2,21,517	1,15,012	-	3,36,530
Over 1 to 3 years	36,900	6,03,629	2,46,742	26,584	9,13,856
Over 3 to 5 years	2,29,700	2,76,775	4,36,636	28,171	9,71,282
Over 5 years	-	99,397	2,99,364	-	3,98,761
Total	**2,66,600**	**14,97,441**	**11,67,917**	**54,755**	**29,86,715**

Maturity Pattern	Assets			
	Advances	Investments	Foreign Currency Assets	Grand total
1 day to 7 days	11,440	63,336	-	74,775
8 to 14 days	-	63,336	-	63,336
15 days to 30/31 days	761	63,336	-	64,097
Over one month to 2 months	5,394	-	-	5,394
Over 2 to 3 months	21,953	-	-	21,953
Over 3 to 6 months	1,20,795	-	-	1,20,795
Over 6 months to 1 year	2,45,796	-	-	2,45,796
Details of all material transactions with	15,14,063	61,360	-	15,75,423
Over 3 to 5 years	7,00,041	2,63,661	-	9,63,702
Over 5 years	6,43,311	-	-	6,43,311
Total	**32,63,556**	**5,15,028**	**-**	**37,78,584**

Note: Debenture deals are considered as loans & advacnes

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

3 Disclosures *(continued)*

57.3.12 Exposure

57.3.12.1 Exposure to Real Estate sector

Category			March 31, 2021
a)	Direct exposure		
	(i)	Residential Mortgages -	
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual Housing Loans upto Rs 15 lakhs may be shown separately)	**17,82,585**
	(ii)	Commercial real estate -	
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	**13,42,029**
	(iii)	Investments in Mortgage Backed Securities (MBS) and	
		a) Residential	-
		b) Commercial Real Estate	-
b)	Indirect Exposure		
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-

57.3.12.2 Exposure to Capital Market

Particulars	March 31, 2021
(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;	-
(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;	**3,000**
(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;	**2,14,730**
(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;	**56,000**
(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;	**21,000**
(vii) bridge loans to companies against expected equity flows / issues;	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-
Total exposure to capital market	**2,94,730**

57.3.13 Details of financing of parent company products

The Company has not finance parent company products during the year ended March 31, 2021

57.3.14 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL)exceeded by the HFC

During the year, there has been one instance of breach of exposure limit of Single Borrower ('SBL') as described under para 20 of the Directions. The company has exceeded the single borrower limit in case of one borrower on account of merger of two companies which was beyond the control of the company and the Company has informed NHB about the excess exposure on 20 April 2020. Also note that the exposure has been brought down within the limit on 23 December, 2020.

Borrower Name	Exposure as on March 31, 2021
Macrotech Developers Limited	90,796

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

3 Disclosures *(continued)*

57.3.15 Unsecured advances
The company has unsecured advances of Rs. 2,17,513 Lakhs as on March 31, 2021.

57.3.16 Exposure to group companies engaged in real estate business
The company does not have any exposure to group companies engaged in real estate business as on March 31, 2021

57.4 Miscellaneous

57.4.1 Registration obtained from other financial sector regulators
The Company has not obtained any registration form other financial sector regulators during the year ended March 31, 2021

57.4.2 Disclosure of Penalties imposed by NHB and other regulators
No penalty has been imposed by NHB and other regulators during the year ended March 31, 2021

57.4.3 Related Party Transactions
Details of all material transactions with related parties are disclosed in note 40.

57.4.4 Group Structure
Please refer annexure I, Annexure II & Annexure III for diagrammatic representation

57.4.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Credit rating issued to Piramal Capital & Housing Finance Limited

Instrument	**Rating agency**	**Ratings assigned during FY 2020-21**	**Ratings assigned during FY 2019-20**
NCD	ICRA Limited CARE Ratings Limited	[ICRA]AA(Negative) CARE AA(CWD)	ICRA] AA (negative) CARE AA (Stable)
Commercial papers	CRISIL Limited CARE Ratings Limited ICRA Limited	CRISIL A1+ CARE A1+	CRISIL A1+ CARE A1+ [ICRA] A1+
Long Term Fund Based Bank Lines	ICRA Limited	[ICRA]AA(Negative)	[ICRA] AA (negative)
Long term bank facilities	CARE Ratings Limited	CARE AA(CWD)	CARE AA (Stable)
Tier II bonds	ICRA Limited CARE Ratings Limited	[ICRA]AA(Negative) CARE AA(CWD)	[ICRA] AA (negative) CARE AA (Stable)
Inter Corporate Deposits	CARE Ratings Limited	CARE A1+	CARE A1+
Market Linked Debenture	ICRA Limited CARE Ratings Limited	[ICRA]AA(Negative) CARE AA(CWD)	NA
Public NCD	ICRA Limited CARE Ratings Limited	[ICRA]AA(Negative) CARE AA(CWD)	NA

*** The rating has been changed from previous FY to current FY as mentioned in above table.**

57.4.6 Remuneration of Directors
Details of Remuneration of Directors are disclosed as part of the Related party transactions in note 40.

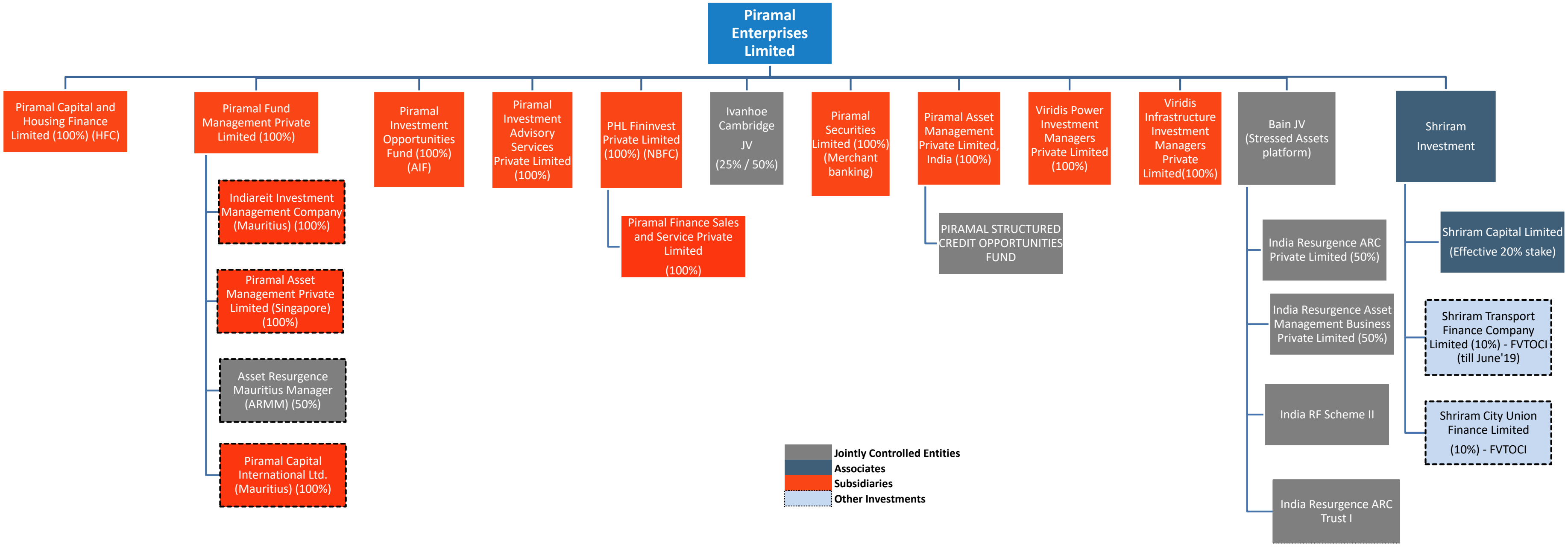
57.4.7 Management
Refer Directors' report for the relevant disclosures.

57.4.8 Net Profit or Loss for the period, prior period items and changes in accounting policies
There are no prior period items that have impact on the current year’s profit and loss.

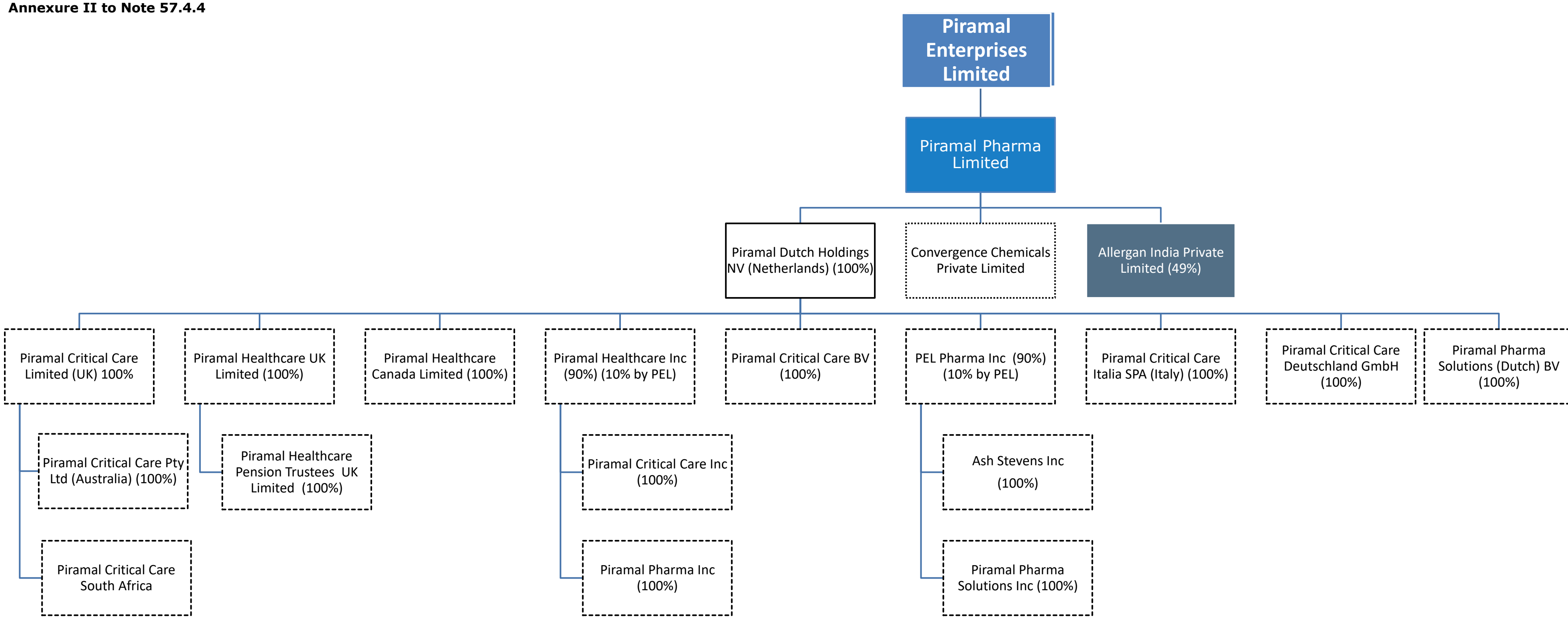
57.4.9 Revenue recognition
There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

57.4.10 Consolidated Financial Statements (CFS)
The Company does not have any subsidiary. Hence, this disclosure under this para is not applicable.

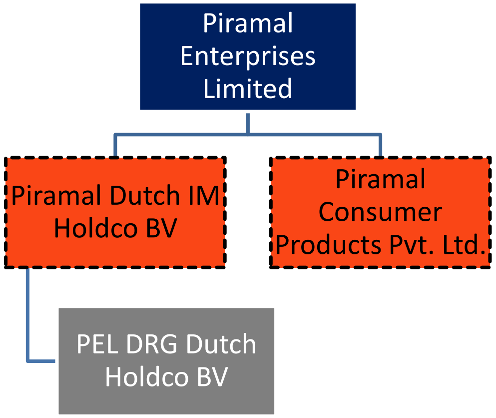
Annexure I to Note 57.4.4

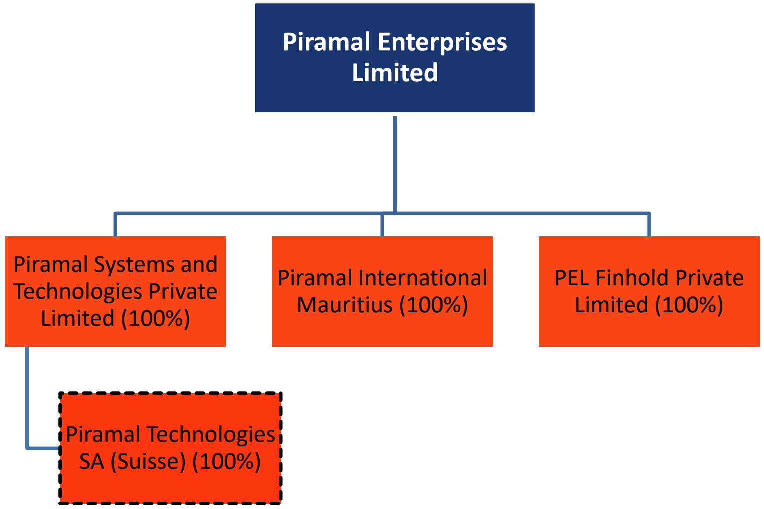


Annexure II to Note 57.4.4



Annexure III to Note 57.4.4





(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.5 Additional Disclosures

57.5.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2021
1. Provisions for depreciation on Investment	-
2. Provision made towards Income tax	50,579
3. Provision towards NPA	27,596
4a. Provision for Standard Assets on CRE-RH	(17,627)
4b. Provision for Standard Assets on other CRE	(13,192)
4c. Provision for Standard Assets on others (Housing Loan, LAP, LRD etc.)	(4,801)
5. Other Provision and Contingencies	-

Break up of Loan & Advances and Provisions thereon	March 31, 2021	
	Housing#	Non-Housing
Standard Assets		
a) Total Outstanding Amount	14,63,878	16,87,891
b) Provisions made	40,051	90,954
Sub-Standard Assets		
a) Total Outstanding Amount	34,518	19,413
b) Provisions made	11,656	8,095
Doubtful Assets – Category-I		
a) Total Outstanding Amount	34,347	9,751
b) Provisions made	17,268	6,084
Doubtful Assets – Category-II		
a) Total Outstanding Amount	24	9,784
b) Provisions made	9	6,779
Doubtful Assets – Category-III		
a) Total Outstanding Amount	-	3,949
b) Provisions made	-	3,949
Loss Assets		
a) Total Outstanding Amount	-	-
b) Provisions made	-	-
Total		
a) Total Outstanding Amount	15,32,767	17,30,789
b) Provisions made	68,984	1,15,862

Includes composite funding for land acquistion and construction

57.5.2 Draw Down from Reserves

The company has not draw down from reserve during the year ended March 31, 2021

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2021

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*
57.5 Additional Disclosures *(continued)*

57.5.3 Concentration of Advances, Exposures and NPAs

57.5.3.1 Concentration of loans and advances

Particulars	March 31, 2021
Total Loans & Advances to twenty largest borrowers	12,27,609
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	40.17%

57.5.3.2 Concentration of all exposure (including off-balance sheet exposure)

Particulars	March 31, 2021
Total Exposure to twenty largest borrowers	16,72,759
Percentage of Exposures to twenty largest borrowers to Total Exposures of the HFC	48.71%

57.5.3.3 Concentration of NPAs

Particulars	March 31, 2021
Total Exposure to top ten NPA accounts	84,135

57.5.3.4 Sector-wise NPAs

Sector	Percentage of NPA to Total Advances in that Sector
A. Housing Loans:	
1. Individuals	1.42%
2. Builder / project loans	5.23%
3. Corporates	8.76%
B. Non-Housing Loans:	
1. Individuals	0.32%
2. Builder / project loans	0.78%
3. Corporates	11.01%

57.5.3.5 Movement of NPAs

Particulars	March 31, 2021
(I) Net NPAs to Net Advances (%)	1.93%
(II) Movement of NPAs (Gross)	
a) Opening balance	73,701
b) Additions during the year	47,469
d) Reductions during the year	9,383
e) Closing balance	1,11,788
(III) Movement of Net NPAs	
a) Opening balance	47,455
b) Additions during the year	18,327
d) Reductions during the year	7,793
e) Closing balance	57,990
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)	
a) Opening balance	26,246
b) Provisions made during the year	29,186
d) Write-off/write-back of excess provisions	1,590
e) Closing balance	53,842

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.5 Additional Disclosures *(continued)*

57.5.3.6 Overseas assets

The Company does not have any overseas assets.

57.5.3.7 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any sponsored SPVs which needs to be consolidated as per Accounting norms.

57.6 Disclosure of complaints

Particulars	March 31, 2021
a) No. of complaints pending at the beginning of the year	**34**
b) No. of complaints received during the year	**905**
c) No. of complaints redressed during the year	**929**
d) No. of complaints pending at the end of the year	**10**

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Statement of Accounting Ratio

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Earning Per Shares : (In Rs.)				
-Basic	*0.54*	*0.02*	*0.80*	*1.93*
-Diluted	*0.54*	*0.02*	*0.80*	*1.93*
Debt / Equity Ratio				
Secured borrowings	*26,67,724*	*27,26,402*	*26,82,820*	*18,82,886*
Unsecured borrowings	*3,18,990*	*2,09,053*	*5,48,041*	*7,11,096*
Interest accrued but not due on borrowings	-	-	-	-
Total debt funds (A)	***29,86,715***	***29,35,455***	***32,30,861***	***25,93,982***
Share capital	*19,28,372*	*19,28,372*	*18,04,452*	-
Reserves and Surplus	*2,20,292*	*1,16,783*	*1,48,634*	*18,08,931*
Total shareholders' funds (B)	***21,48,664***	***20,45,155***	***19,53,086***	***18,08,931***
Debt Equity Ratio (A) / (B)	***1.39***	***1.44***	***1.65***	***1.43***

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Statement of Dividend

(Currency : Rs in lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend paid on Equity Shares	-	*41,200*	-	-
Dividend distribution tax on dividend paid on equity shares	-	*8,469*	-	-

Note: The above dividend includes interim and final dividend

Piramal Capital & Housing Finance Limited

Annexure VIII

(formerly known as Piramal Housing Finance Limited)

Statement of Capitalisation

as at March 31, 2021

(Currency : Rs in lakhs)

(Rs in lakhs)

Particulars	As at March 31,2021		
	Prior to the Issue	Proposed issue	Post the issue
Share Capital	19,28,372		19,28,372
Add: Reserves	2,20,292		2,20,292
Total Shareholders Funds/Networth (A)	21,48,664		21,48,664
Debt Securities			
Secured Borrowings	26,67,725	2,00,000	28,67,725
Unsecured Borrowings	3,18,990		3,18,990
Total Debt Funds (B)	29,86,715		31,86,715
Debt Equity ratio (B/A)	1.39		1.48

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED FINANCIAL INFORMATION UNDER INDIAN GAAP AS AT AND FOR THE PERIOD FROM 10 February 2017 to 31 MARCH 2017, IN CONNECTION WITH THE PROPOSED PUBLIC ISSUE BY PIRAMAL CAPITAL & HOUSING FINANCE LIMITED OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1000 EACH ("NCDs") AGGREGATING UP TO RS. 2,00,000 LAKHS THROUGH ONE OR MORE TRANCHES ("ISSUE")

The Board of Directors
Piramal Capital & Housing Finance Limited
4th Floor, Piramal Tower
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400 013

Dear Sirs,

1. We have examined the attached Reformatted Financial Information prepared by Piramal Capital & Housing Finance Limited (the "Company") in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India (referred to as 'Indian GAAP'), comprising the Reformatted Statement of Assets and Liabilities as at 31 March 2017, the Reformatted Statements of Profit and Loss and the Reformatted Cash Flow Statement for the period from 10 February 2017 to 31 March 2017 and the Summary of Significant Accounting Policies (collectively, referred to as the "**Reformatted Financial Information**"), annexed to this report for the purpose of inclusion in the Shelf Prospectus and the Tranche Prospectus ("Offering Documents") prepared by the Company in connection with its Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1000 each ("NCDs") aggregating upto Rs. 2,00,000 lakhs through one or more tranches (the "**Issue**"), as approved by the Board of Directors of the Company, by taking into consideration the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");

   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (the "**Regulations**"); and

   c) The Guidance Note on Reports or Certificates for Special Purposes and 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**").

Management's Responsibility

2. The Company's Board of Directors is responsible for the preparation of the Reformatted Financial Information for the purpose of inclusion in the Offering Documents to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") and Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), in connection with the Issue. The Reformatted Financial Information have been prepared by the management of the Company on the 'basis of preparation' stated in note 2.1 to the Reformatted Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

3. The Reformatted Financial Information have been extracted by the management from the audited financial statements of the Company as at and for the year ended 31 March 2017 prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, which were approved by the Board of Directors of the Company on 17 April 2017.

Auditor's Responsibility

4. 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 15 March 2021 & addendum to engagement letter dated 30 June 2021 in connection with the Issue of the Company;

   b) 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 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, the Regulations and the Guidance Note in connection with the Issue.

5. For the purpose of our examination, we have relied on Auditors' reports issued by us dated 17 April 2017 on the financial statements of the Company as at and for the year ended 31 March 2017.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements

Opinion

7. Based on our examination and in accordance with the Act, the Regulations and the Guidance Note, we report that the Reformatted Financial Information is accurately extracted from the audited financial statements of the Company for the year ended 31 March 2017.

8. Based on our examination and according to the information and explanations given to us, we further report that:

   a) the Reformatted Financial Information have to be read in conjunction with the notes given in Annexure IV;

   b) the Reformatted Financial Information have been prepared in accordance with the Act, the Regulations and the Guidance Note.

   c) the Reformatted Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the audit reports on the audited financial statements mentioned in paragraph 3 above.

   d) at the Company's request, we have also examined the following financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on 30 June 2021 for the year ended 31 March 2017;

      i) Statement of accounting ratio, as appearing in Annexure V; and

      ii) Statement of dividend paid, as appearing in Annexure VI.

9. According to the information and explanations given to us, in our opinion the above financial information as disclosed in the Annexures to this report has been prepared in accordance with the requirements of the Act, the Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

12. Our report is intended solely for use of the Board of Directors for inclusion in the Offering Documents to be filed with SEBI, BSE, NSE and RoC in connection with the proposed Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN: 21113156AAAADO6663

Bengaluru
30 June 2021

Piramal Housing Finance Private Limited

Annexure I

Reformatted Statement of Assets and Liablities
as at 31 March 2017

(Currency: Indian Rupees)

	Note	**As at 31 March 2017**
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	*3*	15,00,00,000
Reserves and surplus		53,925
		15,00,53,925
Current liabilities		
Short-term borrowings	*4*	1,00,00,000
Other liabilities	*5*	2,90,46,733
		3,90,46,733
Non current Liabilities		
Deferred tax liability		73,200
Total		**18,91,73,858**
ASSETS		
Fixed assets		
Tangible assets	6	7,52,247
Current assets		
Cash and bank balances	*7*	16,00,00,000
Interest accrued on fixed deposit		7,10,137
Advance Tax		78,904
Non current assets		
Preliminary Expenses		2,76,32,570
Total		**18,91,73,858**
Significant accounting policies	2	

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Piramal Housing Finance Private Limited

Manoj Kumar Vijai
Partner
Membership No: 046882

Khushru Jijina
Managing Director

Sachin Deodhar
Director

Place: Mumbai
Date: 17 April 2017

Piramal Housing Finance Private Limited

Annexure II

Reformatted Statement of Profit and Loss
for the period from 10 February to 31 March 2017

(Currency: Indian Rupees)

	Note	For the period from 10 February to 31 March 2017
INCOME		
Other income		7,89,041
Total revenue		**7,89,041**
EXPENSES		
Professional Fees		2,30,000
Audit Fees		3,45,000
Interest Expense		78,904
Depreciation		8,012
Total expenses		**6,61,916**
Profit before tax		**1,27,125**
Tax expense:		
- Deferred tax expense		(73,200)
Profit for the period		**53,925**
Significant accounting policies	2	

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Piramal Housing Finance Private Limited

Manoj Kumar Vijai
Partner
Membership No: 046882

Khushru Jijina
Managing Director

Sachin Deodhar
Director

Place: Mumbai
Date: 17 April 2017

Internal Use--Confidential

Reformatted Cash Flow Statement

for the period ended 31 March 2017

(Currency: Indian Rupees)

		For the period from 10 February to 31 March 2017
A.	**Cash flows from operating activities**	
	Profit before tax	1,27,125
	Adjustments:	
	Depreciation	8,012
	Operating cash flow before working capital changes	**1,35,137**
	Adjustments for change in working capital	
	(Increase) in other current assets	(15,07,10,137)
	(Increase) In Preliminary expense	(2,76,32,570)
	Increase in Sundry creditors	2,82,07,570
	Net cash (used in) operating activities (a)	**(15,00,00,000)**
B	**Cash flows from financing activities**	
	Issue of share capital	15,00,00,000
	Borrowings during the year	1,00,00,000
	Net cash flow from financing activities (b)	**16,00,00,000**
	Net increase in cash and cash equivalents (a + b)	1,00,00,000
	Cash and cash equivalents as at beginning of the period	-
	Cash and cash equivalents as at end of the period (Refer note 7)	1,00,00,000

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Place: Mumbai
Date: 17 April 2017

For and on behalf of the Board of Directors of
Piramal Housing Finance Private Limited

Khushru Jijina
Managing Director

Sachin Deodhar
Director

1. Background

Piramal Housing Finance Private Limited ('the Company') was incorporated under the Companies Act, 2013 on 10 February 2017 with its registered office in Mumbai. The Company has applied for registration to commence Housing Finance business with National Housing Bank on 28 February 2017.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented on the accrual basis of accounting, and comply with the Accounting Standards specified under section 133 of the companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the relevant provisions of the Companies Act, 2013.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of financial statement. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

2.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle

ii. it is held primarily for the purpose of being traded

iii. it is expected to be realised within 12 months after the reporting date or

iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets.

All other assets are classified as non-current.

2. Significant accounting policies *(Continued)*

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. it is expected to be settled in the Company's normal operating cycle;

ii. it is held primarily for the purpose of being traded

iii. it is due to be settled within 12 months after the reporting date or

iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

2.4 Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred tax

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

2.5 Revenue recognition

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

2. Significant accounting policies *(Continued)*

2.6 Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used for computing diluted earnings per share comprises the weighted average number of shares considered for deriving the basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

Piramal Housing Finance Private Limited

Notes forming part of reformatted statement of assets and liabilites
as at 31 March 2017

(Currency: Indian Rupees)

3 Share capital

	Amount
Authorised	
300,000,000 equity shares of INR 10 each	3,00,00,00,000
Issued, subscribed and fully paid	
15,000,000 equity shares of INR 10 each	15,00,00,000
	15,00,00,000

Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	31-Mar-17	
	Number	**Amount**
At the beginning of the period	**-**	**-**
Issued during the period	**1,50,00,000**	**15,00,00,000**
At the end of the period	**1,50,00,000**	**15,00,00,000**

Rights, preferences and restrictions attached to equity shares
The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. There are no restrictions on payments of dividends to equity shareholders.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shares held by holding company

	31-Mar-17	
	Number	**Amount**
Equity shares of INR 10 each fully paid up held by Piramal Finance Limited (holding company)	**1,50,00,000**	**15,00,00,000**
	1,50,00,000	**15,00,00,000**

Particulars of shareholders holding more than 5% shares of a class of shares

	31-Mar-17	
	Number	**Amount**
Equity shares of INR 10 each fully paid up held by Piramal Finance Limited (holding company)	**1,50,00,000**	**15,00,00,000**
	1,50,00,000	**15,00,00,000**

Piramal Housing Finance Private Limited

Notes forming part of reformatted statement of assets and liabilites
as at 31 March 2017

(Currency: Indian Rupees)

4	**Short term borrowings**	**31-Mar-17**
	Loans and advances from related party	
	Unsecured	
	Piramal Finance Limited	1,00,00,000
		1,00,00,000

5	**Other liabilities**	**31-Mar-17**
	Payable to Related Party	
	Piramal Finance Limited	2,83,92,829
	Audit Fees Payable	3,15,000
	Professional Fees Payable	2,10,000
	Interest Accrued but not due	71,014
	TDS on Interest	7,890
	TDS on Professional Fees	50,000
		2,90,46,733

7	**Cash and bank balances**	**31-Mar-17**
	Balances with banks:	
	on current accounts	1,00,00,000
	Other Bank balances	
	Deposit with banks (maturity within 12 months)	15,00,00,000
		16,00,00,000

Piramal Housing Finance Private Limited

Notes forming part of reformatted statement of assets and liabilites
as at 31 March 2017

(Currency: Indian Rupees)

6. Fixed Assets

Particulars	COST				DEPRECIATION				NET BLOCK
	Opening	Additions	Deductions	As at March 31, 2017 (A)	Opening	Charge for the period	Deductions	As at March 31, 2017 (B)	As at March 31, 2017 (A-B)
Tangible Assets									
Computer	-	7,22,236	-	**7,22,236**	-	7,720	-	**7,720**	**7,14,516**
Office Equipment	-	38,023	-	**38,023**	-	292	-	**292**	**37,731**
Total	**-**	**7,60,259**	**-**	**7,60,259**	**-**	**8,012**	**-**	**8,012**	**7,52,247**

(Currency: Indian Rupees)

8. Segment reporting

Since the Company’s business activity falls under one business segment (i.e. lending) and business operations are concentrated in India, no further disclosures as required by Accounting Standard 17 ‘Segment Reporting’ specified under section 133 of the Companies Act 2013 have been made.

9. Contingent Liabilities

The Company do not have any contingent liability as on the reporting date.

10. Capital Commitment

The Company do not have any capital commitment as on the reporting date.

11. Foreign currency transactions

There are no foreign currency transactions during the period.

12. Related party disclosure

Related party disclosures as required by Accounting Standard 18 - 'Related Party Disclosures' specified under section 133 of the Companies Act 2013 are given below:-

(i) Piramal Finance Limited- Holding Company

(ii) Piramal Enterprises Limited – ltimate Holding Company

Transactions with related parties

Details of Transactions	**For the period ended 31 March 2017**
Equity Infusion	
Piramal Finance Limited	**15,00,00,000**
Loans & Advances taken	
Piramal Finance Limited	**1,00,00,000**
Reimbursement of Expenses	
Piramal Finance Limited	**2,76,32,570**
Purchase of Fixed Assets	
Piramal Finance Limited	**7,60,259**
Interest Expenses	
Piramal Finance Limited	**78,904**
Outstanding Amount	
Piramal Finance Limited	**3,84,63,843**

13. Specified Bank Notes

Since the Company was not in existence during the period 8 November 2016 to 30 December 2016, disclosure as required on holdings as well as dealings in Specified Bank Notes in notification SR 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs, is not applicable to the Company.

Piramal Housing Finance Private Limited

Notes to Accounts on Reformatted Financial Statements *(Continued)*

or t e er od e ded M r

(Currency: Indian Rupees)

14. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records including confirmations sought from suppliers on registration with specified authority under MSMED no amounts relating to principal and interest were due or remained outstanding as at 31 March 2017. There have been no reported cases of delay in payments in excess of 45 days to micro, small and medium enterprises or of interest payments due to delay in such payments.

15. Earnings Per Share

Basic and diluted EPS is computed in accordance with Accounting Standard 20 'Earnings Per Share' specified under section 133 of the Companies Act 2013.

The computation of earnings per share is set out below:

Description	**For the period ended 31 March 2017**
Net profit attributable to equity shareholders	**53,925**
Weighted average number of equity shares outstanding during the period for calculation of EPS	**15,000,000**
Basic and Diluted EPS of face value of INR 10	**0.00**

The basic and diluted EPS is same as there are no potential dilutive equity shares.

16. The Company has not entered into any lease contract during the period.

17. Since the Company is in the first year of operation comparative figures are not given.

As per our report of even date attached

For **B S R & Co. LLP**
rtered o t t
ICAI Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of Piramal Housing Finance Private Limited

Manoj Kumar Vijai
rt er
Membership No: 046882

Khushru Jijina
M re tor

Sachin Deodhar
re tor

Piramal Housing Finance Private Limited

Annexure V

Statement of Accounting Ratio as at 31 March 2017

	For the period from 10 February to 31 March 2017
Earning Per Shares (In Rs.)	
-Basic	*0 03*
-Diluted	*0 03*
Debt Equity Ratio	
Secured borrowings	
nsecured borrowings	*1 00 00 000*
Interest accrued but not due on borrowings	
Total debt funds (A)	
Share capital	*15 00 00 000*
Reserves and Surplus	*53 25*
Total shareholders funds (B)	
Debt Equity Ratio (A) (B)	

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Piramal Housing Finance Private Limited

Manoj Kumar Vijai
Partner
Membership No: 046882

Khushru Jijina
Managing Director

Sachin Deodhar
Director

Mumbai,
Date: 17 April 2017

Internal Use--Confidential

Piramal Housing Finance Private Limited

Annexure VI

Statement of Dividend as at 31 March 2017

	For the period from 10 February to 31 March 2017
Dividend paid on Equity Shares	
Dividend distribution tax on dividend paid on equity shares	

Note: The above dividend includes interim and final dividend

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Piramal Housing Finance Private Limited

Manoj Kumar Vijai
Partner
Membership No: 046882

Khushru Jijina
Managing Director

Sachin Deodhar
Director

Mumbai,
Date: 17 April 2017

Internal Use--Confidential

ANNEXURE B1

ICRA RATING LETTER AND RATING RATIONALE

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ICRA Limited

CONFIDENTIAL

Ref: MUM/20-21/3582
Date: March 23, 2021

Mr. Sachin Deodhar
Chief Financial Officer
Piramal Capital & Housing Finance Limited
Piramal Tower, A Wing, Second Floor,
G. K. Marg, Lower Parel,
Mumbai – 400 013.

Dear Sir,

Re: ICRA Credit Rating for the Rs. 2,000 crore Retail Non-Convertible Debenture (NCD) of Piramal Capital & Housing Finance Limited.

Please refer to the Rating Agreement/Statement of Work dated March 11, 2021 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 **Negative**.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **[ICRA]AA (Negative).** 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 March 26, 2021 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.

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 March 26, 2021.

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

KARTHIK SRINIVASAN
2021.03.23 21:30:01 +05'30'

Authorised Signatory

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

Encl: Rating Rationale

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated March 23, 2021, I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of Piramal Capital & Housing Finance Limited.

For Piramal Capital & Housing Finance Limited

____

Name:

Designation:

Date:

Note*: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at ICRA Limited, 4th Floor, Electric Mansion, Prabhadevi, Mumbai – 400 025 or shreekiran.rao@icraindia.com*

March 29, 2021

Piramal Capital & Housing Finance Limited: [ICRA]AA (Negative) assigned to Retail Non-convertible Debenture Programme; PP-MLD[ICRA]AA (Negative) assigned to Long-term Principal Protected Market Linked Debenture Programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Retail Non-convertible Debenture (NCD) Programme	-	2,000	[ICRA]AA (Negative); Assigned
Long-term Principal Protected Market Linked Debenture {MLD (PP)} Programme	-	500	PP-MLD [ICRA]AA (Negative); Assigned
NCD Programme	3,395	3,395	[ICRA]AA (Negative); Outstanding
Subordinated (Tier-II) Bonds	1,500	1,500	[ICRA]AA (Negative); Outstanding
Long-term Fund-based Limits	1,625	1,625	[ICRA]AA (Negative); Outstanding
Long-term Term Loans	8,400	8,400	[ICRA]AA (Negative); Outstanding
Total	**14,920**	**17,420**	

** Instrument details are provided in Annexure-1*

PP-MLD refers to the principal protected market linked debenture programme. According to the terms of the rated market linked debentures, the amount invested, i.e. the principal, is protected against erosion while the returns on the investment could vary as they are linked to movements in one or more variables such as equity indices, commodity prices, and/or foreign exchange rates. The assigned rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned.

Rationale

To arrive at the ratings, ICRA has analysed the consolidated business and financial performances of the financial services business of Piramal Enterprises Limited (PEL)[1], the parent company of Piramal Capital & Housing Finance Limited (PCHFL). The assigned ratings take into account the healthy capitalisation profile of PEL's financial services business (PEL FS) with a net worth of Rs. 17,384 crore as on December 31, 2020, supported by regular capital infusions by PEL. PEL raised ~Rs. 14,500 crore of equity in FY2020 through fresh equity issuances and sale of non-core assets, and a part of these funds was used to provide equity (~Rs. 3,700 crore infused into PEL FS in FY2020) and funding support (in the form of inter-corporate deposits [ICDs]) to PEL FS. In addition, PEL FS has taken several measures to elongate its funding (debt maturity) profile. It raised long-term funds (other than equity) of ~Rs. 13,500 crore in FY2020 and ~Rs. 13,921 crore in 9M FY2021 and reduced the share of commercial paper (CP) significantly in its overall borrowings (~3% of total debt as on December 31, 2020 compared to ~35% as on September 30, 2018). PEL FS continues to explore fresh funding avenues and is in the process of tying up a sizeable amount of long-term funds to support its liquidity and growth. The ratings also take into account PCHFL's established position and track record in the real estate lending segment, the promoter group's domain experience given its presence across the real estate industry value chain, and the experienced leadership team.

The ratings are, however, constrained by the heightened concerns over the asset quality, given the high sectoral concentration (real estate) and slower-than-expected reduction in client concentration in a challenging environment. The real estate sector

[1] *PEL's financial services business includes PCHFL, PHL Fininvest Private Limited (PHL Fininvest) and the residual loan book in PEL*

has been facing a prolonged slowdown due to subdued sales and lack of funding access. The pandemic and the resulting nationwide lockdown further impacted the sector. ICRA notes that a sustained pick-up in sales across geographies is key for the developers over the medium term. ICRA notes that PEL FS has hitherto maintained a healthy asset quality though the same deteriorated in the recent past with the gross non-performing assets (GNPAs) increasing to 3.7% of the loan book as of December 31, 2020 (2.4% of the loan book as on March 31, 2020) from 0.9% as on March 31, 2019. ICRA has taken note of the company's monitoring and risk management systems as well as its efforts towards asset sales for reducing the portfolio concentration and shoring up the liquidity. ICRA will continue to monitor the collections over the near term.

PEL FS' retail lending (home loans) segment has posted a moderate growth over the past three years, with home loans accounting for ~11% of the total book as on December 31, 2020. ICRA takes note of PCHFL's emergence as the successful resolution applicant for Dewan Housing Finance Limited (DHFL), as approved by the committee of creditors (CoC) of DHFL, subject to various regulatory and statutory approvals including that from the National Company Law Tribunal (NCLT), Mumbai bench. ICRA notes that the successful completion of the transaction would result in a material improvement in the diversification and granularity of PCHFL's asset profile. However, the performance and quality of DHFL's loan portfolio over the medium term remains uncertain, which in turn would have a bearing on the asset quality of the combined entity (PCHFL + DHFL). Given the significant size of the acquisition in relation to PCHFL's current scale of operations, ICRA will continue to engage with PCHFL's management to understand the exact contours of the transaction and its impact on PCHFL's credit profile.

The Negative outlook reflects the subdued operating environment and the portfolio vulnerability, which are expected to persist over the near-to-medium term. These challenges could impact PEL FS' asset quality and profitability. The risk-averse sentiment of domestic investors persists towards non-banks with developer loan exposure which has resulted in challenges in fund raising and an increase in the cost of funds. The company's ability to raise capital from diverse sources and at competitive terms, on a sustained basis, would remain a monitorable.

Key rating drivers and their description

Credit strengths

Domain expertise and financial flexibility for being a part of the Piramal Group; established position in real estate lending – PCHFL draws strength from the Group's technical expertise, given its experience in real-estate-based private equity investment, advisory services and the development space. Further, given the long experience of the Group in the real estate segment, the company leverages the large network of developers with relationships built over a period. The Group's demonstrated ability to incubate and scale up new ventures also provide comfort. As on December 31, 2020, PEL FS had a consolidated loan book of Rs. 46,370 crore, representing a decline of ~10% compared to Rs. 51,429 crore as on December 31, 2019. The real estate exposure stood at ~Rs. 35,421 crore as on December 31, 2020, making the Group one of the leading lenders to the real estate segment.

Adequate capitalisation supported by capital infusion from the parent – The capitalisation of the financial services subsidiaries of PEL (including PCHFL) has been supported by regular capital infusions from the parent. In FY2020, PEL raised ~Rs. 14,500 crore of equity funds through a mix of avenues like preferential issue (Rs. 1,750 crore in December 2019), rights issue (Rs. 3,650 crore in January 2020), divestment (Rs. 2,300 crore raised through stake sale in Shriram Transport in June 2019) and selling of non-core businesses (Rs. 6,750 crore raised through sale of the DRG business in February 2020). Of the total funds raised, Rs. 3,700 crore was infused into PEL FS (Rs. 1,400 crore was infused into PCHFL and Rs. 2,060 crore was infused into PHL Fininvest). Supported by the equity infusion, PEL FS' tangible net worth (net of goodwill on amalgamation) grew by ~36% in FY2020 to Rs. 15,599 crore and the capitalisation ratio (CRAR[2]) was adequate at 31% as on March 31, 2020. This, coupled with the moderation in the loan book and hence in borrowings, resulted in an improvement in PEL FS' net gearing to 2.3 times as on March 31, 2020 from 3.9 times as on March 31, 2019. As on December 31, 2020, the net worth stood at Rs. 17,384 crore and the CRAR was ~37%, while the net gearing improved to 1.9 times.

[2] *CRAR: Capital to risk weighted assets ratio*

PCHFL's standalone net worth increased to Rs. 11,233 crore as on December 31, 2020 (Rs. 10,195 crore as on March 31, 2020) from Rs. 9,274 crore as on March 31, 2019, while the gearing improved to 2.4 times from 3.5 times during the same period. As on December 31, 2020, PCHFL reported a CRAR of 35.83% (Tier I capital of 33.03%) compared to CRAR of 34.89% (Tier I capital of 32.06%) as on March 31, 2020. PEL maintained an unallocated capital pool of Rs. 10,482 crore as on March 31, 2020, which could be allocated to the financial services business, including PCHFL, if required.

PEL FS also has a moderately diversified resource profile with banks accounting for 59% of its borrowings, followed by foreign institutional investors/foreign portfolio investors (FII/FPI; 19%) and the balance from other sources including insurance companies, provident funds and mutual funds, among others, as on December 31, 2020. During Q3 FY2019 to Q3 FY2021, PEL FS' debt maturity profile was elongated with the share of short-term sources of funding (including revolving bank lines) declining to ~10% of the borrowings as on December 31, 2020 compared to ~42% as on September 30, 2018. The CP borrowings accounted for ~3% of PEL's total debt as on December 31, 2020 compared to ~35% as on September 30, 2018.

Experienced management team – ICRA also draws comfort from the experienced management team of the Group, which has a track record of successfully scaling up businesses. The Group has taken on board seasoned industry professionals with prior experience in retail lending to leverage their experience to lead the retail business, including the recently announced entry in the technology-driven consumer lending business. It has also engaged reputed and experienced external consultants for framing its credit policies and credit appraisal systems, expansion strategy and operational policies. PEL FS also has a strong focus on risk management, control systems and compliance processes, which provide comfort. Moreover, it has a dedicated asset monitoring team for monitoring and managing the post-disbursement performance of the loans and the overall portfolio quality.

Credit challenges

High sectoral and client concentration risks; slower-than-expected progress in loan book diversification – The loan book is concentrated towards the inherently risky real estate sector, albeit with a declining trend (~79% of the overall loan book as on December 31, 2020 compared to ~87% as on March 31, 2017). The early stages of development of some of the underlying projects and the loans given to the developers' holding company level (mezzanine debt) heighten the portfolio risk. Moreover, the top group exposures form a sizeable proportion of the overall loan book. PEL FS has, however, funded a bouquet of projects in some of these exposures, including projects with healthy sales tie-ups and finished stock, which provides comfort. Though a part of the wholesale loan book is under scheduled moratorium, PEL FS has been receiving sizeable prepayments from its loan portfolio over the years due to asset sell-down/refinancing and prepayment, providing some comfort to the asset quality. While the collections, including prepayments, were impacted in Q1 FY2021 due to the pandemic and the lockdown, the prepayments (including prepayments) improved in Q2 and Q3 FY2021. Further, the management has stated their intent to reduce PEL FS' top 10 group exposures significantly over the near term (from ~27% as on December 31, 2020) through asset sell-down/ refinancing.

While PEL FS has been diversifying its loan book over the past three years through its foray into new segments like housing finance and emerging corporate lending (ECL), the progress has been slower than expected. The housing loan disbursements reduced significantly from Q3 FY2020 as PEL FS decided to recalibrate its retail growth strategy amid the challenging operating environment and the subdued segmental profitability. This resulted in a lower-than-expected diversification and granularity of the book as of December 2020. The Group announced its entry in the technology-driven consumer lending business, which commenced operations in Q3 FY2021. ICRA notes that while the new business would help diversify the portfolio, the concentration and credit risks will remain high over the near term given the large real estate exposure. ICRA notes that the successful completion of the DHFL transaction would result in material improvement in the diversification and granularity of PCHFL's asset profile.

Current challenging operating environment for real estate, the key borrowing segment, may impact asset quality and profitability in the near term –Concerns over the asset quality have heightened, given the challenging operating environment for real estate developers due to the prolonged slowdown in sales and the funding constraints over the past two years. The pandemic and the resulting nationwide lockdown further impacted the sale of residential units. The pandemic has also impacted the commercial and the retail real estate segments. While the near-term pressure on the developers has been mitigated due to the moratorium offered for their loan instalments under the Covid-19-related regulatory package announced by the RBI, a slow pick-up in sales will impact the cash flows of the developers over the medium term. PEL FS made additional provisions of Rs. 1,903 crore in Q4 FY2020 as a prudent measure to reflect the probable impact of the pandemic on the business. The equity allocation to PEL FS was also increased by Rs. 2,000 crore in March 2020 to cushion the impact of the increased portfolio vulnerability.

ICRA notes that PEL FS has maintained a healthy asset quality till now, though the same deteriorated in FY2020 and 9M FY2021, with the GNPAs increasing to 3.7% of the loan book as on March 31, 2020 (2.4% as on March 31, 2020) from 0.9% as on March 31, 2019. In addition, PEL FS has extended relief, from pandemic-related stress, to some of its borrowers in the form of one-time restructuring (OTR) and extension of date of commencement of commercial operations (DCCO). The presence of a collateral cover on such exposures, the expertise of the Group in the real estate segment and its emphasis on risk management and monitoring processes also provide comfort.

Fund-raising challenges for wholesale oriented non-bank financiers impacting business; ability to maintain asset and liability profile remains critical – PEL raised long-term debt (more than 1-year maturity) of ~Rs. 13,500 crore in FY2020 and ~Rs. 13,921 crore in 9M FY2021. While a sizeable quantum of funds has been raised, the cost of funds has increased since the September 2018 crisis. Although PEL FS has been able to pass on the cost increase to its customers to mitigate any risk on its margins, its market position (ability to capture attractive deals from reputed developers) has been impacted by the increase in the cost of funds. The Group's ability to consistently raise long-term funds and at adequate rates would remain critical.

Liquidity position: Adequate

As on December 31, 2020, PCHFL had unencumbered on-book liquidity of Rs. 2,713 crore compared to the debt repayment obligation (including interest and revolving lines) of Rs. 2,731 crore in Q4 FY2021. PCHFL's liquidity profile is, thus, adequate.

As on December 31, 2020, PEL FS had unencumbered on-book liquidity of Rs. 4,765 crore compared to debt repayment obligation (including interest and revolving lines) of Rs. 5,050 crore in Q4 FY2021. The opening liquidity covers ~69% of next six months' debt repayment. The company has sufficient borrowing programmes in the pipeline to meet the debt obligations. PEL's liquidity is, thus, adequate.

Rating sensitivities

Positive factors – The outlook may be revised to Stable if there is a significant and sustained improvement in resource mobilisation, with an increase in long-term fund raising from well diversified sources, and improved granularity of the asset profile. Timely implementation of the DHFL's resolution plan while maintaining an adequate capitalisation (gearing below 4 times for PEL FS) and a healthy asset quality (on-merged basis) could also result in a revision in the outlook to Stable.

Negative factors – ICRA could downgrade the rating if there is a material deterioration in PCHFL's asset quality[3] (gross NPA of more than 5% of the loan book on a sustained basis, given the current portfolio mix), in turn affecting the financial profile of the company. The rating could also be downgraded if the operating environment continues to remain weak and the challenges in fund raising increase, resulting in a deterioration in PCHFL's liquidity profile. A material increase in PCHFL's non-performing assets (NPA), on a merged basis, owing to weaker-than-expected quality of assets being acquired from DHFL, could also lead to a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Housing Finance Companies
Parent/Group Support	Financial support from PEL
Consolidation/Standalone	To arrive at the rating, ICRA has analysed the consolidated performance of PEL FS and has factored in the financial support available from PEL. ICRA has also factored in the financial flexibility available to PCHFL for being a part of the Piramal Group

[3] *PCHFL's standalone asset quality (without DHFL merger)*

About the company

Piramal Capital & Housing Finance Limited (PCHFL; erstwhile Piramal Housing Finance Limited or PHFL) was incorporated in February 2017 as a subsidiary of Piramal Finance Limited and received its housing finance licence in September 2017. With effect from March 31, 2018, Piramal Finance Limited and Piramal Capital Limited merged with PHFL (the name was changed subsequently to PCHFL), which became a direct subsidiary of PEL. The entire financial services business of PEL, including real estate lending, housing finance, the corporate finance group (CFG) and ECL, is housed under PCHFL and PHL Fininvest, a fellow subsidiary.

In FY2020, PCHFL reported a net profit of Rs. 30 crore on a total income of Rs. 5,623 crore compared to a net profit of Rs. 1,443 crore on a total income of Rs. 5,572 crore in FY2019. PCHFL's profit after tax (PAT) for FY2020 was impacted by an additional conservative provisioning of Rs. 1,249 crore (total provisioning of Rs. 1,929 crore) and a one-time write-off of deferred tax assets (DTA) and a minimum alternate tax (MAT) credit reversal of Rs. 373 crore. Excluding the impact of the additional provisioning, the DTA and MAT credit reversal, the normalised PAT would have been Rs. 1,338 crore in FY2020. PCHFL accounted for ~79% of PEL FS' net interest income in FY2020. In 9M FY2021, PCHFL reported a net profit of Rs. 1,064.63 crore on a total income of Rs. 3,886.24 crore.

Key financial indicators of PCHFL

Particulars	FY2019	FY2020	9M FY2021*
Net interest income (Rs. crore)	2,670	2,262	1,632
Total income (Rs. crore)	5,572	5,623	3,921
Profit after tax (Rs. crore)	1,443	30	1,065
Net worth (Rs. crore)	9,274	10,195	11,234
Loan book (Rs. crore)	41,033	35,261	30,812
Total assets** (Rs. crore)	42,532	42,291	39,643
Return on assets (%)	3.7%	0.1%	3.46%
Return on net worth (%)	16.8%	0.3%	13.25%
Gross NPA (%)	0.3%	2.1%	2.6%
Net NPA (%)	0.1%	1.3%	1.3%
Net NPA/Net worth (%)	0.6%	4.6%	3.6%
Gross gearing (times)	3.48	2.88	2.43
Tier 1 capital (%)	26.87%	32.06%	33.03%
CRAR (%)	29.9%	34.9%	35.83%

***Source**: Company, ICRA research; All ratios as per ICRA calculations*

**based on unaudited financial results*

*** (adj) on account of goodwill; total assets have been grossed up for ECL provisions*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2021)							Chronology of Rating History for the past 3 years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding* (Rs. crore)	Current Rating	Earlier Rating			Date & Rating in FY2020		Date & Rating in FY2019			Date & Rating in FY2018	
					Mar 29, 2021	Feb 3, 2021	Oct 12, 2020	Jul 27, 2020	Jun 25, 2019	May 31, 2019 Apr 22, 2019	Sep 14, 2018 Sep 4, 2018	Jul 6, 2018	May 31, 2018	Mar 21, 2018 Dec 26, 2017 Sep 27, 2017	
1	NCD Programme	Long-term	3,395	1,580	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-	-	
2	Subordinated (Tier-II) Bonds	Long-term	1,500	500	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-	-	
3	Long-term Fund-based Limits	Long-term	1,625	NA	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-	-	
4	Long-term Term Loans	Long-term	8,400	8,400	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-	-	
5	CP Programme	Short-term	-	-	-	-	-	[ICRA]A1+; reaffirmed and withdrawn	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	
6	Retail Non-convertible Debenture Programme	Long-term	2,000	NA	[ICRA]AA (Negative); assigned										
7	Long-term Principal Protected Market Linked Debenture Programme	Long-term	500	NA	[ICRA]AA (Negative); assigned										

** Outstanding as on December 31, 2020*

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website click here

Annexure 1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
INE641O07037	NCD	Mar 10, 2017	8.95%	Mar 08, 2024	5	[ICRA]AA (Negative)
INE641O07086	NCD	May 04, 2017	8.75%	May 03, 2024	25	[ICRA]AA (Negative)
INE641O07128	NCD	Aug 04, 2017	8.35%	Aug 04, 2020	125	[ICRA]AA (Negative)
INE641O07144	NCD	Sep 20, 2017	7.96% (monthly)	Sep 19, 2025	167	[ICRA]AA (Negative)
INE641O07144	NCD	Sep 20, 2017	7.96% (monthly)	Sep 18, 2026	167	[ICRA]AA (Negative)
INE641O07144	NCD	Sep 20, 2017	7.96% (monthly)	Sep 20, 2027	166	[ICRA]AA (Negative)
INE641O07151	NCD	Sep 25, 2017	8.07%	Sep 25, 2020	500	[ICRA]AA (Negative)
INE641O07169	NCD	Sep 29, 2017	8.10%	Sep 29, 2020	125	[ICRA]AA (Negative)
INE641O07177	NCD	Nov 08, 2017	7.96%	Nov 06, 2020	115	[ICRA]AA (Negative)
INE516Y07170	NCD	Jul 31, 2020	7.85%	Jan 31, 2022	500	[ICRA]AA (Negative)
INE516Y07188	NCD	Jul 31, 2020	8.50%	Jul 31, 2023	500	[ICRA]AA (Negative)
INE516Y07246	NCD	Nov 3, 2020	9.32%	Nov 1, 2030	50	[ICRA]AA (Negative)
NA	NCD (proposed)	-	-	-	950	[ICRA]AA (Negative)
INE641O08035	Subordinated Bond (Tier II)	Mar 08, 2017	9.55%	Mar 08, 2027	500	[ICRA]AA (Negative)
NA	Subordinated Bond (Tier II) (proposed)	-	-	-	1,000	[ICRA]AA (Negative)
NA	Long-term Bank Facilities – Line of Credit/Cash Credit	NA	NA	NA	1,625	[ICRA]AA (Negative)
NA	Long-term Bank Facilities – Term Loans	2014-2020	8.75% - 11.50%	2021-2024	8,400	[ICRA]AA (Negative)
NA	Retail Non-convertible Debenture Programme	NA	NA	NA	2,000	[ICRA]AA (Negative)
NA	Long-term Principal Protected Market Linked Debenture Programme	NA	NA	NA	500	[ICRA]AA (Negative)

Source: Company

Annexure 2: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

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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

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Branches

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Piramal Capital & Housing Finance Limited/24062021/01
Date: June 24, 2021

Mr. Sachin Deodhar
Chief Financial Officer
Piramal Capital & Housing Finance Limited
Piramal Tower, A Wing, Second Floor,
G. K. Marg, Lower Parel,
Mumbai – 400 013.

Dear Sir,

Re: ICRA credit rating for the Rs. 2,000 crore[1] Retail non-convertible debenture (Retail NCD) Programme of Piramal Capital & Housing Finance Limited

Please refer to your request dated June 24, 2021 for revalidating the rating letter issued for the captioned Rs. 2,000 crore[1] Retail NCD programme.

We confirm that the **[ICRA]AA** (pronounced as ICRA double A) rating, with a **Negative** outlook, assigned to your captioned programme and last communicated to you vide our letter dated **March 23, 2021** stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifiers {"+" (plus) / "-"(minus)} reflect the comparative standing within the rating category.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref MUM/20-21/3582 dated March 23, 2021.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

KARTHIK SRINIVASAN
2021.06.25 10:04:02 +05'30'

Authorised Signatory
KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

[1] *The entire rated amount is unutilised and available for issuance*

ANNEXURE B2

CARE RATING LETTER AND RATING RATIONALE

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CARE Ratings
Professional Risk Opinion

No. CARE/HO/RL/2020-21/4772

Shri Lalit Ostwal
Head - Treasury
Piramal Capital & Housing Finance Limited
(Erstwhile known as Piramal Housing Finance Ltd)
2nd Floor, Piramal Tower, G K Marg,
Lower Parel, Mumbai,
Maharashtra 400013.

March 24, 2021

Confidential

Dear Sir,

Credit rating for proposed Public issue of Non-Convertible Debenture issue

Please refer to your request for rating of proposed **long-term Public issue of Non-convertible Debenture (NCD)** issue aggregating to Rs.2,000 crore of your Company.

2. Our Rating Committee has reviewed the following rating(s):

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	2,000.00	CARE AA (CWD) (Double A) (Under Credit watch with Developing Implications)	Assigned
	Total Instruments	2,000.00 (Rs. Two Thousand Crore Only)		

3. Our Rating Committee has placed the above ratings on 'credit watch with developing Implications' on account of PCHFL being declared as successful resolution applicant for DHFL, under the corporate insolvency resolution process of DHFL, and the possible impact of the same on the credit profile of your company. CARE will take a view on the ratings once the exact implications of the above event on the credit risk profile of the company are clear.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is Mar 24, 2021

5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

8. The rationale for the rating will be communicated to you separately.

9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

10. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

11. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades.

However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

12. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
13. CARE ratings are **not** recommendations to buy, sell or hold any securities.
14. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Dharmesh Minesh Gandhi
Analyst
Dharmesh.gandhi@careratings.com

Aditya R Acharekar
Associate Director
aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Piramal Capital & Housing Finance Limited

March 25, 2021

Ratings

Instruments/ Facilities	Rated Amount (Rs. crore)	Rating[1]	Rating Action
Proposed Public Issue of Non Convertible Debentures	2,000 (Rs. Two Thousand crore only)	**CARE AA (CWD) [Double A (Under Credit watch with Developing Implications)]**	Assigned

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has assigned rating of **'CARE AA (Under Credit watch with Developing Implications)'** to the proposed Public Issue of Non Convertible Debentures of Piramal Capital & Housing Finance Limited (PCHFL).

The ratings are 'Under Credit Watch with Developing Implications' following the announcement made by Piramal Enterprises Limited (parent company), vide stock exchange notification dated January 22, 2021, that the Committee of Creditors of Dewan Housing Finance Limited (DHFL) has declared PCHFL as successful resolution applicant in relation to the Corporate Insolvency Resolution Process of DHFL under the Insolvency & Bankruptcy Code, 2016 and identified the resolution plan submitted by PCHFL as successful resolution plan vide the Letter of Intent (LOI) from the Administrator of DHFL.

The implementation of the resolution plan would be subject to the terms of the LOI and various regulatory approvals including that from the Reserve Bank of India (RBI) and National Company Law Tribunal (NCLT), Mumbai. While Piramal group was in the fray for acquiring DHFL since past few months, the acquisition would be significant as compared to the existing balance sheet size of PCHFL and PEL; as a result, the long- term ratings have been put on 'Credit Watch with Developing Implications'. While the transaction will increase the retail asset proportion in PCHFL's loan book, it will also lead to an increase in overall gearing. CARE will continue to engage with the management of the PEL group and will resolve the watch once there is enough clarity related to regulatory approvals, acquisition timelines and consequent impact on the business & financial profile of PCHFL and PEL.

The ratings continue to derive strength from strong and resourceful promoter group which has presence in diversified segments like real estate, healthcare, financial services and glass manufacturing along with shared brand name and common treasury with its parent, Piramal Enterprises Limited (PEL) (rated 'CARE AA (Under credit watch with Developing Implications)'. PCHFL is the flagship company in the financial services segment of the Piramal group. The ratings also takes into account the experienced Board of Directors and management team and moderate leverage of the company.

Apart from significant experience in the healthcare business, the promoter group has experience in real estate and real estate financing and the company has built-in strong risk management and asset monitoring processes which helps it to proactively manage its exposures. However, a prolonged slowdown in the real estate market is likely put pressure on the asset quality in the short to medium term.

The rating strengths are partially offset by PCHFL's moderately seasoned loan book and moderation in asset quality along with significant exposure to the real estate sector. Further, the client concentration in the loan portfolio given the large ticket size of loans to real estate developers continues to remain high.

The real estate sector which was already facing challenges in terms of access to funding and slow sales leading to increase in inventory levels was further impacted on account of nation-wide lockdown due to COVID-19 in terms of slower construction due to migrant workers shifting as well as lower demand on the back of fall in economic activity. The sector is expected to see further consolidation over the medium term.

The group has been taking steps to reduce the proportion of wholesale book either by sell down of its exposures, refinance or other measures and has plan to reduce the level and proportion of real estate exposures in the near to medium term and bring in more granularity to the loan book by reducing the borrower concentration. CARE will continue to monitor the progress on the same and would review the ratings if required. CARE also takes comfort from the Piramal group's demonstrated resource raising ability both at PEL (the parent company) levels as well as in PCHFL.

The risk aversion in the market continues towards the NBFC / HFC sector in general and wholesale lending focused nonbanking lenders which has seen challenges in resource mobilization in recent times. Therefore, continuous mobilization of resources and maintaining adequate liquidity in the current operating environment is a key rating monitorable for PCHFL.

The rating also factors in moderation in profitability during FY20 as the company has made one-time conservative provisioning for expected credit loss on account of Covid and one time MAT credit reversal and accounting write-off of DTA.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Rating sensitivities:
Positive factors - Factors that could lead to positive rating action/upgrade:

- Substantial reduction in exposure to real estate segment in overall loan book and reduction in single group exposure to tangible net worth on a sustained basis.
- Gross NPA below 0.5%

Negative factors - Factors that could lead to negative rating action/downgrade:

- Any delay in planned reduction in the real estate loan book of PEL – Financial services business by March 31, 2021.
- Mismatch in asset liability maturities and challenges in raising long term funding.
- Further deterioration in asset quality (Gross NPA) from current levels
- Reduction in support from Piramal Enterprises Limited.

Detailed description of the key rating drivers
Key Rating Strengths
Strong and resourceful promoter group
PCHFL (post amalgamation) is a wholly owned subsidiary of PEL that is a part of the Ajay Piramal group of companies. The group is a diversified Indian business house with interests in healthcare, glass manufacturing, real estate and financial services. The company has successful track record of around more than two decades in the healthcare business. Over the past few years, the group has built its financial services business with consolidated loan portfolio of Rs.50,963 crore as on March 31, 2020 (Rs.56,624 crore as on March 31, 2019 with PCHFL being the flagship company for the financial services business of the group.
CARE also takes comfort from the Piramal group's demonstrated resource raising ability both at PEL (the parent company) levels as well as in PCHFL. The group has demonstrated ability to raise resources time and again with raising around Rs.7,000 crore of fresh equity in FY18 and Rs.5,400 crore in FY20 (including of Rs.1,750 crore from CDPQ). Further PEL has also raised ~Rs.9,000 crore from part stake sale of its investment in Shriram group and sale of Healthcare & Analytics business in FY20. This provides cushion to the group's ability to absorb any external shocks in financial services business.
In October, 2020, Piramal Pharma Limited (PPL, 100% subsidiary of Piramal Enterprises Limited) has raised around Rs.3,500 crore by 20% equity stake dilution to Carlyle group. The above steps has helped PEL to reduce leverage over past 18 months and improve its liquidity profile. CARE also takes note of PEL's plan to exit from its investment in the Shriram group during FY21 which will further deleverage its balance sheet and provides comfort.
The parent company, PEL on consolidated level has raised debt resources to the tune of ~Rs.13,500 crore during FY20 and ~Rs.14,300 crore during FY21 (of which PCHFL has raised nearly ~Rs.7,000 crore) till December 31, 2021 largely from public sector banks in recent times and has been able to refinance the immediate terms maturities.

Shared brand name and common treasury between PEL and PCHFL
PCHFL benefits from group synergies in the form of shared 'Piramal' brand name, capital, managerial and operational support from the parent. PCHFL also benefits from the real estate expertise of Piramal Group. The financial services companies of the group have a shared treasury desk, which is responsible for raising resources for the financial services segment. The common treasury help's PCHFL to raise resources to fund growth at a competitive rates.

Experienced board of directors and management team
The company's board is headed by Mr. Ajay Piramal who is the promoter and Chairman of the Piramal group. The company has a strong Board of Directors comprising experienced professionals. The company's management team comprises of qualified professionals heading different business verticals with adequate and relevant experience in their respective fields.

Significant presence in the real estate finance space with gradual but limited diversification
The loan portfolio of PEL – Financial Services businesses has grown from Rs.4,766 crore as on March 31, 2015 to Rs.Rs.50,963 crore as on March 31, 2020. The group has gradually diversified its loan book in past few years, which can be witnessed by introduction of newer products including project finance, lease rental discounting, corporate finance, emerging corporates, and retail housing loan.
As on March 31, 2020, PCHFL's exposure to real estate segment constituted 74% of the total loan portfolio and PCHFL remains one of the largest non - bank real estate financiers in India with real estate loan book of Rs.24,772 crore. Real estate finance largely comprises of construction finance and corporate loans at 48% and 23% of total loan portfolio while LRD stands at 2%. Post the merger into HFC and scale up of retail home loan book, PCHFL has seen gradual diversification and the proportion of housing loan portfolio increased to 16% as on March 31, 2020 (March 31, 2019: 14%) as against 3% as on March 31, 2018. The loan portfolio also comprises of 7% of Corporate Finance Group (March 31, 2019: 14%) and 2% of Emerging Corporate Lending (March 31, 2019: 2%) as on March 31, 2020. Over the years, through its experience, the group has developed expertise in the real estate business which helps its financial services business through providing valuable insights in funding real estate projects.

As on September 30, 2020, the loan book comprised of Real estate loan book (78% of PCHFL's overall loan portfolio), CFG book comprising (6%), Emerging corporate lending (2%) and Housing Loans at (14%). Going forward, the group further intends to focus on retail loans (including housing finance loans to affordable and mid segment) in the overall loan portfolio and plans to enter consumer finance business to increase the granularity of the loan book. CARE expects the group to significantly increase the proportion of retail loan book in overall loan book in medium term.

Adequate capitalization and comfortable gearing levels

PEL has been raising equity capital and has been providing growth capital to the financial services business including PCHFL. Out of the around Rs.7,000 crore of equity capital raised by PEL in FY18, Rs.3,500 crore was infused as equity capital in PCHFL in FY18 which helped the company strengthen its capitalization levels. During FY20, PEL further raised nearly Rs.14,500 crore of capital (including Rs.5,400 crore of fresh equity) from which it infused Rs.1,400 crore into PCHFL to strengthen its capitalisation levels.

PCHFL reported tangible net-worth of Rs.10,195 crore as on March 31, 2020 (March 31, 2019: Rs.9,216 crore). The company reported capital adequacy ratio (CAR) of 34.89%, which is well above regulatory requirement, with Tier I CAR at 32.06% as on March 31, 2020 and overall gearing levels stood at 2.87 times (March 31, 2019: 3.51 times). As on December 31, 2020, PCHFL reported CAR of 35.62% (Tier I CAR: 32.83%) and overall gearing of 2.42 times.

PEL (consolidated) has been raising capital and reducing the leverage at the group level over the last two years. PEL (consolidated) reported net-worth of Rs.35,467 crore as on December 31, 2020 with Gross debt of Rs.36,992 crore leading to overall gearing of 1.04 times as compared to net-worth of Rs.27,233 crore and Gross debt of Rs.56,040 crore with overall gearing of 2.06 times as on March 31, 2019. The net debt post Pharma deal inflow stands at Rs.33,457 crore as on October 06, 2020 (provisional).

Diversified resource profile and adequate liquidity profile

The company has a diversified resource profile with PCHFL's borrowing comprising of bank borrowings (56%), Non Convertible Debentures (23%), ICDs (9%), ECB's (2%) and Securitization (7%) as on September 30, 2020 while funding through Commercial Paper reduced to 3% from 15% of its total borrowings as on March 31, 2019. PCHFL's liquidity profile as on September 30, 2020 was adequate on account of PCHFL's policy to maintain adequate unutilized bank lines as well as liquid investments which would help them to manage liquidity requirements. The company has raised Rs.6,565 crore of long term funds during H1FY21, largely from public sector banks, coupled with meagre disbursements as compared to FY20 which has led to positive asset liability profile as on September 30, 2020. The company had free cash & equivalent of Rs.4,166 crore as on September 30, 2020.

Key Rating Weaknesses

Moderately seasoned loan book

The Piramal group has largely built its wholesale loan portfolio post FY16 due to which the seasoning of the loan book is moderate and the performance of the asset quality over multiple business cycles is yet to be seen.

Also, the majority of housing portfolio of Rs.5,503 (March 31, 2019: Rs.5,204 crore) as on March 31, 2020, has been disbursed over post FY17 and the performance of the same is yet to be seen over multiple economic and business cycles.

Moderation in profitability, largely on account of one-time provisioning of Rs.1,249 crore for expected credit loss

During FY20, the company reported Profit After Tax (PAT) of Rs.30.5 crore on total income of Rs.5,623 crore as against PAT of Rs.1,443 crore on total income of Rs.5,572 crore during FY19. While the pre-provisioning operating profit decreased by 24% during FY20 to Rs.1,778 crore. During Q4FY20, the company made one-time incremental conservative provisioning for expected credit loss on account of current macro situation in light of COVID-19 resulting in significant decline in profit for FY20. Further, the company has written off accumulated MAT credit of Rs.504.61 crore on account of selection of lower tax at 25.168% and reversed deferred tax liabilities of Rs.131.74 crore through P&L thus resulting into one-time expense of Rs.372.86 crore.

During 9MFY21 (unaudited), the company reported PAT of Rs.1,065 crore on total income of Rs.3,921 crore. The profitability for Q4 of FY21 would largely depend on the actual credit loss and provisioning requirement for Covid related stress.

Moderation in asset quality

The group has put in place strong risk management practices, rigid underwriting norms and set up an asset monitoring division for continuous monitoring of the loan portfolio which has led to the company posting moderate asset quality parameters, even in current difficult macro operating environment for wholesale lending NBFCs. As on March 31, 2020, the company reported some deterioration in asset Quality with Gross NPA ratio of 2.12%, Net NPA ratio of 1.37% and Net NPA to Net worth ratio of 4.67%. As on December 30, 2020, the company reported Gross NPA ratio of 2.58% and Net NPA ratio of 1.26% with Net NPA to Net worth ratio of 3.64%.

During the initial months of lockdown, the financial services business saw borrowers opting for moratorium under regulatory relief. Around 67% of the wholesale portfolio and 25% of the retail portfolio were under moratorium as on May, 2020 (moratorium 1) and around 74% of the wholesale portfolio and 25% of the retail portfolio were under moratorium as on August, 2020 (moratorium 2).

The economic slowdown, lower sales/construction/collection by real estate developers during lockdown and moratorium availed by them under regulatory relief package for Covid-19, affected the collections of the company in absolute numbers. While the construction activity has resumed post lifting of lockdown, along with increase in sales in September / October as compared to lockdown months, the sustenance of the same needs to be seen. While the company's scheduled collections had seen a severe decline during April - August period, as significant portion of book had availed 6 month moratorium under regulatory relief package for Covid-19, the company managed to receive some pre-payment from its loan book during April - August.

The company's collection has seen an uptick in Q3FY21 with retail and wholesale efficiency improving significantly over previous months, on account of revival in sales and collections of its funded projects but it is too early to comment on revival of real estate demand as whole and hence it will be key monitorable going forward.

In past few years, company has been able to exit some of its exposures by way of pre-payments as the borrower has either refinanced the exposure or brought in equity or have been able to sell the projects. In recent times, the real estate has seen downturn resulting in decline in sales across geographies. Although on consolidated financial services business level, the company has adequate provisioning for NPAs as on date, a prolonged downturn in the real estate industry may impact the asset quality of the company and will remain key monitorable going forward.

Significant sectorial exposure primarily to real estate sector

PCHFL's loan portfolio has high exposure to the real estate as it has been the focus for the Piramal Group's financial services business. Though, the exposure has seen gradual diversification, it constituted 75% of the overall loan book as on March 31, 2020. Within real estate, the company has majority of exposure to Construction finance (including corporate loans) to large and mid-sized developers. The real estate exposure stood at 78% of total loan book as on September 30, 2020. The increase in real estate concentration is largely on account of significant reduction in non Real estate loan book over past 6 months and real estate exposures sell down deals traction took a hit on account of lockdown.

The continued stress in real estate may pose asset quality challenges going forward. In general, PCHFL's Real estate loans typically had principal moratorium of 6 months and above (depending on loan to loan basis). The group has established a strong developer network along with real estate research arm which has benefited the company to invest and exit the exposure at various stages which provides comfort.

The group has plans to reduce the proportion of wholesale lending portfolio while increasing the proportion of retail lending in the medium term. The group has plans to significantly reduce its wholesale lending portfolio by around 15-20% by end of FY21 (as compared to September 30, 2020), largely on account of reduction in real estate exposures via prepayment / selldown / refinance of exposures.

Client concentration risk in the loan portfolio

As on March 31, 2020, the loan book of PCHFL is largely wholesale in nature and has significant borrower concentration. PCHFL's top 10 group exposures in real estate sector constituted around 106% (March 31, 2019: 120%) of the tangible net worth as on March 31, 2020 and 100% of tangible net worth as on September 30, 2020. CARE has noted that PCHFL plans to bring down the top exposures down in near term.

The company is expected to ramp up its housing finance business as well as consumer finance lending products (expected to be launched in H2FY21), which is expected to increase the granularity of the portfolio. The pace of diversification and de-risking of portfolio will remain key monitorable.

Analytical approach: CARE has analyzed PCHFL's standalone credit profile along with its managerial, operational and financial linkages with its parent, PEL.

Applicable Criteria

Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's policy on default recognition
Rating Methodology: Factoring Linkages in Ratings
Rating Methodology- Housing Finance Companies
Financial Ratios- Financial Sector
Criteria for Short Term Instruments

Liquidity Position: Comfortable

As per the asset liability maturity (ALM) statement as on September 30, 2020, PCHFL on a standalone basis has cumulative outflows of around ~Rs.10,600 crore over the next 12 months against which it had inflows of ~Rs.15,800 crore (including free

cash and equivalent of ~Rs.4,166 crore). The company has received Rs.2,666 crore capital support from parent by the way of ICD as on September 30, 2020.
As on December 31, 2020, the free cash & equivalent stood at Rs.1,712 crore.

About the Company
PCHFL [erstwhile Piramal Housing Finance Limited (PHFL)] is a housing finance company, incorporated in February 2017 as wholly owned subsidiary of Piramal Finance Limited. With effect from March 31, 2018, Piramal Finance Limited and Piramal Capital Limited have amalgamated with Piramal Housing Finance Limited and subsequently, the name of the entity has changed to Piramal Capital & Housing Finance Limited. PCHFL has become a wholly owned subsidiary of Piramal Enterprise Limited (PEL) and is the flagship entity of the group's financial services business.

Piramal Capital & Housing Finance Limited

Brief Financials (Rs. crore)$	FY19	FY20
	12m, A	*12m, A*
Total income	5,572	5,623
PAT	1,443	30
Total Assets (adjusted for Intangible assets)	41,808	40,502
Net NPA (%)	0.14	1.37
ROTA (%) (PAT/Average Tangible Total Assets)	3.82	0.07

A: Audited; All ratios are as per CARE's calculation
$ (IND AS)

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Public issue of Non-Convertible Debentures	Proposed	-	-	-	2,000	CARE AA (Under Credit Watch with Developing Implications)

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-convertible debentures	LT	460.00	CARE AA (Under Credit Watch with Developing Implications)	1) CARE AA (Under Credit Watch with Developing Implications) (28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (07-Oct-20) 4) CARE AA; Stable (28-Apr-20)	1) CARE AA; Stable (05-Jul-19)	1) CARE AA+; Stable (22-June-18)	-
2.	Subordinate Debt	LT	500.00	CARE AA (Under Credit Watch with Developing	1) CARE AA (Under Credit Watch with	1) CARE AA; Stable (05-Jul-19)	1) CARE AA+; Stable (22-June-18)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
				Implications)	Developing Implications) (28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (07-Sep-20)			
3.	Non-convertible debentures	LT	7,500.00	CARE AA (Under Credit Watch with Developing Implications)	1) CARE AA (Under Credit Watch with Developing Implications) (28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (07-Oct-20) 4) CARE AA; Stable (28-Apr-20)	1) CARE AA; Stable (05-Jul-19)	1) CARE AA+; Stable (06-Aug-18)	-
4.	Long term bank facilities	LT	31,100.00	CARE AA (Under Credit Watch with Developing Implications)	1) CARE AA (Under Credit Watch with Developing Implications) (28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (28-Apr-20)	1) CARE AA; Stable (05-Jul-19)	1) CARE AA+; Stable (13-Feb-19) 2) CARE AA+; Stable (06-Aug-18)	-
5.	Commercial Paper issue	ST	5,000.00	CARE A1+	1) CARE A1+ (28-Jan-21) 2) CARE A1+ (11-Dec-20) 3) CARE A1+ (28-Apr-20)	1) CARE A1+ (05-Jul-19)	1) CARE A1+ (06-Aug-18)	-
6.	Short-term Inter Corporate Deposits	ST	500.00	CARE A1+	1) CARE A1+ (28-Jan-21) 2) CARE A1+ (11-Dec-20) 3) CARE A1+ (07-Oct-20)	1)CARE A1+ (05-Jul-19) 2)CARE A1+ (24-Apr-19)	-	-
7.	Subordinate Debt (Tier II)	LT	1,000.00	CARE AA (Under Credit Watch with Developing Implications)	1) CARE AA (Under Credit Watch with Developing Implications)	1)CARE AA; Stable (05-Jul-19 2)CARE AA+; Stable	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
					(28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (07-Sep-20)	(29-May-19)		
8.	Non-convertible debentures	LT	3,000.00	CARE AA (Under Credit Watch with Developing Implications)	1) CARE AA (Under Credit Watch with Developing Implications) (28-Jan-21) 2) CARE AA; Stable (11-Dec-20) 3) CARE AA; Stable (07-Sep-20)	-	-	-
9	Market Linked Debentures	LT	600.00	CARE PP-MLD AA (Under Credit Watch with Developing Implications)	1) CARE PP-MLD AA (Under Credit Watch with Developing Implications) (12-Feb-21)	-	-	-
10	Public Issue of Non Convertible Debentures	LT	2,000	CARE AA (Under Credit Watch with Developing Implications)	-	-	-	-

Annexure-3: Complexity Level of various Instruments rated of this company

Sr. No.	Name of Instrument	Complexity Level
1.	Non Convertible Debentures	Simple
2.	Subordinate Debt	Complex
3.	Long Term Bank Facilities	Simple
4.	Commercial Paper Issue	Simple
5.	Short-term Inter Corporate Deposits	Simple
6.	Market Linked Debentures	Highly Complex

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications*

Contact us

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Tel: - +91-22-6754 3429
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About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

No. CARE/HO/RL/2021-22/1582
Shri Lalit Ostwal
Head - Treasury
Piramal Capital & Housing Finance Limited
(Erstwhile known as Piramal Housing Finance Ltd)
2nd Floor, Piramal Tower, G K Marg,
Lower Parel, Mumbai,
Maharashtra 400013.

June 23, 2021

Confidential

Dear Sir,

Credit rating for proposed Public issue of Non-Convertible Debenture issue

Please refer to our letter no. CARE/HO/RL/2021-22/1183 dated April 26, 2021, and your request for revalidation of the rating assigned to the Public issue of Non-Convertible Debentures of your company, for a limit of Rs.2,000.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	2,000.00	CARE AA (CWD) (Double A) (Under Credit watch with Developing Implications)	Assigned
	Total Instruments	2,000.00 (Rs. Two Thousand Crore Only)		

3. CARE will take a view on the ratings once the exact implications of the announcement related to PCHFL being declared as successful resolution applicant for DHFL, under the corporate insolvency resolution process for DHFL, on the credit risk profile of the company are clear.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Dharmesh Minesh Gandhi
Lead Analyst
dharmesh.gandhi@careratings.com

Aditya R Acharekar
Associate Director
aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

ANNEXURE C

CONSENT OF THE DEBENTURE TRUSTEE

[*This page has been intentionally left blank*]

No. 19477-A/ITSL/OPR/CL/20-21/DEB/726
Date: March 19, 2021

Consent from the Debenture Trustee to the Issue

To,

The Board of Directors
Piramal Capital & Housing Finance Limited
4th Floor, Piramal Tower
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400 013

Sub: Proposed public issue by Piramal Capital & Housing Finance Limited (the "Company") of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("NCDs") (the "Issue")

Dear Sirs,

We, the undersigned, do hereby consent to act as debenture trustee to the Issue and to our name being inserted as the debenture trustee to the Issue in (i) the draft shelf prospectus ("**Draft Shelf Prospectus**") / draft prospectus ("**Draft Prospectus**") which the Company intends to file with the [BSE Limited, the ("**BSE**") for the purpose of receiving public comments, the National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**")] and submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the shelf prospectus ("**Shelf Prospectus**") / prospectus ("**Prospectus**") proposed to be filed with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") and submitted to SEBI and the Stock Exchanges in relation to the Issue ("**Shelf Prospectus**"); (iii) one or more tranche prospectus proposed to be filed with the RoC and submitted to SEBI and the Stock Exchanges in relation to the Issue ("**Tranche Prospectus**"); (iv) the abridged prospectus; and (v) all related advertisements and the subsequent communications sent to the holders of NCDs pursuant to the Issue. The NCDs are proposed to be listed on the Stock Exchanges.

We also authorise you to deliver a copy of this letter of consent to the RoC pursuant to Section 26 of the Companies Act, 2013, as amended, the SEBI, the Stock Exchanges and any other regulatory authorities as may be required. The following details with respect to us may be disclosed:

Logo: IDBI trustee
Name: IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel: (91) (22) 40807000
Fax: (91) (22) 6631 1776
Email: response@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Nikhil Lohana / Mr. Gaurav Jeswani
Compliance Officer: Mr. Jatin Bhat
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in **Annexure A**. We also certify that our registration is valid as on date and that we have not been prohibited by SEBI or any other regulatory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as an intermediary by any regulatory authority, court or tribunal. We further confirm that no enquiry/investigation is presently being conducted by SEBI on us.

We confirm that we will immediately inform, in writing, the Company and the lead managers to the Issue ("**LMs**") of any changes to the information stated in this letter till the date the NCDs commence trading on the Stock

Exchanges pursuant to the Issue. In the absence of any such communication, the information stated in this letter should be taken as accurate and updated information until the NCDs commence trading on the Stock Exchanges pursuant to the Issue.

We also confirm that we are not an associate of the Company in terms of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended.

We further confirm that the information in relation to us in this certificate together with the annexures is true and correct.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

This letter may be relied upon by the Company, LMs and the legal advisors appointed by the Company and the LMs in respect of the Issue.

Yours faithfully,

For IDBI Trusteeship Services Limited

Gaurav

Authorised Signatory
Name: Gaurav Jeswani
Designation: Asst. Manager

Cc:

Lead Managers

A. K. Capital Services Limited
30-38, Free Press House, 3rd Floor
Free Press Journal Marg
215, Nariman Point
Mumbai – 400 021

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai - 400 025

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 05

Legal Counsel to the Issue

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg Lower Parel
Mumbai 400 013

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

Annexure A

No. 19477-B/ITSL/OPR/CL/20-21/DEB/726
Date: March 19, 2021

TO WHOMSOEVER IT MAY CONCERN

Sub: Proposed public issue by Piramal Capital & Housing Finance Limited (the "Company") of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("NCDs") (the "Issue")

1. SEBI Registration number:	IND000000460
2. Date of registration / renewal of registration:	14.02.2017
3. Date of expiry of registration:	Permanent Registration
4. If applied for renewal, date of application:	N.A
5. Any communication from SEBI prohibiting [name of certifying entity] from acting as [debenture trustee to the offer]:	None
6. Any enquiry/investigation being conducted by SEBI:	None
7. Details of any penalty imposed	None

For **IDBI Trusteeship Services Limited**

Authorised Signatory
Name: Gaurav Jeswani
Designation: Asst. Manager